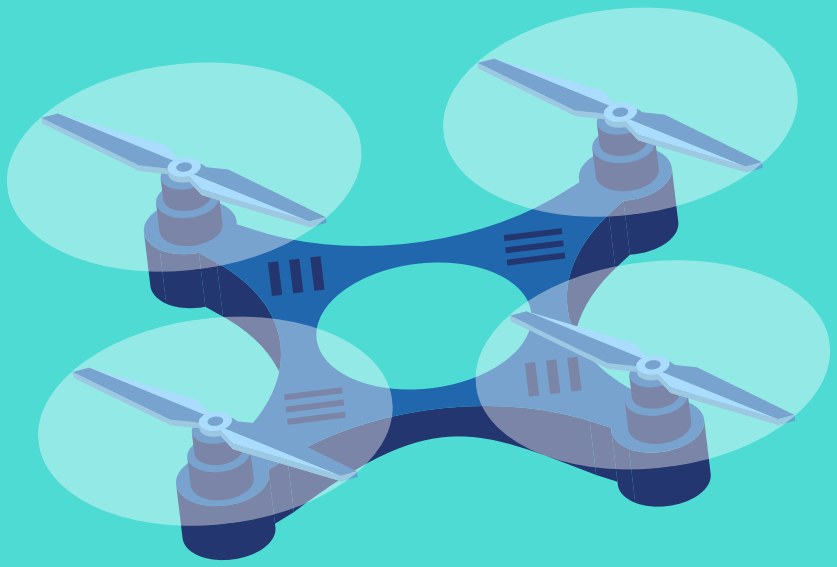
ZURICH

Zurich Insurance Group
Annual Report 2025



What do you *see*?

Look carefully at the drone hovering over the front cover of our 2025 Annual Report.

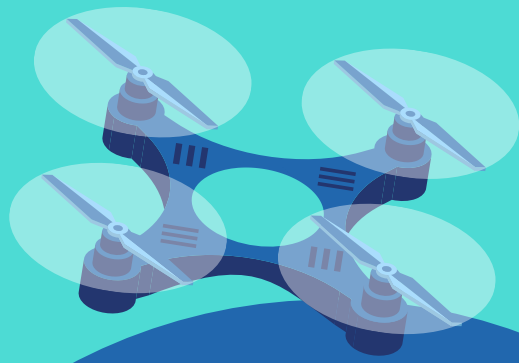
Is it a toy? A device of leisure and curiosity.
Is it a threat? An instrument of risk and conflict.
Is it a tool? A valuable asset for insight and resilience.

A single technology can carry many futures. Technology is rarely good or bad. It's how we use it that defines its impact. At Zurich, we use drones as tools of resilience. Combined with AI and high-resolution imagery, they give our risk engineers a clearer view from above, turning uncertainty into insight, and insight into action.

No matter how unpredictable the world becomes, our commitment is to help you see what matters the most, with confidence.

The future is uncertain.

We're not.



Case studies

Discover how we are turning the future's unpredictability into our greatest strength.

Jump to this year's feature stories:
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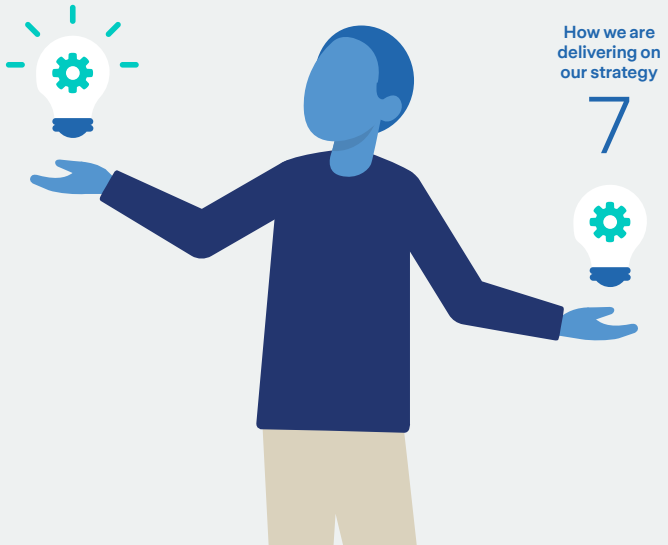
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We're not.

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Zurich Insurance Group (Zurich) is a leading global multi-line insurer founded more than 150 years ago, which has grown into a business serving more than 82 million customers in more than 200 countries and territories, while delivering industry-leading total shareholder returns.

Reflecting its purpose to 'create a brighter future together,' Zurich offers protection services that go beyond traditional insurance, to support its customers in building resilience. Since 2020, the Zurich Forest project has supported reforestation and biodiversity restoration in Brazil's Atlantic Forest.

The Group has more than 65,000 employees and is headquartered in Zurich, Switzerland. Zurich Insurance Group Ltd (ZURN), is listed on the SIX Swiss Exchange and has a level I American Depositary Receipt (ZURVY) program, which is traded over-the-counter on OTCQX.

Further information is available at:
www.zurich.com

Message from our Chairman and Group CEO

Our disciplined strategy execution and strong governance keep us thriving in an uncertain world



The past year once again demonstrated how rapidly the world can shift. Geopolitical tensions, extreme weather, economic uncertainty and the accelerating impact of AI introduced new layers of complexity – and new forms of risk.

Yet within this landscape, opportunity continues to emerge. Periods of change create space for innovation, for deepening customer relationships, and for capturing new avenues of growth. At Zurich, we see opportunity in risk, and 2025 was no exception. Our performance confirms that even in times of uncertainty, Zurich continues to deliver with consistency and confidence.

Setting new records

For the full year 2025, Zurich delivered its highest-ever business operating profit (BOP) of USD 8.9 billion and net income attributable to shareholders of USD 6.8 billion, reflecting record earnings across Property & Casualty, Life, and Farmers. Core ROE[1] reached 26.9 percent, and Core earnings per share[2] rose 13 percent to USD 45.1.

> **“Zurich’s strategy is robust across market cycles and resilient in the face of volatility.”**

1 Previously referred to as BOPAT ROE. Business operating profit after tax (BOPAT) divided by average shareholders’ equity excluding unrealized gains and losses.
2 Business operating profit after tax (BOPAT) divided by the weighted average number of shares (diluted).

This outstanding performance demonstrates that Zurich’s strategy is robust across market cycles and resilient in the face of volatility. With a strong start to the 2025–2027 cycle, we are firmly on track to meet our financial targets while continuing to generate sustainable value for all stakeholders.

With this strong set of results and our outstanding capitalization, the Board will propose a 7 percent increase in the dividend to CHF 30 per share.

Property & Casualty

Our P&C business achieved a record BOP of USD 5.1 billion, up 22 percent. The combined ratio improved by 1.6 percentage points to 92.6 percent, with insurance revenues rising by 8 percent to USD 48.2 billion and gross written premiums (GWP) reaching USD 50.4 billion.

Our Commercial Insurance business increased BOP by 12 percent to USD 3.8 billion, driven by continuous disciplined portfolio management and strong premium growth in the Middle Market and Specialty segments, while also benefiting from a benign natural catastrophe season.

Our Retail business delivered exceptional progress, with BOP up 50 percent to USD 1.5 billion, supported by an improvement in the combined ratio of 2.1 percentage points to 94.4 percent. This reflects more sophisticated pricing, better risk selection, and higher earned premium rates.

Message from our Chairman and Group CEO

“Even in times of uncertainty, Zurich continues to deliver with consistency and confidence.”

Life

Our Life business delivered an excellent performance, raising BOP by 2 percent to USD 2.3 billion – an underlying increase of 10 percent excluding prior-year one-offs. New business premiums and gross premiums[1] increased 14 percent and 7 percent, respectively, on a like-for-like basis[2], reflecting stronger sales of capital-efficient savings products and protection solutions.

The Protection business, which drives almost 60 percent of the Life BOP, saw GWP[1] increase 5 percent on a like-for-like basis[2], with growth accelerating to 7 percent in the second half of 2025, further reinforcing the strength of our market positioning.

Farmers

Farmers posted its strongest-ever BOP of USD 2.4 billion, with Farmers Management Services contributing a record USD 2.2 billion. This is a 4 percent increase compared with the prior year, reflecting the robust growth at the Farmers Exchanges[3] and an increased contribution from Agency Brokerages.

The Farmers Exchanges[3], which are owned by their policyholders, continued to make excellent progress in 2025, delivering for the first time in 10 years a net increase in policy counts of more than 150,000, with momentum accelerating throughout the year. Strong underwriting discipline led to a combined ratio of 84.6 percent, an improvement of 6.8 percentage points.

A strong capital and cash position

Zurich’s capital position remains very strong. As of December 31, 2025, our Swiss Solvency Test (SST) ratio was estimated at 259 percent[4], up from 253 percent a year earlier. With cash remittances of USD 7.4 billion, our balance sheet strength is supported by disciplined risk management, diversified earnings, and robust financial flexibility.

Our people: foundation of our success

In a year defined by rapid change and heightened uncertainty, the ingenuity and commitment of our people made the difference. Their expertise, resilience, and customer focus underpin every aspect of our success. We remain committed to investing in their development, fostering an inclusive culture, and equipping our teams with the skills and tools needed to thrive in a fast evolving landscape. To all our colleagues around the world, thank you for your dedication and exceptional work.

We are equally thankful to our customers, whose continued trust and loyalty strengthen our position and motivate us to keep improving. Their confidence in Zurich is a responsibility we take seriously.

And to our shareholders, thank you for your continued support. It strengthens our long-term foundations and supports the ambitions we have set for the years ahead.

Our strength lies in disciplined strategy execution and sound governance. These qualities enable us to navigate volatility and create sustainable value for all stakeholders. As we move forward, we remain committed to supporting our customers and communities – confident in our ability to lead with clarity and purpose, no matter what lies ahead.

The future may be uncertain, but Zurich is not.

Yours sincerely,



Michel M. Liès
Chairman of the Board of Directors

Mario Greco
Group Chief Executive Officer



Our financial strength underpins our long-term future

Learn more about our strategy, our 2025–2027 priorities, and how we’re unlocking strategic growth opportunities.

Read more about our strategy: Page 7

1 Gross written premiums for Protection, gross policyholder inflows (incl. deposits) for all other lines of business (including investment and asset management contracts)
2 Like-for-like comparisons represent the change in local currencies after adjusting for acquisitions, disposals, methodological changes, and the transfer of a Life portfolio to Non-Core Businesses.
3 Zurich Insurance Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc., a wholly owned subsidiary of the Group, and certain of its subsidiaries, provide certain non-claims and ancillary services to the Farmers Exchanges as their attorney-in-fact and receives fees for their services.
4 Estimated Swiss Solvency Test (SST) ratio as of December 31, 2025, 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.

Our performance

Thriving in a changing environment – maintaining a strong position and outlook

Zurich delivered record earnings across all businesses in 2025, underscoring the strength of its diversified portfolio, disciplined approach to underwriting and operational excellence, which positions it well for sustainable and profitable organic growth.



USD 8.9bn
Business operating profit (BOP)

26.9%
Core ROE[1]

USD 7.4bn
Net cash remittances

CHF 30.00
Proposed dividend per share[2]

USD 178bn
Total investments[3]

SST 259%
Swiss Solvency Test ratio (SST) estimated as of December 31, 2025[4]

>82 million
Total customers

USD 6.8bn
Net income attributable to shareholders (NIAS)

USD 27.4bn
Total paid on claims[5]

1 Shareholders' equity used to determine ROE and Core ROE includes net unrealized gains/(losses) on financial assets, net change in discount rate for (re-) insurance contracts and net change in fair value of underlying items through OCI. Core ROE was previously referred to as BOPAT ROE.
2 Proposed dividend, subject to approval by shareholders at the Annual General Meeting, expected payment date as from April 14, 2026. Gross dividend, subject to 35 percent Swiss withholding tax.
3 Market value of the investment portfolio (economic view). See page 271 for further details.
4 Estimated Swiss Solvency Test (SST) ratio as of December 31, 2025, 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.
5 Total paid on closed and outstanding claims, before reinsurance. Excludes Zurich Santander Insurance America, S.L. and its subsidiaries, the Bansabadell insurance entities, Zurich Cover-More, and Farmers.

Our strategy

Executing on our 2025–2027 priorities

We are on track to deliver on our 2025–2027 three-year plan, which sets out the most ambitious targets in Zurich's history. With disciplined strategy execution, we are raising the bar across our Commercial, Retail, Life and Farmers businesses.

Our plan focuses on delivering strong results, building a resilient business, and positioning Zurich for long-term success in a changing world. We are prioritizing structural growth in Specialty, Middle Market, and Life Protection, building on our proven track record and strengths.

We believe this focused approach will help us capture new opportunities, enhance our cash generation, and deliver strong returns for our shareholders.

Business targets

Commercial

BOP >USD 4.2bn in full-year 2027

Middle Market GWP[2] >USD 10bn in full-year 2027

Retail

Return to long-term level of profitability

Accelerate focus on customer loyalization

Life

Grow protection GWP by 8% CAGR

Farmers

Continue the transformation enabling sustainable growth at Farmers Exchanges[1]

Financial targets 2025–2027

Core EPS[3] CAGR
>9%

Core ROE[4]
>23%

Cash remittances
>USD 19bn cumulative

Subject to an SST ratio[5] floor of
160%

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 Middle Market business includes North America Program business, Excess & Surplus and Middle Market business sourced through other business units.
3 Core earnings per share (EPS) in USD based on business operating profit after tax (BOPAT).
4 Business operating profit after tax (BOPAT) divided by average shareholders' equity excluding unrealized gains and losses.
5 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 December 31 has to be filed with FINMA by the end of April in the subsequent year and is subject to review by FINMA.

Our strategy

Unlocking strategic growth opportunities

We're driving structural growth by leveraging our competitive strengths and proven track record. We're accelerating innovation and expanding our impact across Specialty, Middle Market, and Life Protection where our expertise sets us apart.

Specialty: Mastering complexity

Specialty lines represent a significant growth opportunity for Zurich. Global trends in infrastructure, technology, and energy transition are increasing demand for complex insurance solutions. These specialty lines of business – including construction and engineering, financial lines, energy, cyber and marine – require deep expertise and are likely to enjoy stable earnings with attractive returns.

Zurich is already among the leading providers in this market, managing a USD 9 billion specialty portfolio supported by more than 1,200 specialist underwriters, 400 risk engineers, and 4,000 claims professionals.

Our decades-long investment in data and underwriting capabilities enables us to serve customers globally and deliver consistent, superior underwriting results.

To unlock further growth, we have established a new Global Specialty business unit. This structure allows us to centralize investment, foster collaboration, and develop talent across our specialty lines. By deploying resources where they are needed most and introducing competitive compensation programs, Zurich is well positioned to capture future opportunities in the specialty lines market.

Middle Market: Unlocking potential

Midsize companies are engines of innovation and economic growth, but they often lack the risk management resources of larger firms. As a result, they need tailored insurance solutions and expert guidance to manage evolving risks.

Zurich is ideally positioned to serve these needs. Our strong technical and operational foundation gives us a competitive edge in the fragmented Middle Market segment, which offers higher growth, better margins, and less volatility – making it a key strategic focus.

Zurich has achieved consistent, profitable double-digit growth in Middle Market insurance across the U.S. and globally over the past four years. This reflects our expansion into fast-growing regions and industries, investments in underwriting expertise and top talent, and adoption of AI to deliver innovative risk solutions efficiently.

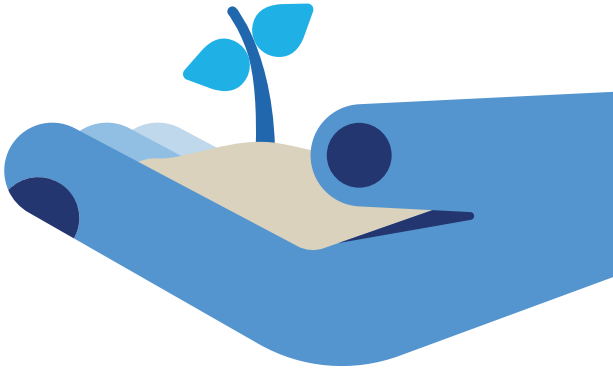
Leveraging our capital strength, trusted brand, and close relationships with customers and brokers, Zurich is set to unlock even greater value in this attractive market. We are on track to grow Middle Market gross written premiums to more than USD 10 billion by 2027, as outlined in our 2025–2027 plan.

Life and Life Protection: Expanding global impact

Life is a key pillar of our strategy, contributing around a quarter of the Group's business operating profit and delivering attractive and predictable revenue streams. We are on track to profitably grow this business and achieve our target of increasing Life Protection premiums by 8 percent annually between 2025 and 2027.

Global protection and savings gaps are widening as economic and demographic shifts place greater responsibility on individuals for their own financial wellbeing. This creates significant opportunities for insurers to help customers, whether individually or through their employers, secure their future.

To capture this growth, we have established a new Life, Health and Bank Distribution unit. This unit strengthens our capabilities in Life product development, pricing, underwriting and claims, while leveraging data analytics and AI across the value chain to improve customer experience and efficiency. By combining global expertise with advanced technology, Zurich is well positioned to meet changing customer needs and deliver sustainable, profitable growth in Life.



Our strategy

Creating stakeholder value through strategic discipline



Our customer-focused strategy has underpinned Zurich's achievements over the past three financial cycles and remains central to our performance in the 2025–2027 plan.

Customers
Zurich's ambition is to be the insurer of choice by building meaningful relationships with customers and earning their loyalty.

Simplification
We are simplifying our business and operations, reducing unnecessary complexity to make better use of resources.

Innovation
We are evolving to continue to meet customers' expectations and needs.

Building on three cycles of successful delivery, we continue to strengthen our foundation and drive sustainable growth.

The disciplined execution of our strategy helps Zurich to remain resilient, adaptable, and competitive. By focusing on our core strengths and embracing innovation, we are well placed to deliver on our targets and create lasting value for all stakeholders.

Delivering a strong track record

Targets[1]	2017–2019	2020–2022	2023–2025	2025–2027
ROE[2,3]	BOPAT ROE >12%	BOPAT ROE >14%	BOPAT ROE >20%	Core ROE >23%
EPS CAGR	–	≥5%	8%	Core EPS[4] >9%
Cash remittances (cumulative)	>USD 9.5bn	>USD 11.5bn	>USD 13.5bn	>USD 19bn
Expense savings	USD 1.5bn	–	–	–
Solvency	Z-ECM 100%–120%	SST ≥160%	SST ≥160%	SST (floor) ≥160%
Status	Exceeded	Exceeded	Exceeded	On track

1 Targets based on IFRS 17 for the 2023–2025 and 2025–2027 periods, and based on IFRS 4 for the previous periods.
2 Business operating profit after tax divided by average shareholders' equity adjusted for net unrealized gains/losses and cash flow hedges. Starting from full-year 2024, average shareholders' equity is based on semi-annual data points (instead of quarterly).
3 Shareholders' equity used to determine ROE and Core ROE includes net unrealized gains/(losses) on financial assets, net change in discount rate for (re-)insurance contracts and net change in fair value of underlying items through OCI. Core ROE was previously referred to as BOPAT ROE.
4 Core earnings per share (EPS) in U.S. dollars based on business operating profit after tax (BOPAT). For reference, 2024 core EPS was USD 40.1.

Our strategy – **Spotlight on AI**



Delivering better customer outcomes by leading with innovation

Artificial intelligence is our catalyst for reimagining insurance – delivering smarter, faster, and truly personal solutions.

Case study

AI-powered aerial imagery transforms property underwriting

In the U.S., Zurich's Middle Market team collaborated with Nearmap to integrate high-resolution aerial imagery and AI-driven roof scoring into its underwriting workflow. The tool helps underwriters assess property risks more accurately and quickly – flagging damage, property upgrades and exposure concerns in seconds. Already live across the U.S., Nearmap is designed to support better risk selection, faster quoting and tailored pricing, especially in locations with wind and hail exposure.





Case study

AI that listens: Zurich Voice IQ drives customer loyalty

Zurich's Voice IQ, powered by GenAI, is helping us build stronger customer relationships. By analyzing thousands of customer calls, Voice IQ gives our call center teams real-time, tailored suggestions and identifies the most effective products and approaches. This lets us offer customers highly personalized retention solutions, showing we understand what matters to them. At Sabadell Seguros, our partnership with Banco Sabadell in Spain, retention rates increased by 20 percent. This success earned a Qorus Award for Innovation in Insurance 2025 as GenAI Innovator of the Year.

Case study

Zurich's AI Lab: Scaling innovation

Zurich has established a new AI Lab through a joint initiative with ETH Zurich and the University of St. Gallen. A multidisciplinary team, based in Zurich, St. Gallen, and Singapore, is focused on developing scalable AI solutions for real-world insurance challenges, redefining customer expectations, and aims to set new standards for responsible innovation.

"With AI advancing rapidly, we're adapting our strategy to drive transformation at the core of our business and shape what's next," says Ericson Chan, Group Chief Information and Digital Officer. "By actively exploring the next wave of agentic AI opportunities, we can deliver meaningful impact for our customers and operations, while building a knowledgeable, future-ready workforce."

460

AI use cases in practical application or in production across the Group: from claims automation to fraud detection.

Our strategy – **Spotlight on cyber resilience**

Unlocking the potential of AI by preparing for the unknown

You can't unlock the potential of AI without cyber resilience. Zurich is making it possible for businesses of every size.



Case study

Cyber resilience for Deutsche Telekom customers

Zurich Germany and Deutsche Telekom jointly launched a new cyber insurance solution for Deutsche Telekom's medium-sized and industrial business clients. Combining Zurich's expertise in cyber insurance and risk management with Deutsche Telekom's IT security strengths, the solution provides real-time risk analysis and flexible coverage. This collaboration enhances comprehensive cyber resilience, enabling businesses to address evolving digital threats with tailored, expert support.



Case study

Closing the cyber coverage gap for SMEs

Most cyber insurance falls short of fully protecting small to midsize enterprises (SMEs) from today's digital risks. Zurich's July 2025 acquisition of Toronto-based global cyber protection specialist BOXX Insurance represents a significant step toward closing that coverage gap. BOXX strengthens Zurich's ability to deliver integrated cyber solutions – spanning prevention, protection, and recovery – tailored for SMEs and retail customers. With nearly one million customers across five continents, BOXX expands Zurich's global footprint and accelerates its mission to make cyber resilience accessible, practical, and personal for businesses of every size.

Read more about this story here:
www.zurich.com/media/news-releases/2025/2025-0703-01



Case study

Haydon Bolts' cybersecurity transformation with SpearTip

Facing rising cyber threats, Haydon Bolts, Inc. made cybersecurity a board-level priority. By collaborating with Zurich Resilience Solutions' cybersecurity brand SpearTip in the U.S., the Philadelphia-based manufacturer introduced 24/7 threat monitoring, endpoint management, and employee training. Over 520 million logs are analyzed annually, saving 330 IT hours per quarter. The outcome: stronger defenses, streamlined audits, and greater confidence at insurance renewal. "Cybersecurity protects revenue, uptime, and reputation," says Brad Spelman, Haydon Bolts' Group Controller and Treasurer. This proactive approach shows how leadership and expert partners can make cybersecurity a business growth driver – not just an IT issue.

Our global business

Strength, scale and global reach

We offer a wide range of products and services in more than 200 countries and territories. Our global footprint is a strength, providing scale and opportunities to adapt to the changing needs of our customers and the markets we serve.

Latin America

Zurich operates in Brazil, Mexico, Argentina and Chile, among other countries.

Read more on: Page 384–387

USD 3.2bn
Property & Casualty insurance revenue

USD 6.9bn
Life gross premiums and deposits[1]

USD 0.6bn
Business operating profit

8,726
Number of employees in Latin America



North America

Zurich operates in the U.S. and Canada.[2]

Read more on: Page 384–389

USD 22.1bn
Property & Casualty insurance revenue[3]

USD 0.9bn
Life gross premiums and deposits[1,3]

USD 5.1bn
Business operating profit[4]

17,921
Number of employees in North America[4]

Europe, Middle East & Africa

Zurich has major operations in Germany, Italy, Spain, Switzerland, the UK and a presence in other key countries in Europe and the Middle East.

Read more on: Page 384–387

USD 20.7bn
Property & Casualty insurance revenue

USD 25.4bn
Life gross premiums and deposits[1]

USD 3.6bn
Business operating profit

28,740
Number of employees in Europe, Middle East & Africa



Asia Pacific

Zurich has a growing footprint in Asia Pacific, with operations in Australia, China, Hong Kong, Indonesia, Japan, Malaysia, Singapore and India.

Read more on: Page 384–387

USD 4.1bn
Property & Casualty insurance revenue

USD 3.2bn
Life gross premiums and deposits[1]

USD 0.6bn
Business operating profit

10,050
Number of employees in Asia Pacific

1 Gross written premiums for protection, gross policyholder inflows (including deposits) for all other lines of business (including investment and asset management contracts).
2 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.
3 Excludes Farmers Re and Farmers Life.
4 Includes our Farmers business, which for clarity does not include the Farmers Exchanges, which are owned by their policyholders.

Our business mix

Multi-line insurance to serve a broad customer base

We are a leading multi-line insurer, serving more than 82 million customers in both global and local markets. Through our Property & Casualty and Life businesses, and Farmers, we cater to a broad range of customers: individuals and families, small and midsized businesses, public entities, and multinational corporations.



Property & Casualty

Insurance, services and risk insights.

Read more on P&C: Pages 262–263

USD 5.1bn
Business operating profit

USD 48.2bn
Insurance revenue

Zurich is one of the leading global commercial insurers with a profitable retail franchise which positions us well for success through the cycle.

Business mix
2025 insurance revenue by line of business



A	Property	35%
B	Motor	22%
C	Special lines	19%
D	Liability	16%
E	Worker injury	7%

Life

Protection, savings and investment solutions.

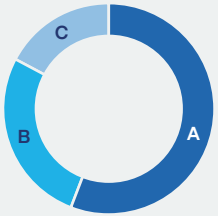
Read more on Life: Pages 264–265

USD 2.3bn
Business operating profit

USD 36.2bn
Gross premiums and deposits[1]

Zurich operates a long-term strategy of focusing on protection and capital-light savings business.

Business mix
2025 gross premiums and deposits by line of business[1]



A	Unit-linked	56%
B	Protection	27%
C	Savings and annuities	17%

Farmers[2]

Provides services to the Farmers Exchanges.[2]

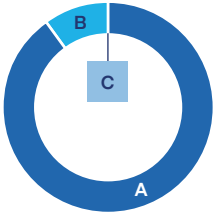
Read more on Farmers and Farmers Exchanges[2]: Page 266

USD 2.4bn
Business operating profit

USD 4.7bn
Fee service revenue

Zurich has no ownership interest in the Farmers Exchanges,[2] which are owned by their policyholders. The Exchanges are a leading player in U.S. personal lines insurance.

Business operating profit
2025 by business



A	Farmers Management Services	90%
B	Farmers Re	10%
C	Farmers Life	0%

1 Gross written premiums for Protection, gross policyholder inflows (incl. deposits) for all other lines of business (including investment and asset management contracts)
2 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.

Our business mix – **Spotlight on Farmers®**

Building the insurance organization of the future

Farmers®[1] is harnessing technology to create an insurance organization that's faster, smarter and customer-first.

In 2025, Farmers continued its journey toward building the insurance organization of the future by weaving digital innovation into every aspect of its strategy. Investments in platforms, like Alta and the new Life Electronic Application (LEA), make quoting and issuing policies faster and easier than ever. These technologies have made it easier for customers to access the services they need, all while streamlining processes behind the scenes.

With a renewed focus on operational efficiency, Farmers has helped agents and employees to focus on what matters most – growth, collaboration, and delivering an outstanding customer experience.

The organization's commitment to simplification has opened doors for new ideas and more meaningful interactions, helping teams to spend less time on routine tasks and more time driving value.

Throughout the transformation, Farmers has been strategic in its approach – anticipating opportunities while understanding and acting on feedback. Feedback from customers, agents, and employees has played a central role in shaping product enhancements and business strategies. This collaborative approach ensures that change is guided by those closest to the work, making the organization more responsive, innovative, and even better prepared for a winning future.



1 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 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. 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.

Our business model

We create
sustainable value

In over a century and a half, our business has continued to evolve, aiming to deliver value to all our stakeholders.

The resources and relationships we manage to support long-term success

Our customers

Customer expectations are evolving and creating new demands. Customers increasingly expect a seamless digital experience with more personalized and sustainable products, faster delivery and simpler processes.

Our people

Our employees seek to perform at their best, acquiring new skills and improving existing ones. They bring results, create impact and realize their purpose in an organization that is resilient and future-ready, so they can help our customers do the same.

Our planet

We are supporting a successful transition and building societal resilience to offer the prospect of a stronger, more prosperous future. Environmental challenges, including climate change and nature loss, impact the real economy which we insure and invest in, and ultimately can impact on our long-term value.

Our financial capital

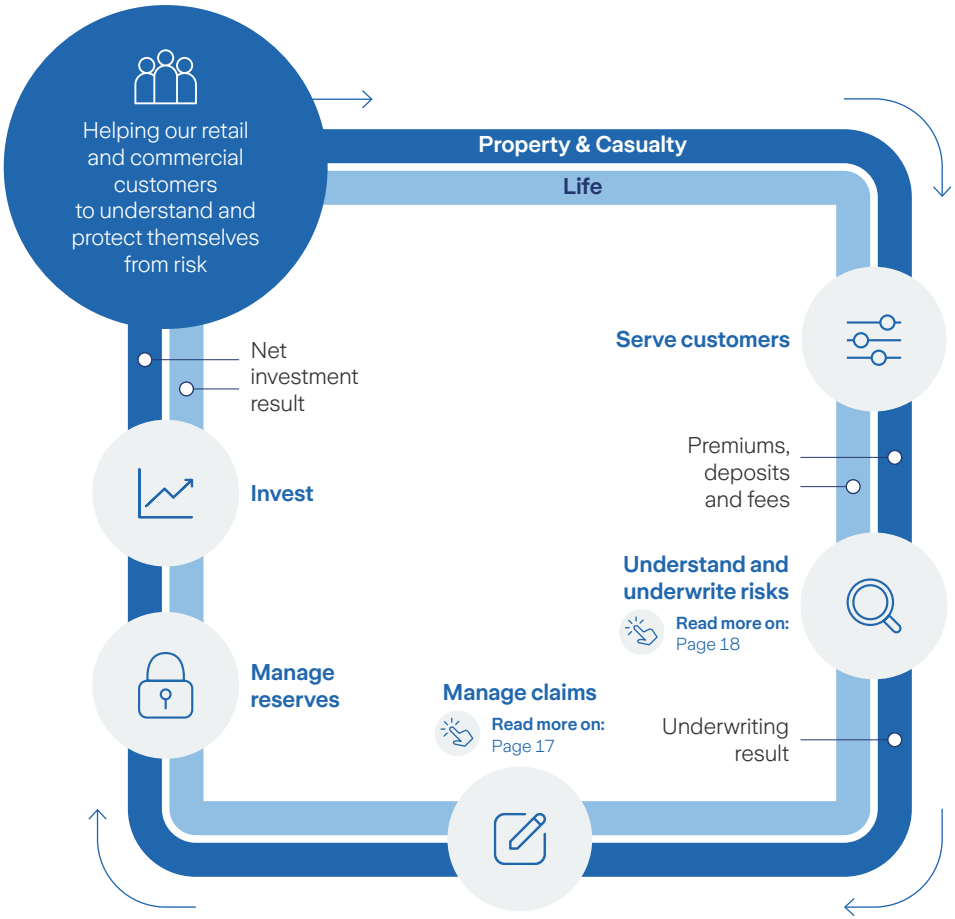
Our shareholders and bondholders provide the financial capital that sustains our business. We maintain a strong balance sheet. Find more on our financial strength and issuer credit ratings here: www.zurich.com/investor-relations/ratings

Our suppliers and service providers

We respect the protection of international human rights within our sphere of influence and set out clear environmental, social and ethical expectations for our suppliers globally.

The key elements of our business model and how we create value

Read more on: Page 16



Outcomes and progress during the year

Our customers



Read about the ways we serve our customers: Page 26

Our people



Read about our people and how they contribute to the business: Page 28

Our planet



Read about the ways we contribute to a more sustainable future: Page 30

Our investors



Read about how we meet the needs of our investors: Page 32

Our business model

With a rich heritage spanning more than 150 years, Zurich has established itself as a trusted partner in managing risks and providing innovative insurance solutions.

In Property & Casualty, we offer insurance coverage for businesses and individuals. This includes commercial auto, property, liability, specialty, and workers' compensation products, as well as personal lines insurance, such as motor and home coverage. We receive premium payments and pay claims. Additionally, we invest the premium payments to generate returns and further support our insurance operations.

Our Life business offers life insurance products that provide financial protection to individuals and their families in the event of the policyholder's death or other specified events. We receive premium payments and when required pay out a predetermined sum of money to the designated beneficiaries. We also focus on unit-linked products, which combine life insurance coverage with investment opportunities.

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.[1]

Serve customers

We continuously expand our network, making products, services and solutions available to customers through many channels: directly, or indirectly via brokers and agents, and in cooperation with third parties including banks, travel providers, retailers, rental agreements and car dealerships.

A strong, global partner network is vital to our success, and this requires developing and curating our relationships.

The success of our business and the satisfaction of our customers are founded on the activities described below, from pricing risk to settling claims quickly. Trusted customer relationships mean we are better able to provide advice and solutions that meet the individual needs of our customers in an evolving risk landscape.

Understand and underwrite risks

Insuring risks is central to what we do. Our underwriting expertise, knowledge and skill, accumulated over decades of experience and backed by a wealth of data, gives us the ability to assess, understand and quantify risks at all levels of complexity. This enables us to offer fairly priced, appropriate insurance solutions to our customers, as well as provide insights to support them in managing their risks and mitigating potential losses.

As trusted long-term partners, we stay close to our customers to better understand their individual needs and, where possible, equip them with the right tools to navigate any challenges they face. We have deployed technology throughout the organization to improve how we engage with our customers and support our underwriters in providing a superior service. We constantly make improvements to the day-to-day environment for our underwriters by seeking and acting on their feedback. This reduces turnover and means we can retain talented and experienced people within the organization, helping us to maintain the strong technical capabilities our customers expect.

Manage claims

It is vital our customers have faith and confidence in our ability to fulfill our commitments. Experience and a reputation built over decades mean our customers can trust us to use our expertise to support them in their time of need, responding swiftly, keeping them informed throughout their journey, and settling the claim fairly.

We are constantly seeking new ways to respond to our customers' expectations of service, offering a choice of communication channels and self-service capabilities. We innovate to respond to their changing needs and enhance the sustainability of the services we deliver. We strive to deliver insights to customers to help them mitigate and even avoid future losses.

We systematically analyze customer feedback using a range of engagement opportunities, including net promoter system (NPS) programs, not only as part of our claims process but throughout all key customer touchpoints.

Manage reserves

Our Group-wide policy, the 'Zurich Way of Reserving,' with well-defined standards and conservative approach, is the basis for how we calculate insurance liabilities. Our reserving process is supported by strong governance, including extensive internal and external reviews.

Invest

Our income includes returns from invested premiums, policy fees and deposits. Our success as a business is important to those who depend on us to pay claims reliably, as well as investors who look to us to deliver savings returns.

Zurich's approach to managing investments aims to maximize risk-based returns relative to the Group's liabilities, while understanding emerging risks in challenging times. That is why we manage our assets responsibly and do this by integrating sustainability factors in our investment decisions.

1 Zurich Insurance Group has no ownership interest in the Farmers Exchanges.

Our business model – **Spotlight on Claims**

Putting customer needs first, by being smarter, faster, more human



“Claims is where our promise becomes reality. In 2025, we strengthened this vital function by enhancing customer experiences, streamlining operations, and building resilience for the future.”

We saw a rise in customer satisfaction with a 2.3 point increase in our global Transactional Net Promoter Score (TNPS). This reflects our commitment to deliver speed of certainty to our customers enabled by AI, automating key processes including document ingestion, removing manual administration, and freeing up our teams to support customers more proactively. We delivered over 14,000 hours of training, plus 1,400 hours through our new technical talent program. Combining internal and external expertise, it develops future-ready claims professionals with strong communication, technical, and business skills.

A new quality assurance platform further strengthens delivery, coupled with a new centralized approach to oversight of claims metrics, which has eliminated over 500 hours of manual work, again allowing our people to focus on their core role in supporting our customers. And by collaborating with Underwriting and Zurich Resilience Solutions, we’re using claims data to help customers prevent risk – not just recover from it. Together, we’re building a more resilient future.

Tom Thornberry
Chief Claims Officer

11m
New P&C and Life claims 2025[1]

USD 27.4bn
Total P&C and Life claims paid 2025[1]

1 Total paid on closed and outstanding claims, before reinsurance. Excludes Zurich Santander Insurance America, S.L. and its subsidiaries, the Bansabadell insurance entities, Zurich Cover-More, and Farmers.

Case study

Transforming claims insights into prevention

By analyzing claims data for a global brewing company, Zurich uncovered a pattern of catastrophic failures in brew kettles and vessels across several countries. Our experts across Claims, Underwriting and Zurich Resilience Solutions, worked with the customer to pinpoint root causes and recommend enhanced operating procedures and early-warning technology.

This proactive approach helps the customer prevent similar incidents and protect operations worldwide. It’s an example of how Zurich turns claims insights into practical solutions – helping customers avoid repeat losses, not just recover from them.





Case study

Streamlining UK motor claims with AI

ZuriFault, an AI-powered tool developed in-house during the Zurich Innovation Championship, is helping our UK Claims team make motor liability decisions faster and more accurately.

The tool analyzes data from case law, traffic regulations, and evidence sources such as police reports and CCTV footage to provide clear recommendations to claims handlers. This frees up our claims teams to spend more time supporting our customers and gives us the opportunity to provide the highest levels of service.

“ZuriFault has the potential to transform the way our claims handlers determine liability, and I’m excited to support the next phase of development,” says James Nicholson, UK Chief Claims Officer.

Our business model – **Spotlight on Underwriting**

Helping customers navigate uncertainty with clarity, speed, and conviction



“Underwriting sits at the heart of Zurich’s business, combining technical expertise with a commitment to innovation.”

In an uncertain world, we continually evolve to deliver tailored coverage and better outcomes. We understand that our customers seek clarity, speed, and conviction – not just capacity. That’s why underwriting excellence is reemerging as a competitive differentiator. We believe the future belongs to those who can underwrite complexity with simplicity, blending data, technology, and human judgment with an agile mindset. Integrating AI across our processes drives efficiency, enhances the customer experience, and enables rapid responses to changing needs. By using AI strategically, we strengthen our ability to manage portfolios dynamically and build resilience. Our goal isn’t to avoid uncertainty, but to understand, measure, and help our customers navigate it with confidence. We empower underwriters with better data, AI-supported solutions, and actionable insights – equipping our teams to make better decisions, respond faster, and spend more time with customers. This ensures underwriting excellence remains at Zurich’s core.

Penny Seach
Chief Underwriting Officer

1 hour
Z-Horizon+[1] risk triage
Up to 1 hour saved per submission

20 BUs
Z-Horizon+[1] rollout status
Deployed to 6 business units in 4 months. Scaling to 20 BUs by end-2026.

2 hours
U.S. Middle Market underwriting narratives
Up to 2 hours saved per submission

1 Z-Horizon+ is a Zurich-developed app that brings increased automation and insights to our market-facing teams.



Case study

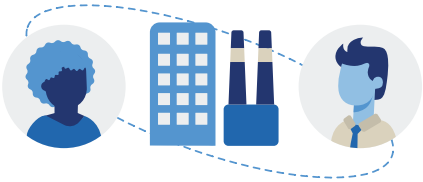
AI accelerates underwriting for U.S. Middle Market team

After winning the Zurich Innovation Championship in 2024, insurtech startup Sixfold collaborated with Zurich’s U.S. Middle Market team to deploy a generative AI tool that distils thousands of pages of complex risk data into decision-ready insights for underwriters. Now fully deployed across dozens of U.S. offices, it saves underwriters up to two hours per submission. Backed by Zurich’s AI Assurance Framework, the tool gives underwriters more time to focus on customer relationships, in addition to supporting complex risk analysis.

Learn more about our Middle Market strategy: Page 8

Strengthening property resilience

In Property, we’re redefining risk management through innovation, technology, and teamwork. Property Insights is a collaborative initiative between Zurich Resilience Solutions and Zurich Underwriting that blends advanced data, expert analysis, and forward-looking technology to quantify property risk scenarios. By expressing severity and likelihood in clear, actionable terms, we help our customers prioritize investments and build resilience.

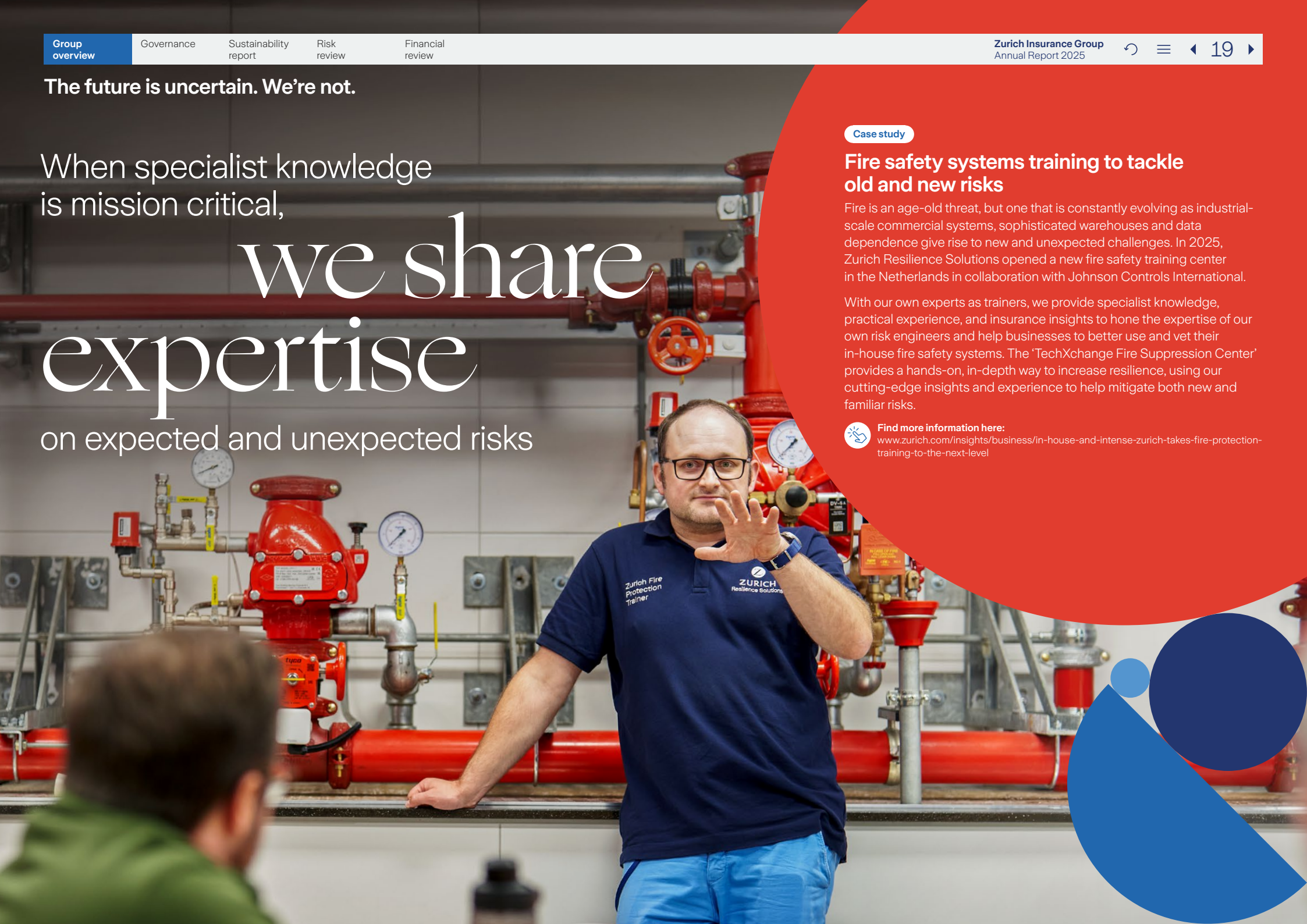


The future is uncertain. We’re not.

The following pages demonstrate how Zurich is leading through change – turning the future’s unpredictability into our greatest strength.

The future is uncertain. We're not.

When specialist knowledge is mission critical, we share expertise on expected and unexpected risks



Case study

Fire safety systems training to tackle old and new risks

Fire is an age-old threat, but one that is constantly evolving as industrial-scale commercial systems, sophisticated warehouses and data dependence give rise to new and unexpected challenges. In 2025, Zurich Resilience Solutions opened a new fire safety training center in the Netherlands in collaboration with Johnson Controls International.

With our own experts as trainers, we provide specialist knowledge, practical experience, and insurance insights to hone the expertise of our own risk engineers and help businesses to better use and vet their in-house fire safety systems. The 'TechXchange Fire Suppression Center' provides a hands-on, in-depth way to increase resilience, using our cutting-edge insights and experience to help mitigate both new and familiar risks.

Find more information here:
www.zurich.com/insights/business/in-house-and-intense-zurich-takes-fire-protection-training-to-the-next-level

The future is uncertain. We're not.

As global risks grow more complex,

we provide true insight

that our customers' businesses depend upon

Case study

Mastering the art of resilience across borders and industries

Zurich's long-standing relationship with global logistics provider Katoen Natie is built on trust, collaboration, and a shared commitment to resilience. Operating in 30 countries, Katoen Natie handles everything from priceless artworks in airtight depots to temperature-sensitive goods and industrial cargo – with precision and care. To manage risks across this vast network, Katoen Natie draws on Zurich's insurance products and services, captive arrangements, and the risk expertise of Zurich Resilience Solutions.

Together, we've built an API connection that syncs insurance data and risk engineering insights that empowers Katoen Natie to take a more agile, proactive approach to risk management. Zurich Resilience Solution's climate specialists conduct desktop and on-site assessments, identifying vulnerabilities and recommending improvements. These insights help Katoen Natie prepare for extreme weather, meet sustainability reporting requirements, and protect operations.

Learn more about Zurich's relationship with Katoen Natie:
www.zurich.com/insights/business/katoen-natie

Images courtesy of Katoen Natie. Used with permission.

The future is uncertain. We're not.

Together with Instituto Terra,

we're helping to restore a thriving ecosystem

that supports families, communities and an entire region



Case study

Marking five years of support for an inspired reforestation project in Brazil

Instituto Terra, a non-profit organization, was founded in 1998 by Lélia Wanick Salgado, and her husband, photographer Sebastião Salgado, with the goal of restoring part of the badly degraded Atlantic Forest in the Rio Doce Valley in Minas Gerais, Brazil. The couple embarked on an initial restoration project of over 700 hectares on the former Salgado family farm. Starting in 2020, with a donation from Zurich, Instituto Terra began to plant one million seedlings as part of the Zurich Forest Project, on top of the 2.5 million trees Instituto Terra was already planting. In following years, Zurich provided the means to allow Instituto Terra to triple its land, and also extended its engagement. Zurich's support enabled Instituto Terra to begin construction on a new nursery with an initial annual capacity of one million native seedlings. In 2025, the Z Zurich Foundation, the charitable Swiss-based entity established by Zurich, agreed to provide support for NERE, Instituto Terra's program helping young adults in the region and beyond to acquire skills and knowledge to promote sustainable farming and ecosystem restoration.

Learn more about the Zurich Forest Project:
www.zurich.com/about-us/sponsorship/zurich-forest

Sebastião Salgado
February 8, 1944 – May 23, 2025

Sebastião Salgado's legacy includes more than 500,000 photographic images he took, starting with the first one in 1971 of his wife Lélia Wanick Salgado. His award-winning work, characteristically in black and white, captured the world's complexity. That included the images of the Amazon river basin and its people shown in the Amazônia exhibitions, which have drawn millions of visitors since the first showing opened in Paris in 2021. Curated by Lélia, Zurich has served as a main global sponsor for many of these shows. But it was the smaller Atlantic Forest which captured the Salgados' hearts, and its threatened existence which inspired them to found Instituto Terra. After Sebastião's passing in May 2025, the non-profit continues its work, led by Lélia, and their son, Juliano Salgado, who serves as president of its board. Zurich remains committed to supporting Instituto Terra's very real vision of hope and community.

The future is uncertain. We're not.

With drones and related technology

we can see the whole picture

to assess what matters to our customers

Case study

Drones offer an efficient, fast, accurate and often safer way to gain insights

In the U.S., Zurich's crop insurance business Rural Community Insurance Services (RCIS) uses drones to inspect agricultural crops for customers. In 2025 its drones flew over 1,500 times to survey over 158,000 acres. In North America, Zurich has also used drones to assess damage to industrial structures, including a tall steam generator, as well as wildfire and hail damage.

In the UK, Zurich Engineering, an entity under Zurich Management Services, employs drones to assess complex or hard-to-access equipment. Equipped with live feed, drones can aid the examination of container cranes. The Zurich Engineering team has even used detailed images captured by a drone to create a 3D model of a crane, enabling the customer to remotely view hard-to-reach areas. Zurich Engineering is also looking at other capabilities, such as using drones equipped with thermal imaging to assess steam pipework or electrical systems.

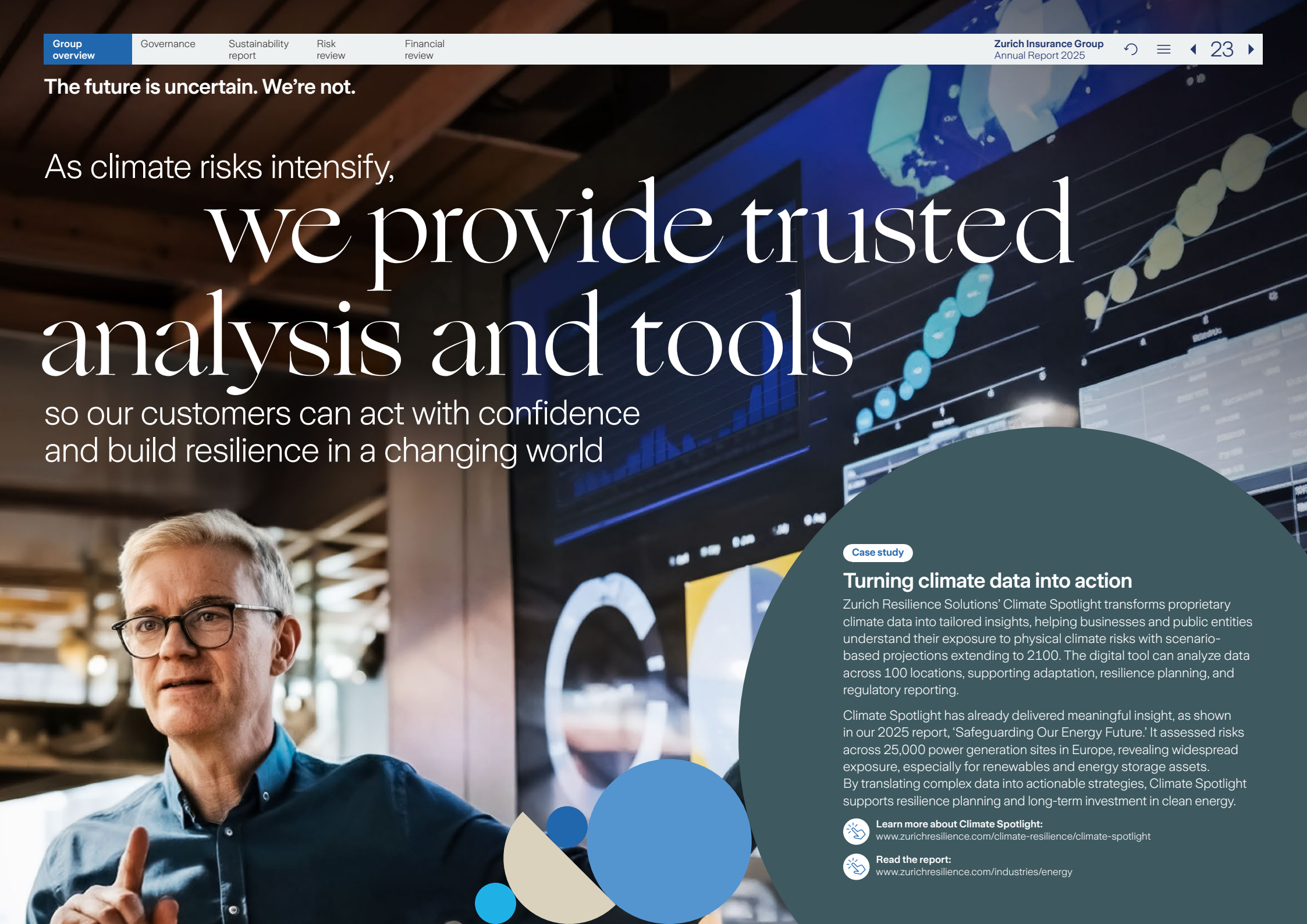
Learn more:
www.rcis.com
www.zurich.co.uk/engineering

The future is uncertain. We're not.

As climate risks intensify,

we provide trusted analysis and tools

so our customers can act with confidence and build resilience in a changing world



Case study

Turning climate data into action

Zurich Resilience Solutions' Climate Spotlight transforms proprietary climate data into tailored insights, helping businesses and public entities understand their exposure to physical climate risks with scenario-based projections extending to 2100. The digital tool can analyze data across 100 locations, supporting adaptation, resilience planning, and regulatory reporting.

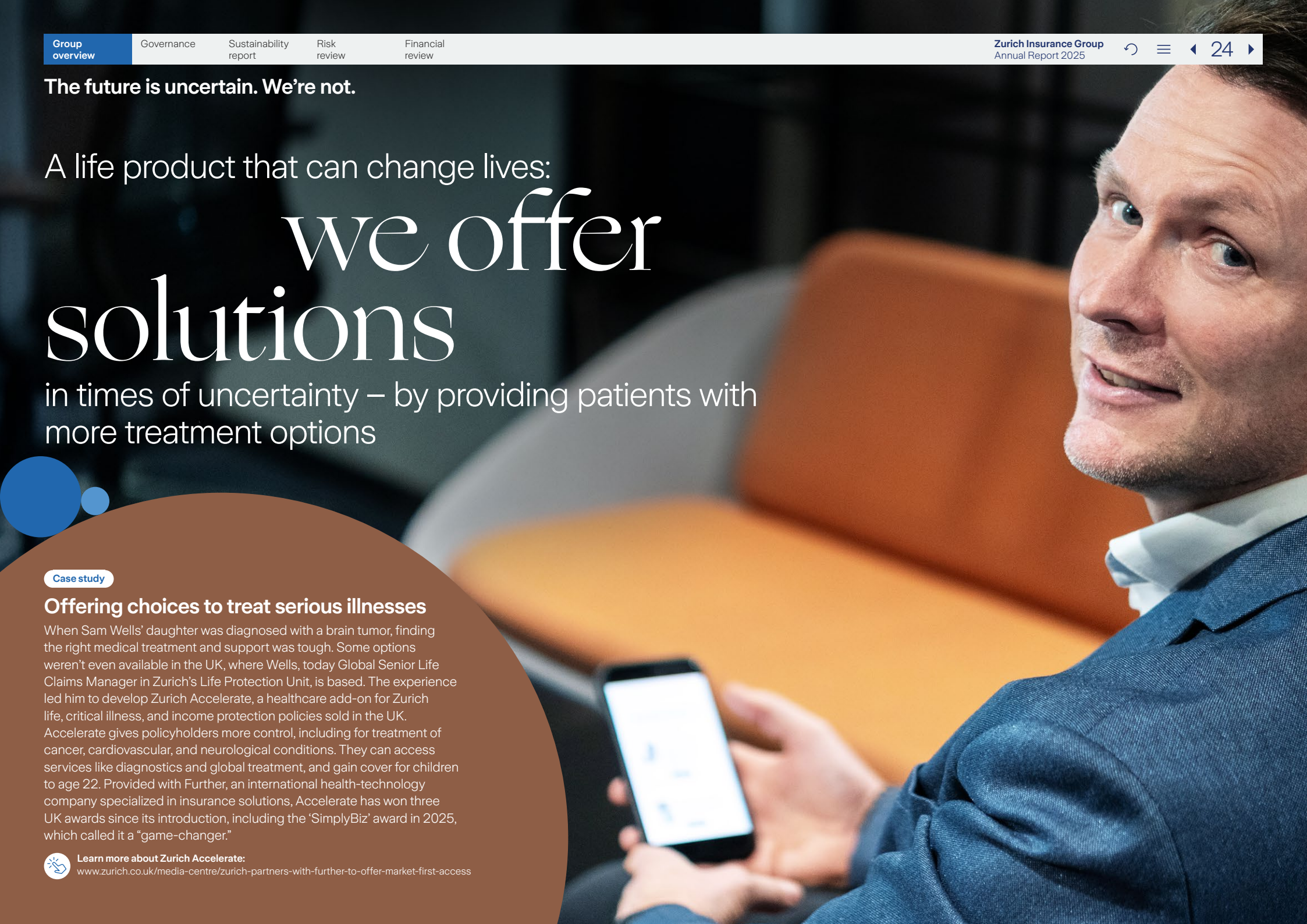
Climate Spotlight has already delivered meaningful insight, as shown in our 2025 report, 'Safeguarding Our Energy Future.' It assessed risks across 25,000 power generation sites in Europe, revealing widespread exposure, especially for renewables and energy storage assets. By translating complex data into actionable strategies, Climate Spotlight supports resilience planning and long-term investment in clean energy.

Learn more about Climate Spotlight:
www.zurichresilience.com/climate-resilience/climate-spotlight

Read the report:
www.zurichresilience.com/industries/energy

The future is uncertain. We're not.

A life product that can change lives: we offer solutions in times of uncertainty – by providing patients with more treatment options



Case study

Offering choices to treat serious illnesses

When Sam Wells' daughter was diagnosed with a brain tumor, finding the right medical treatment and support was tough. Some options weren't even available in the UK, where Wells, today Global Senior Life Claims Manager in Zurich's Life Protection Unit, is based. The experience led him to develop Zurich Accelerate, a healthcare add-on for Zurich life, critical illness, and income protection policies sold in the UK. Accelerate gives policyholders more control, including for treatment of cancer, cardiovascular, and neurological conditions. They can access services like diagnostics and global treatment, and gain cover for children to age 22. Provided with Further, an international health-technology company specialized in insurance solutions, Accelerate has won three UK awards since its introduction, including the 'SimplyBiz' award in 2025, which called it a "game-changer."

Learn more about Zurich Accelerate:
www.zurich.co.uk/media-centre/zurich-partners-with-further-to-offer-market-first-access

Our stakeholders

No matter how unpredictable the world becomes,

we're committed to supporting

our key stakeholders with what matters most – confidence.











Our customers
Page 26

Our planet
Page 30

Our people
Page 28

Our investors
Page 32

Our stakeholders

Our customers

Customer loyalty that drives growth

We have accelerated our focus on customer loyalty and delivered new capabilities to strengthen growth. We continue to put customers at the heart of what we do to become the insurer of choice. We gained more insights into customer needs through deeper analytics, connecting loyalty with financial performance and driving measurable impact. Zurich One, our customer digital experience, is now live in five markets. Initiatives such as net revenue retention, expanded customer centricity across 15 markets and enhanced integrated customer experience programs are helping us deliver stronger engagement and commercial results. Our progress was powered by innovation – embedding AI features into our Customer Intelligence Platform, launching the 'Smart Agent' tool in multiple markets, and establishing new hubs in Barcelona and Brazil to scale collaboration. These steps should keep Zurich relevant and competitive in the era of digital transformation.

+3.6pts
Transactional net promoter score vs 2024[1]

67%
Brand consideration ranking among top five[2]

See our full-year results presentation:
www.zurich.com/investor-relations/results-and-reports

See our sustainability report for more information on our performance in this area:
Page 176



"When customer insight drives innovation and action, loyalty strengthens, growth accelerates and Zurich continues its journey to become the insurer of choice."

Conny Kalcher
Group Chief Customer Officer

1 TNPS provides us with feedback on our performance in the eyes of our customers and delivers insight on how specific interactions affect their experience. TNPS excludes Zurich Kotak and BOXX Insurance due to onboarding of the business onto our customer platform.
2 Retail markets in scope: Argentina, Australia, Austria, Brazil, Germany, Hong Kong (excluding 2020), Ireland, Italy, Japan, Malaysia, Mexico, Portugal, Spain, Switzerland, UK.

Case study

Speeding up customer response analysis in Brazil

Zurich Brazil introduced in 2025 a tool supported by AI to improve how it reviews responses to customers' and brokers' queries. These reviews are an important way for Zurich Brazil to decide where and how to improve its customer responses. Before the new system was introduced, it took a dedicated employee one to two weeks to process only about one-fifth of the roughly 35,000 responses Zurich Brazil provides to customers and brokers each month. With the support of the AI application, it can now analyze all of the responses within four hours, with a high degree of accuracy and in line with Zurich's 'tone of voice' guidelines. The system also generates detailed reports and suggestions for improvement, providing valuable insights for areas where training may be needed.



Our stakeholders – our customers





Case study

Addressing evolving needs in Japan's life market

For individuals in Japan, concerns about having adequate savings for retirement, and worries about rising inflation have led to increased demand for unit-linked life products. To meet customer's growing demand, in April 2025, Zurich Life Japan launched its first unit-linked product 'Future Link.' Future Link offers policyholders in its home market a choice of nine different investment funds. The product provides a death benefit, enabling policyholders to benefit from both savings and insurance protection in one solution, if needed. Kenji Ota, Chief Executive Officer of Zurich Japan Life, calls the product "transformative" for customers, saying it will "lay a strong foundation for future products, channels and innovation."

Case study

Making every customer interaction count

Despite the increasing prevalence of AI and chatbots, a human connection is still important, based on the results of a survey commissioned by Zurich. Published in September 2025, the survey of 11,500 consumers in 11 countries found while many viewed AI as useful tool, the majority valued human contact more than 24/7 availability. In the two years since Zurich introduced Group-wide empathy training, 26 percent of employees completed almost 46,000 hours of such training. Zurich also introduced intense empathy 'master classes' tailored to particular business areas. Zurich is proud to have won several awards including the Brandon Hall Group's gold award for the empathy masterclass program in 2025.

Learn more here:
www.zurich.com/sustainability/customers/empathy-report



"Empathy is a trainable skill. Real empathy means treating customers how they would like to be treated."

Alexia Nguyen Kourri
Zurich Head of Customer Capability Building, who leads Zurich's Group-wide empathy initiative

Our stakeholders

Our people

Building a high-performance culture

In a world of constant change, our greatest strength lies in our people. We strive to create an environment where everyone can perform at their best throughout their careers with us. By investing in the skills and mindsets our people need to thrive, we're building a workforce ready for the future while delivering exceptional value to our customers today.

Our aim is to develop expertise that stands out, embrace digital innovation to work smarter, and cultivate leaders who inspire others to reach new heights. As AI reshapes how we work, we continue to invest in all our people, including by providing early-in-career opportunities that help emerging professionals grow and make a meaningful impact for our customers. When our people feel empowered and engaged, they deliver achievements that differentiate us and build lasting customer relationships.

67%
Internal hiring rate[1]

34%
Females in senior management[2]

>1.2m
Total learning hours[3]

See our sustainability report for more information on our performance in this area:
Page 190

1 Internal hiring rate is the proportion of internal mobility in comparison to the aggregated sum of internal mobility and external hiring. It is calculated by dividing the total number of internal mobility by the aggregated total of internal mobility plus external hiring. The internal hiring rate of career level A excludes external hires, as these positions are, by nature, mainly filled by external career starters. The total % for 2025 (independent of career level) is also calculated without taking career level A external hires into account. See sustainability report page 193 for more information.
2 At the end of 2025, female employees represented 33.9 percent of senior management (compared with 32.1 percent in 2024).
3 Hours tracked on our global learning platforms (i.e., physical, digital as well as mandatory and voluntary training sessions).

When we continuously invest in our people's skills and cultivate a winning mindset, we don't just prepare them for the future – we empower them to create it. That's the foundation of sustainable high performance.

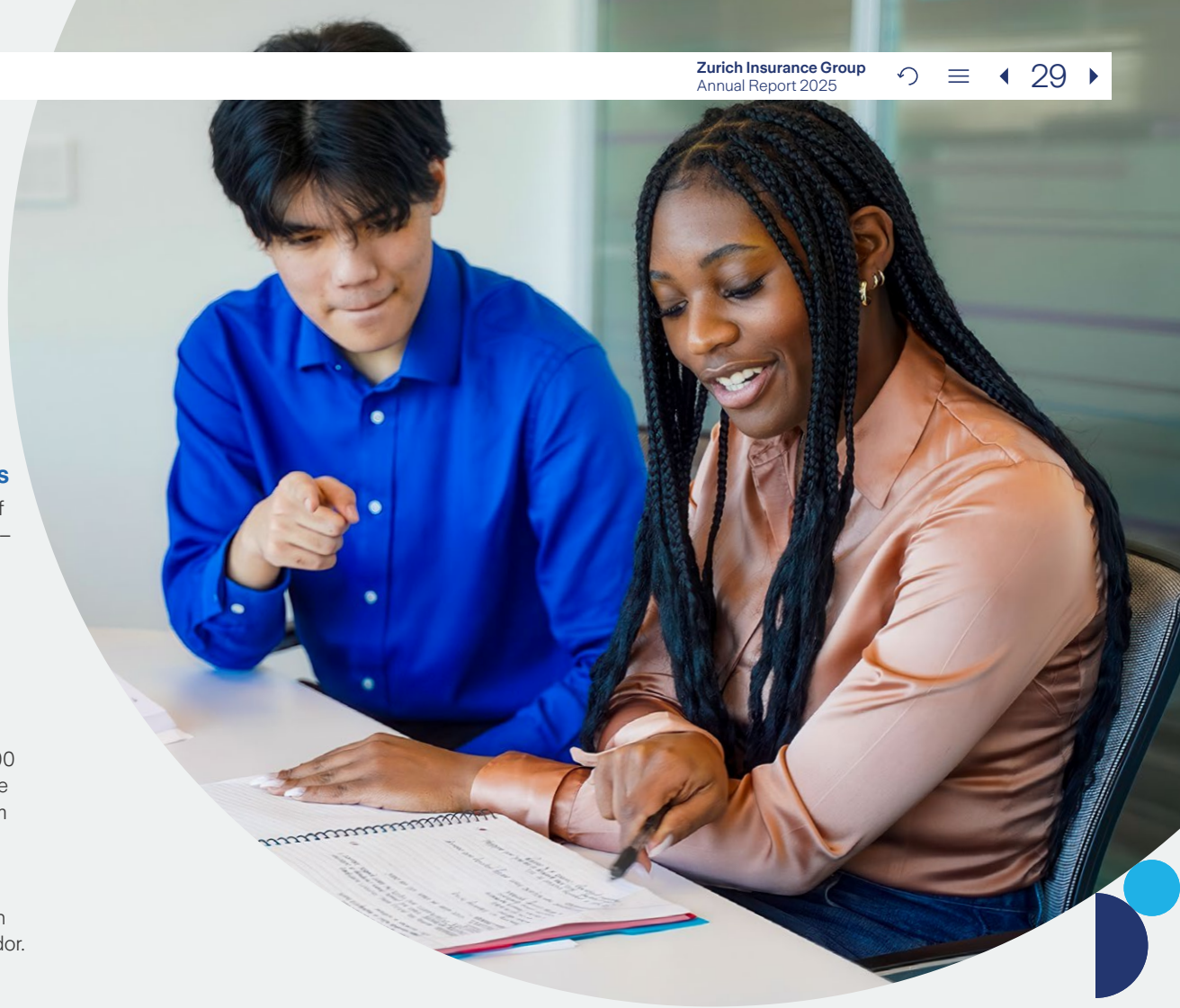
Case study

Promoting people-led AI solutions in Switzerland

Zurich Switzerland held its second internal hackathon, #ZHACK25, in September 2025. As part of its 'Fit4Tech' program, the latest event brought together 97 employees from across departments to develop AI-driven business solutions. One of the solutions the teams developed is a tool to assess the sustainability of different types of vehicle repairs. This can support decision-making in the vehicle claims process, for example, by recommending repairs over replacing parts. As part of the event, for the first time, through a cooperation with an academic initiative led by the University of Bern and the University of Zurich, skilled refugees participated in the teams alongside employees, giving them a chance to share their insights and practical knowledge.



Our stakeholders – our people



Case study

Encouraging intergenerational leadership in Spain

Through its 'Junior ExCo' initiative, each year, Zurich Spain selects 12 high-potential future leaders to join its Executive Committee meetings, giving them the experience of participating in strategic discussions, decision-making and governance topics concerning the organization, and encouraging collaboration with their more experienced senior counterparts and learning from each other. The program, introduced in 2022, helps to develop capable leaders, allowing the younger participants to gain experience and share their ideas. The Junior ExCo has already played a key role in the launch of an AI-powered tool for specialty products, enabling agents to deliver faster, more personalized advice.

Passionate about Zurich's purpose and giving back, the 2025 participants also applied their newly gained experience to design a solution that helps non-profits achieve greater financial stability, helping these organizations stay focused on their mission to support vulnerable people and communities.

Case study

Offering an innovative career entry in key markets

Apprenticeships are a core part of Zurich's long-term talent strategy – offering inclusive, skills-based career pathways to support business needs and workforce development.

In North America, Zurich's award-winning program operates in over 20 locations, offering paid, debt-free paths into insurance. Over 400 apprentices have been hired since 2016, with an 82-percent program completion rate and guaranteed roles postgraduation. Zurich was the first U.S. insurer certified by the Department of Labor and is an official Apprenticeship Ambassador. Future needs are assessed on an ongoing basis, and new offerings, like the paralegal apprenticeship, added. Zurich's other established programs in Switzerland, Germany, the UK and Italy reflect our ambition to build a future-ready workforce through accessible careers and continuous skills development starting with entry-level roles.

>1,700
Apprentices, trainees and interns on average a year



"As AI transforms the world of work, early-in-career opportunities matter more than ever. Through apprenticeships, traineeships, graduate programs, and strong partnerships, we help tomorrow's leaders make an impact and build meaningful careers – within Zurich and beyond."

Krisztina Csedő
Group Head People Sustainability & Innovation

Our stakeholders

Our planet

Working with our stakeholders to shape a resilient future

We support customers, communities, organizations and individuals, including our own employees, to transition to a more resilient future. As a risk manager, risk carrier and institutional investor, we work closely with our customers to help them enhance resilience and execute their transition plans. We are progressing on our climate-focused insurance and advisory solutions, in particular by expanding our climate solutions investments to support mitigation and adaptation. And we continue to execute on our own climate transition plan introduced in 2024. We are not only decarbonizing our operations, but also engaging with our customers, investees and suppliers to support their transitions to a more resilient future.

USD 2.1bn
Sustainable revenues

69%
Reduction in operational carbon emissions[1]

USD 12.2bn
Climate solutions investments

68%
Procurement spend with suppliers that have set science-based emission reduction targets[2]

See our sustainability report for more information on our performance in this area:
Page 141



“With over 150 years of experience, we have learned to find strength in periods of uncertainty. Our focus remains on enabling our customers and our business to succeed in a rapidly changing world.”

Linda Freiner
Group Chief Sustainability Officer



Case study

Helping SMEs to reduce emissions

By increasing their awareness of emissions, small and medium-sized enterprises (SMEs) can gain insights into ways to reduce their carbon footprint and meet their sustainability goals. In 2025, with the support of Zurich’s Carbon Fund,[3] Zurich began collaborating with the ‘We Mean Business Coalition.’ The Coalition provides tools via the SME Climate Hub[4] to help SMEs measure emissions. With Zurich’s support, resources are being made available to our suppliers and the SME businesses we work with, supporting their transition and our own sustainability goals. We’re proud to see that some of our SME suppliers are measuring their carbon footprints for the very first time and have taken the SME Climate Commitment. By pledging to reduce emissions by half from a relevant baseline before 2030, and net-zero before 2050, we are proud to support them in their net-zero journey.

Learn more here:
www.zurich.com/sustainability/planet/sustainable-sourcing#helping-suppliers-reach-net-zero

1 Zurich Cover-More, Farmers Group, Inc. and its subsidiaries, our joint ventures with Banco Sabadell and Banco Santander, smaller businesses like Real Garant and Orion, as well as our acquisition Zurich Kotak are excluded since they were not reflected in the CO2e emissions baseline in 2019.
2 Refers to the spend of approximately USD 2 billion annually managed centrally by Zurich’s Procurement and Supply Chain Management function on goods and services that are required to enable Zurich to maintain and develop its operations. We consider a supplier to have science-based targets when their emission reduction targets are approved by a scientifically accredited body or otherwise require a reduction of at least 42 percent in scope 1 and 2 emissions by 2030.
3 Zurich’s Carbon Fund was established 2020 to fund efforts to reduce emissions relating to the Group and its subsidiaries and to support innovation in emissions reduction solutions, in line with the ambition to become net-zero by 2050 across our business.
4 The SME Climate Hub is an initiative of the We Mean Business Coalition, co-founded and operated in partnership with the Exponential Roadmap Initiative and the UN Climate Change High Level Champion’s Race to Zero campaign.

Our stakeholders – our planet



Case study

Reducing real estate-related emissions

Zurich directly manages a real estate portfolio of USD 14.1 billion. Our real estate team has already achieved a 36 percent reduction in emission intensity related to its portfolio[1] relative to a 2019 baseline. We aim to continue to reduce emissions versus the baseline by 45 percent by 2030, and achieve the net-zero goal by 2050. Our progress reflects a combination of measures to reduce emissions, and the increased use of green energy. For instance, in properties in which we invest, we've upgraded traditional lighting to energy-efficient LED systems and modernized elevators. We're also supporting a transition to greener energy fuels, for example, by using green energy generated through biogas production, and installing photovoltaic systems to generate renewable energy.



"At Zurich, we are strongly committed to playing our part in tackling climate change by reducing emissions across our investment portfolio. Our real estate team's achievements to date are a testament to what's possible when sustainability is embedded into every step of our asset management approach."

Danielle Brassel
Head of Responsible Investment

1 Landlord operational emissions for 2024 measured from energy invoices, covering USD 9.6 billion.

Our stakeholders

Our investors

Financial strength, conservative balance sheet

Zurich is a strong business with industry-leading financial strength, a conservatively managed balance sheet, delivering consistent financial performance. Its financial flexibility is underpinned by a strong solvency and the cash generative nature of our business. This leads to the generation of excess cash to deploy in highly accretive growth opportunities. Over the last 10 years, Zurich has distributed more than CHF 32.5 billion[1] to its shareholders in cash dividends and share buybacks contributing to an industry-leading total shareholder return of 18 percent per year.[2]

For more information about our shares:
www.zurich.com/investor-relations/our-shares

For our calendar of events:
www.zurich.com/media/calendar

To contact our investor relations team:
www.zurich.com/investor-relations/investor-relations-contact



> “Our highly cash-generative business model supports an attractive and growing dividend, underpinned by industry-leading capital levels and consistent growth.”

Claudia Cordioli
Group Chief Financial Officer



Annual General Meeting

For more information see:
www.zurich.com/agm

1 Dividends related to financial year, not based on payment date. Buybacks based on announcement date, not execution date. 2025 dividend not included.
2 Annualized TSR in U.S. dollars from January 1, 2016, to December 31, 2025. Dividends related to financial year, not based on payment date. Buybacks based on announcement date, not execution date.

Our stakeholders – our investors

Cash generative business model and dividend policy

Zurich has a highly cash-generative business model supporting an attractive dividend. The Group intends to maintain its current attractive dividend policy and proposes a target pay-out ratio of around 75 percent of sustainable net income attributable to shareholders (NIAS), subject to a minimum of the prior-year dividend per share, with dividend increases based on sustainable earnings growth.

Share data as of December 31, 2025

CHF 30.00[1]
Proposed dividend per share
2024: CHF 28.00

CHF 601.80
Share price at end of period
2024: CHF 538.80

CHF 623.40
Price period high
2024: CHF 562.60

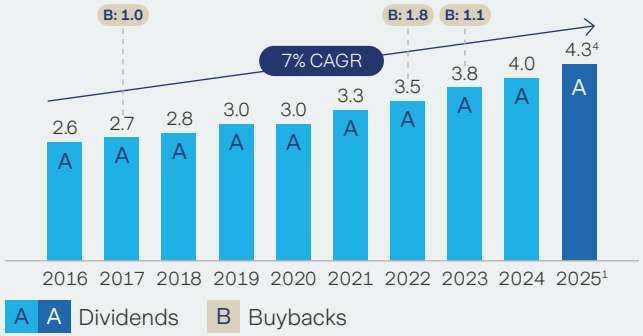
CHF 525.20
Price period low
2024: CHF 429.90

CHF 88bn
Market capitalization
2024: CHF 79bn

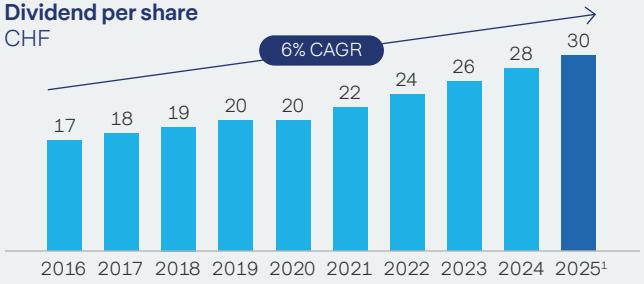
Financial strength

Zurich's financial flexibility is underpinned by strong solvency and the cash-generative nature of its business. Zurich Insurance Company Ltd's financial strength was rated AA/stable by S&P, Aa2/stable by Moody's and A+(superior)/stable by AM Best as of December 31, 2025. AM Best's Issuer Credit rating[2] is aa/stable. The Group's Swiss Solvency Test (SST)[3] ratio was estimated at 259 percent as of December 31, 2025.

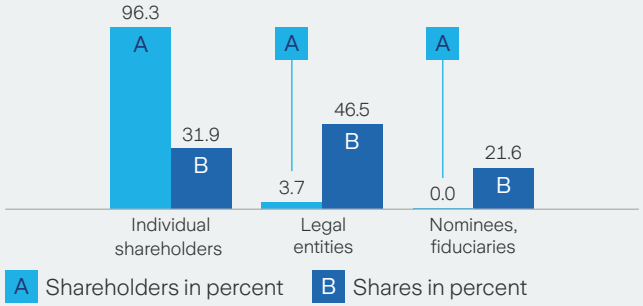
Dividends and buybacks
CHF billions



Dividend per share
CHF



Registered shareholders by type
Percent as of December 31, 2025





1 Proposed dividend, subject to approval by shareholders at the Annual General Meeting, expected payment date as from April 14, 2026. Gross dividend, subject to 35 percent Swiss withholding tax.
2 AM Best differentiates between the issuer credit rating and the less granular financial strength rating in their proprietary methodology.
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 December 31 has to be filed with FINMA by end of April in the subsequent year and is subject to review by FINMA.
4 Based on the number of shares as of December 31, 2025.

Z Zurich Foundation

Creating brighter futures for vulnerable people

Reinforcing social resilience

Established by members of the Zurich Insurance Group in 1973, the Z Zurich Foundation (the Foundation) has evolved over the years into a vehicle for community investment and philanthropy to achieve real and meaningful change. Collaborating closely with Zurich, its employees, private and public organizations, governments and other key stakeholders, the Z Zurich Foundation embraces uncertainty as a catalyst for resilience, innovation and inclusive progress, especially in the face of climate-related hazards, catastrophes, mental health challenges and social inequities.

To support its strategy, the Z Zurich Foundation focuses its efforts on four societal challenges, aiming to help create brighter futures for vulnerable people.

Enabling social equity

Responding to crisis

Improving mental well-being

Adapting to climate change

>239,300
volunteer hours[1,2] during 2025

>CHF 3.2 million
in matched donations and fundraising[2] during 2025

1 Zurich Insurance Group Ltd and its subsidiaries (Zurich). It also includes employees of the Farmers Group, Inc. and Zurich Cover-More.
2 Zurich Insurance Group and employees contribute through fundraising, volunteering and cash contributions whereas the Foundation carries out community investment activities. The final 2025 figures will be disclosed in the Foundation's Impact Report, which will be published in June 2026.



"Empathy does not need proximity to be felt. We focus on where vulnerability is the greatest. Uncertainty does not have to be a threat. It can be a call to action. Through our 120 programs worldwide, the activism of Zurich's employees and strategic collaboration with NGOs and other philanthropic organizations, we have once again witnessed stories of hope and resilience."

Gregory Renand
Head of the Z Zurich Foundation



Case study

Transforming mental health, psycho-social support in humanitarian contexts

In 2025, the Foundation entered a multi-year collaboration with the International Committee of the Red Cross (ICRC) to strengthen its ability to respond to mental health crises arising from humanitarian catastrophes. Often such support is scant, or non-existent. This approach supports the ICRC's Mental Health and Psychosocial Support (MHPSS) programs, which mitigate psychological distress, foster resilience, and aid recovery for people affected by conflict, violence, and displacement. Backed by the Foundation, the initiative aims to deliver scalable, multilingual tools and practical guidance to embed MHPSS in emergency measures and build capacity for sustainable impact. For young people, this work can be life-changing. One of those is Aly. After fleeing violent conflict, Aly and his family settled in a crowded refugee camp in Burkina Faso. Thanks to an ICRC-supported medical center – one of the few offering psychological care – Aly received therapy and began his journey toward healing.

Learn more here:
www.zurich.foundation/about-us/publications/2025/icrc-mhpss-collaboration_2025-08-19

Z Zurich Foundation



Case study

Bringing mental wellbeing into classrooms in Portugal

Por ti ('For you') is a mental wellbeing program introduced in 2022 in secondary school classrooms across Portugal. Supported by the Z Zurich Foundation, it is implemented by EPIS – Empresários pela Inclusão Social, and Universidade de Coimbra, and managed by Zurich Portugal and its corporate volunteer club, Missão Azul. The program helps students, their families and teachers better deal with emotions, and offers support in situations where it might be missing. By engaging with schools, families, policymakers, and academia, its collaborative approach has made it a model for such programs nationwide. In 2025, the program received a silver award for social responsibility and sustainability practices, promoted by the Portuguese Association of Business Ethics. The program has also received formal accreditation for teacher training.



"Our young people carry the weight of today's uncertainties, and their mental health is at risk. I believe that the most effective and sustainable approach to improving mental wellbeing in young people is to lead with prevention. Investing in youth mental health is essential to building a resilient generation and as such a stronger tomorrow and future for all."

Helene Westerlind
CEO Zurich Portugal



Case study

Strengthening urban resilience in Australia

In Australia, extreme heat is the deadliest natural hazard. The Foundation's Urban Climate Resilience program, led by the Australian Red Cross in collaboration with Zurich Australia and the International Federation of Red Cross and Red Crescent Societies (IFRC), works to support system-wide changes and help communities prepare for and adapt to urban heat. The Red Cross works with communities, local governments and community service organizations to raise awareness and preparedness. The program includes training Zurich Australia employees as 'extreme heat champions.' Zurich Australia has also invited brokers to related webinars and events. Together with IFRC, Australia's experience is helping shape people-focused ways to build safer, more connected, and climate-resilient cities worldwide.

Case study

Opening career doors to young people in Brazil

In 2025, Zurich Santander Brazil launched its Social Summer Job Program. The initiative aims to create opportunities for talented students who complete the Forge Foundation program, supported by the Z Zurich Foundation and implemented with Instituto Aliança in Brazil. Ten participants were selected from over 130 applicants. The program included a 'learning journey' to São Paulo to get first-hand insights on business-related skills and career development. Students also took part in an immersive experience at Zurich Santander. When it ended, all 10 students were offered long-term internships at Zurich Santander Brazil. The program reflects Z Zurich Foundation's commitment to education and social progress, and was supported by over 50 Zurich Santander Brazil employees who volunteered as mentors.



Effective structures and processes position us to harness strategic opportunities, even in uncertain times.

Governance

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Remuneration report 86



Message from our Chairman on corporate governance

Leading with resilience in times of change



> “Insurance stands as one of the most powerful tools for building resilience and enabling sustainable development.”

Michel M. Liès
Chairman of the Board of Directors

The past year has underscored just how rapidly our world is changing. From persistent economic volatility and a shifting geopolitical landscape to the accelerating pace of technological innovation, Zurich faces an external environment defined by both challenge and opportunity.

Nowhere is this more evident than in the escalating risks posed by natural catastrophes. At the start of 2025, the world watched in disbelief as wildfires swept through the suburbs of Los Angeles. Then, just two weeks before my participation at COP30 in Belém, Hurricane Melissa struck Jamaica with unprecedented force – a stark reminder for leaders that climate events are growing in frequency and severity. For emerging economies, such disasters are not only humanitarian crises but also major setbacks to economic progress and fiscal stability. We see time and time again how a single natural catastrophe can wipe out years of progress.

I am convinced that insurance stands as one of the most powerful tools for building resilience and enabling sustainable development. Our industry is uniquely positioned to underwrite climate risks, providing vital recovery funds that help communities rebuild after disaster strikes. But we offer much more: our risk management expertise helps governments and businesses identify vulnerabilities, strengthen defenses, and build resilience before disasters strike. Insurance also unlocks investment in resilient infrastructure by de-risking projects and mobilizing private and public capital.

At COP30, it was clear that expectations of our sector are rising. Stakeholders increasingly look to insurers not just for post-disaster support, but as proactive partners in disaster risk management and sustainable development finance. Zurich must seize this opportunity by innovating, collaborating, and demonstrating the tangible value insurance brings to society.

Shaping the future of AI

Our commitment to resilience extends beyond climate. The digital landscape is transforming how we do business – opening new possibilities but also new risks. Zurich has deployed more than 460 AI use cases across our business, delivering real benefits in underwriting, claims, customer service, and efficiency. But this is just the beginning. AI has the potential to transform the business model of insurance, enabling faster, smarter, and more personal customer experiences. That's why we have launched the Zurich AI Lab, together with ETH Zurich and the University of St.Gallen (HSG) (see page 10), to pioneer new solutions, set industry standards, and keep Zurich at the forefront of innovation.

We are committed to harnessing these opportunities responsibly. At the same time, robust cybersecurity remains a top priority. We continue to invest in the latest technologies and practices to protect our digital infrastructure and data. In 2025, the Board of Directors (Board) undertook cybersecurity training to stay ahead of emerging threats, mitigation strategies, and the regulatory landscape. We are also investing in new products and services to protect our retail and business customers of every size (see page 11).

Preparing Zurich's organization for what's next

To remain fit for the future, we have evolved our Group's organization, with changes effective January 1, 2026 (see page 42). These changes support our strategic priorities, strengthen our core businesses, and position Zurich to seize emerging opportunities across Commercial Insurance, Retail, and Life. This reflects our conviction that Zurich must continue to lead in areas where we already excel and accelerate in those where the opportunity is greatest.

The Board is also evolving. After 12 years of dedicated service, Christoph Franz will not stand for reelection at the 2026 Annual General Meeting (AGM). Christoph has played a pivotal role as Vice-Chairman and Chair of the Remuneration Committee, helping to shape Zurich's governance and strategy. The Board intends to appoint Jasmin Staiblin as Vice-Chair and Sabine Keller-Busse as Chair of the Remuneration Committee, subject to their reelection as Board members.

In addition, following a thorough selection process, the Board proposes Mary Forrest as a new Board member. Mary has extensive insurance market expertise and will contribute significantly to our strategic oversight. These changes will ensure Zurich's governance remains robust and prepared for the future.

As we embrace this uncertain chapter, our role will extend beyond protection. Anticipating risk, adapting with agility, and acting with integrity are essential to maintaining the trust of our stakeholders. I am confident that Zurich's renewed organization and strategic clarity will help us lead through uncertainty and build a more resilient future.

Thank you, as always, for your continued trust and support.



Michel M. Liès
Chairman of the Board of Directors

Board changes

At the AGM on April 9, 2025, Thomas Jordan was elected as a new Board member. After 12 years on the Board, Monica Mächler did not stand for re-election at the AGM 2025.

Christoph Franz, after serving 12 years on the Board, will not stand for reelection at the next AGM on April 8, 2026. The Board proposes to shareholders the reelection of all other current members, and the election of Mary Forrest as a new Board member.

The Board intends to appoint Jasmin Staiblin as Vice-Chair and Sabine Keller-Busse as Chair of the Remuneration Committee, subject to their reelection as members of the Board.

Executive Committee changes

There have been no changes to the Executive Committee in 2025.

As described on page 42, the responsibilities of some members of the Executive Committee changed as part of our renewed Group organization, effective January 1, 2026.

Corporate governance report

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Group governance

Our commitment to effective corporate governance

The Zurich Insurance Group, consisting of Zurich Insurance Group Ltd (ZIG) and its subsidiaries (the Group or Zurich), is committed to effective corporate governance for the benefit of its shareholders, customers, employees and other stakeholders based on the principles of fairness, transparency and accountability. Structures, rules and processes are designed to enable proper conduct of business by defining the powers and responsibilities of its corporate bodies and employees. Our structures provide for checks and balances and institutional separation between the Board and the Group Chief Executive Officer (Group CEO) as well as the Executive Committee (ExCo), which together are responsible for managing the Group on a day-to-day basis.

Zurich's corporate governance principles are described in a number of corporate documents, in particular in ZIG's articles of association (Articles of Association) and ZIG's organizational rules (Organizational Rules) (www.zurich.com/about-us/corporate-governance/corporate-documents). Zurich also complies with the Swiss Code of Best Practice for Corporate Governance (Swiss Code of Best Practice) issued by economiesuisse. The Board's Governance, Nominations and Sustainability Committee (GNSC) regularly reviews the Group's corporate governance against best practice standards.

Effective corporate governance is complemented by a remuneration system that fosters the right behaviors. Information on remuneration and shareholdings of and loans to Board and ExCo members and remuneration governance is contained in the remuneration report (see pages 82 to 123).

Information on sustainability governance is contained in the sustainability report (see pages 138 to 140).

Supervision

Zurich is subject to insurance group supervision by the Swiss Financial Market Supervisory Authority FINMA (FINMA). Swiss insurance regulation requires Swiss insurance companies and groups to establish and maintain strong governance and risk management systems, as well as effective internal control systems appropriate to their business activities. It prescribes the calculation of a risk-based solvency margin on a Group-wide basis and at legal entity level pursuant to the Swiss Solvency Test (SST). Among others, all material intra-group transactions must be reported to FINMA. In addition to the group supervision exercised by FINMA and its insurance supervision of the legal entities Zurich Insurance Company Ltd, Zurich Life Insurance Company Ltd, Zurich Reinsurance Company Ltd and Orion Legal Expenses Insurance Ltd., the insurance and other financial services subsidiaries of the Group are subject to the respective local financial market regulations.

Operational Group structure

Zurich Insurance Group Ltd, the Group's listed holding company, is a corporation organized under Swiss law with registered offices at c/o Zurich Insurance Company Ltd, Mythenquai 2, 8002 Zurich. Zurich's business is focused on providing best-in-class property and casualty and life insurance products and services to individuals, small businesses, mid-sized and large companies.

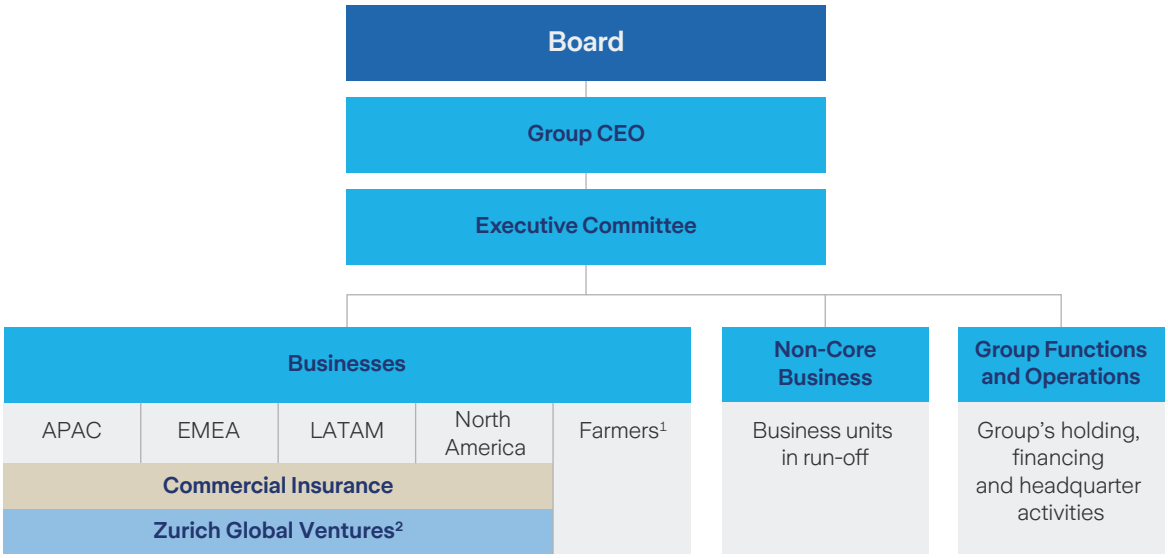
The operational structure reflects the businesses operated by the Group and how these are strategically run to offer different products and services to specific customer groups. The Group is managed by regions, and in addition, Commercial Insurance, Zurich Global Ventures and Farmers in the U.S.:

- Through regions (APAC, EMEA, LATAM and North America), the Group provides a variety of property and casualty and life products to retail and commercial customers as well as reinsurance propositions. Each region is headed by a regional CEO.
- Commercial Insurance brings together the corporate and commercial insurance expertise worldwide under a single umbrella. It is organized as a global business and headed by the CEO Commercial Insurance.
- Zurich Global Ventures (ZGV) is made up of two global platform businesses, Zurich Cover-More (focused on global travel) and the Life Protection management unit (including Zurich Integrated Benefits and International Life), both businesses supported by value-add services and capabilities in the fields of digital enablement, cyber and embedded insurance orchestration. ZGV is headed by the CEO Zurich Global Ventures.
- Farmers Group, Inc., a wholly owned subsidiary of the Group, and certain of its subsidiaries, provide certain non-claims services and ancillary services to the Farmers Exchanges in the U.S. as their attorney-in-fact and receive fees for their services. Zurich Insurance Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc. is headed by the CEO of Farmers Group, Inc.

The Group's activities further comprise the non-core business including certain business units in run-off that are under the responsibility of the Group Chief Financial Officer (Group CFO) and the CEO North America. Group Functions and Operations comprise the Group's holding, financing and headquarter activities and include, among others, the Group Chief Information and Digital Officer, Group Chief Risk Officer (Group CRO) and the Group CFO.

On the investment side, Investment Management manages the Group's own assets and the assets of policyholders and is headed by the Group Chief Investment Officer (Group CIO).

Operational Group structure
as of December 31, 2025



1 Zurich Insurance Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc., a wholly owned subsidiary of the Group, and certain of its subsidiaries, provide certain non-claims services and ancillary services to the Farmers Exchanges in the U.S. as their attorney-in-fact and receive fees for their services.
2 Certain ZGV units are reported under Group Functions and Operations. Others, like Zurich Cover-More and Zurich Integrated Benefits and International Life's businesses, are embedded in the regions.

Organizational changes effective January 1, 2026

We have established a new Life, Health and Bank Distribution unit, headed by Alison Martin, previously Regional CEO EMEA and Bank Distribution. Bringing our life and health expertise under a single umbrella will enable us to strengthen our capabilities to drive product innovation, unlock value from our customer data, and expand distribution agreements. To grow our Retail business, Kristof Terryn, previously Regional CEO North America, now oversees the EMEA region and Global Retail, which was created to foster cross-regional initiatives to even better serve our customers. The responsibility for the North America region has been taken over by Sierra Signorelli, our CEO Commercial Insurance. Zurich Global Ventures, headed by Cara Morton, has been renamed Global Businesses and Operations to reflect its expanded remit, which now includes Global Operations. Ericson Chan continues to lead our information, digital, and technology initiatives.

More information on:	
Group's business activities	Group overview section starting on page 4 and on our website (www.zurich.com/about-us)
Detailed review of the 2025 business results	Financial review starting on page 257
Group's reportable segments	Pages 381 to 382
Group's significant subsidiaries	Pages 396 to 397
Executive Committee	Pages 64 to 75

Capital structure

Share capital and shares

The shares of Zurich Insurance Group Ltd (ZIG) are listed on the SIX Swiss Exchange (ISIN: CH0011075394, symbol: ZURN). As of December 31, 2025, ZIG's ordinary share capital amounted to CHF 14,635,575.40 divided into 146,355,754 fully paid-in registered shares with a nominal value of CHF 0.10 each. The market capitalization as of December 31, 2025, was CHF 88,076,892,757. ZIG has not issued any participation certificates, non-voting equity securities or preference shares.

ZIG has an American Depositary Receipt (ADR) level 1 program with The Bank of New York Mellon (BNYM).[1] As of December 31, 2025, investors held 45,755,000 ADRs (representing 2,287,750 ZIG shares).

As of December 31, 2025, ZIG had no public convertible bonds or options outstanding. For information on employee share plans, see the consolidated financial statements, note 20 on page 365.

Please refer to page 356 for information about treasury shares. Further information on ZIG's shares can also be found under: www.zurich.com/investor-relations/our-shares.

Capital band and contingent share capital

	Key features	% of shares issued as of December 31, 2025
Capital band[2] Art. 5[bis] of the Articles of Association	On April 6, 2023, ZIG's AGM approved a capital band to replace the authorized share capital. Until and including April 6, 2028, the Board is authorized under the capital band to conduct one or more increases and/or reductions of the share capital within the upper limit of CHF 18,917,751.50, corresponding to 189,177,515 registered shares with a nominal value of CHF 0.10 each, and the lower limit of CHF 13,541,415.00, corresponding to 135,414,150 registered shares with a nominal value of CHF 0.10 each.	Upper limit: 129.3% Lower limit: 92.5%
Contingent share capital[2] Art. 5[ter] para. 1 of the Articles of Association	The share capital may be increased by an amount not exceeding CHF 2,992,160 by issuing up to 29,921,600 fully paid-in registered shares with a nominal value of CHF 0.10 each by the voluntary or mandatory exercise of conversion and/or option rights, which are granted in connection with the issuance of financial instruments[3] by ZIG or one of its group companies, or by mandatory conversion of financial instruments issued by ZIG or one of its group companies, that allow for contingent mandatory conversion into shares of ZIG, or by exercising option rights which are granted to the shareholders.	20.4%
Contingent share capital for employees Art. 5[ter] para. 2 of the Articles of Association	Additional contingent share capital of CHF 409,509.20, representing 4,095,092 fully paid-in registered shares with a nominal value of CHF 0.10 each, which may be issued to Group employees.	2.8%

For further information, see art. 5[bis] and 5[ter] Articles of Association (www.zurich.com/investor-relations/our-shares/articles-of-association) and the consolidated financial statements, note 18 on pages 354 to 356.

Changes in share capital

Changes in the ordinary share capital over the last three years

	Share capital in CHF	Number of shares	Nominal value in CHF
As of December 31, 2022	15,046,016.70	150,460,167	0.10
Newly issued shares from contingent share capital	0.00	–	–
Capital reduction under the capital band	(410,441.30)	(4,104,413)	0.10
As of December 31, 2023	14,635,575.40	146,355,754	0.10
Newly issued shares from contingent share capital	0.00	–	–
As of December 31, 2024	14,635,575.40	146,355,754	0.10
Newly issued shares from contingent share capital	0.00	–	–
As of December 31, 2025	**14,635,575.40**	**146,355,754**	**0.10**

1 Under this program, BNYM issues the American Depositary Shares (ADSs). Each ADS represents the right to receive one-twentieth of one ZIG share. ZIG's ADSs are traded over the counter (OTC) and are evidenced by American Depositary Receipts (ADRs). Since July 1, 2010, ZIG's ADRs have been traded on 'OTCQX', an electronic platform operated by OTC Markets Group Inc. under the symbol ZURVY. ADS holders are not treated as ZIG shareholders and are not able to directly enforce or exercise shareholder rights. Only BNYM as depositary of the level 1 program may exercise voting rights with respect to instructions received from beneficial owners of ADRs.
2 Under the capital band or the contingent share capital pursuant to art. 5[ter] para. 1 of the Articles of Association, the Board may not increase the share capital on a non-preemptive basis by more than 14,600,000 new shares from April 6, 2023, until April 6, 2028. See art. 5[bis] para. 5 of the Articles of Association for details.
3 Loans, bonds, similar debt instruments, equity-linked instruments or other financial market instruments (collectively, the 'financial instruments').

Shareholders

Shareholders' rights

Dividend

All shares, except treasury shares, have the same right to dividends.

Participation in shareholders' meetings

Pursuant to art. 14 of the Articles of Association (www.zurich.com/investor-relations/our-shares/articles-of-association), each share whose owner or usufructuary is entered in ZIG's share register as shareholder with voting rights entitles its holder to one vote at shareholders' meetings and to exercise all other rights in respect of that share.

ZIG does not have any voting rights restrictions in place. Shareholders may vote on shares registered in their name in the share register. There are limitations regarding nominee registrations as set out below.

To ensure an orderly process, the Board determines the date on which a shareholder must be registered in the share register to attend the shareholders' meeting. This date is mentioned in the invitation to the shareholders' meeting.

Shareholders with voting rights can attend shareholders' meetings in person or may be represented by their legal representative or, by means of a written authorization, by another person who need not be a shareholder. Shareholders may also appoint the independent voting representative, who is elected by the AGM for a term lasting until the conclusion of the next AGM and may be reelected. Shareholders can order their admission card or authorize a representative by using the reply card or electronically via the shareholder portal (www.gvote.ch).

ZIG informs the shareholders at the beginning of the shareholders' meeting of the aggregate number of shares represented by shareholders or their representatives physically attending the meeting and the number of shares represented by the independent voting representative.

Limitations on transferability and nominee registrations

There are no limitations on transferability of ZIG shares. Shareholders are registered in ZIG's share register with voting rights if they confirm that they have acquired the shares in their own name and for their own account (see art. 7 para. 2 of the Articles of Association, www.zurich.com/investor-relations/our-shares/articles-of-association).

Nominees are registered in ZIG's share register with voting rights up to a maximum of 3 percent of ZIG's share capital, without having to disclose beneficial owners. For shareholdings exceeding this threshold, nominees are registered with voting rights if they agree to:

- use best efforts so that beneficial owners register themselves in the share register;
- disclose to ZIG upon request within five business days the name, address, nationality and shareholdings of each beneficial owner for whom they hold 0.5 percent or more shares; and
- inform beneficial owners about ZIG's corporate actions, to consult them on exercising voting rights and subscription rights, if applicable, to effect dividend transfer, to act in the beneficial owners' interests and according to their instructions, and to take any other actions as may be required.

Nominees who are linked to each other or who act in concert to circumvent the registration restrictions are treated as one nominee. There are special provisions relating to the registration and exercise of rights attached to shares held by BNYM in connection with the ADR program.

Convening of shareholders' meetings

Shareholders' meetings are convened by the Board or, if necessary, by the external auditors and other bodies in accordance with the provisions set out in art. 699 and 700 of the Swiss Code of Obligations. Shareholders with voting rights representing at least 5 percent of the share capital or votes in ZIG may call a shareholders' meeting, indicating the items to be discussed and the corresponding proposals. The invitation to a shareholders' meeting is published in the Swiss Official Gazette of Commerce and on our website (www.zurich.com/agm) at the latest 20 calendar days before the meeting. Registered shareholders receive a reply card by unregistered mail. No printed documents are sent to registered shareholders who have previously registered for an email alert via the shareholder portal (www.gvote.ch).

The Board may convene shareholders' meetings as in-person, hybrid or virtual meetings. In the case of hybrid or virtual meetings, the Board must ensure that the shareholders can exercise their rights by electronic means.

Statutory quora

Pursuant to art. 15 of the Articles of Association (www.zurich.com/investor-relations/our-shares/articles-of-association), a shareholders' meeting constitutes a quorum irrespective of the number of shareholders present and shares represented. Resolutions and elections require the approval of an absolute majority of the votes represented, unless provisions in the Articles of Association (of which there are none) or legal provisions stipulate otherwise. Art. 704 of the Swiss Code of Obligations provides for a two-thirds majority of votes represented and a majority of the nominal value of shares represented for certain important matters, such as e.g., the company's dissolution.

Agenda

The Board sets the shareholders' meeting agenda. Shareholders with voting rights who together represent shares with a nominal value of at least CHF 10,000 may at the latest 45 days before the day of the meeting request in writing that:

- items be included on the agenda, at the same time stating the proposals; or
- proposals concerning agenda items are included in the notice convening the shareholders' meeting.

Shareholder structure

Significant shareholders and cross-shareholdings

According to the rules on disclosure of significant shareholdings in Swiss listed companies, a shareholding has to be disclosed if certain thresholds starting at 3 percent are reached, exceeded or if the shareholding subsequently falls below those thresholds. ZIG is obliged to announce third-party shareholdings upon receipt of a notification that the shareholding has reached, exceeded or fallen below the relevant thresholds. During 2025, ZIG received notification from The Capital Group Companies, Inc., Los Angeles, whose shareholding fell below the 3 percent threshold.

As of December 31, 2025, ZIG was not aware of any person or institution, other than BlackRock, Inc., New York (> 5 percent), and UBS Fund Management (Switzerland) AG, Basel (> 5 percent), which, directly or indirectly, had an interest as a beneficial owner in ZIG shares or option rights and/or conversion rights relating to ZIG shares reaching or exceeding the relevant thresholds.

Notifications are available on the SIX Disclosure Office's platform: www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/.

As of December 31, 2025, ZIG was not aware of:

- any person or institution which, directly or indirectly, alone or with others, exercised or was a party to any arrangements to exercise control over ZIG; and
- any cross-shareholdings in excess of 5 percent of share capital or voting rights with any other company.

Shareholder data

Number of shares held

as of December 31, 2025	Number of registered shareholders	% of registered share capital
1–500	138,016	16.4
501–1,000	4,729	4.6
1,001–10,000	3,771	12.5
10,001–100,000	302	15.5
100,001+	76	51.0
Total registered shares[1]	**146,894**	**100.0**

1 of registered shareholders.

Registered shareholders by type

as of December 31, 2025	Registered shareholders in %	Registered shares in %[1]
Individual shareholders	96.3	31.9
Legal entities	3.7	46.5
Nominees, fiduciaries	0.0	21.6
Total	**100.0**	**100.0**

1 of registered shareholders.

Registered shareholders by geography

as of December 31, 2025	Registered shareholders in %	Registered shares in %[1]
Switzerland	92.9	67.0
UK	0.4	9.1
North America	0.5	12.9
Asia	0.2	0.4
Latin America	0.1	0.1
Rest of the world	5.9	10.5

1 of registered shareholders.

Additional information

Duty to make an offer

The Articles of Association do not provide for an opting-out or opting-up in the meaning of the Swiss Financial Market Infrastructure Act. Therefore, mandatory offers have to be submitted when a shareholder or a group of shareholders acting in concert exceeds 33 1/3 percent ownership of ZIG's issued and outstanding share capital.

Close periods

Under Zurich's Group Policy on Dealing in Securities (Policy), persons qualifying as Group insiders are prohibited from dealing in Zurich securities during periods Zurich has designated as 'close periods'. Close periods are those periods (of a minimum of 30 days) leading up to and including the trading day of the announcement of the Group's quarterly, half-year and annual results. In practice, close periods last approximately 40 days with a longer time span over year-end.

In addition, dealing restrictions during prohibited periods apply to Group insiders who are involved in (potentially) price-sensitive projects. Outside of close and prohibited periods, Group insiders may deal in Zurich securities with prior clearance from Group Compliance.

Persons in scope

Senior executives (e.g., ExCo members, heads of certain Group functions) and Board members of ZIG and of certain significant Group subsidiaries are deemed Group insiders by reason of their positions.

Additional persons can be designated as Group insiders based on the persons' exposure to (potentially) price-sensitive information regarding Zurich securities. Zurich keeps a list of these individuals.

Furthermore, Group insiders must take reasonable steps to facilitate compliance by their connected persons (e.g., spouse, life or civil partner, minor child, financial adviser, affiliated company) with the Policy, including communicating the dates of the close periods.

Securities in scope

Zurich securities are securities of ZIG or of its subsidiaries worldwide. The term 'securities' includes:

- Securities admitted to trading (or for which a request for admission to trading has been made) or which are traded on a stock exchange, a regulated market, a multilateral trading facility, an organized trading facility or over-the-counter market, in and outside Switzerland.
- Securities traded on the primary (e.g., initial public offering) market or over-the-counter on the secondary market.
- Over-the-counter (OTC) financial instruments (e.g., derivatives).
- Financial instruments deriving from securities whose price is materially dependent (i.e., Zurich securities weighted more than 20 percent) on the underlying security, including debt instruments or derivatives.

Exceptions

During a close or prohibited period, clearance to sell Zurich securities can be granted to the Group insider if the Group insider is not in possession of inside information about Zurich and there is an exceptional circumstance (such as a personal or family emergency involving a health matter or legal or financial emergency) in which selling Zurich securities is the only reasonably available course of action. The determination whether circumstances are deemed exceptional is made by the Group Chief Compliance Officer and the Chairman of the ZIG Board. In 2025, no such exceptions were granted.

Furthermore, provided the Policy's requirements are met, periodic investments based on a pre-defined trading plan do not require clearance and may continue during close and prohibited periods. As of December 31, 2025, no pre-defined trading plans were in place.

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Board of Directors

An independent Board with diverse backgrounds

Our Board is well positioned to support management in its efforts to deliver on our strategic priorities. In addition, it is committed to addressing the needs of all stakeholders and has a strong focus on sustainability and corporate responsibility.



Michel M. Liès

Chairman

Nationality
Luxembourg

Committee membership
Governance, Nominations and Sustainability Committee (Chair), Remuneration Committee

Other directorships within the Group
Zurich Insurance Company Ltd

Read more:
Page 54



Christoph Franz

Vice-Chairman

Nationality
Swiss and German

Committee membership
Remuneration Committee (Chair), Governance, Nominations and Sustainability Committee

Other directorships within the Group
Zurich Insurance Company Ltd

Read more:
Page 54



Joan Amble

Member of the Board of Directors

Nationality
U.S.

Committee membership
Governance, Nominations and Sustainability Committee, Risk and Investment Committee

Other directorships within the Group
Zurich Insurance Company Ltd

Read more:
Page 54



Catherine Bessant

Member of the Board of Directors

Nationality
U.S.

Committee membership
Audit Committee (Chair), Remuneration Committee, Risk and Investment Committee

Other directorships within the Group
Zurich Insurance Company Ltd

Read more:
Page 55



Michael Halbherr
Member of the Board of Directors

Nationality
Swiss

Committee membership
Governance, Nominations and Sustainability Committee, Risk and Investment Committee

Other directorships within the Group
Zurich Insurance Company Ltd

Read more: Page 55



Peter Maurer
Member of the Board of Directors

Nationality
Swiss

Committee membership
Governance, Nominations and Sustainability Committee, Audit Committee

Other directorships within the Group
Zurich Insurance Company Ltd

Read more: Page 56



Thomas Jordan
Member of the Board of Directors

Nationality
Swiss

Committee membership
Audit Committee, Risk and Investment Committee

Other directorships within the Group
Zurich Insurance Company Ltd

Read more: Page 55



John Rafter
Member of the Board of Directors

Nationality
Irish

Committee membership
Audit Committee, Risk and Investment Committee

Other directorships within the Group
Zurich Insurance Company Ltd

Read more: Page 57



Sabine Keller-Busse
Member of the Board of Directors

Nationality
Swiss and German

Committee membership
Remuneration Committee

Other directorships within the Group
Zurich Insurance Company Ltd

Read more: Page 56



Jasmin Staiblin
Member of the Board of Directors

Nationality
Swiss and German

Committee membership
Risk and Investment Committee (Chair), Remuneration Committee, Audit Committee

Other directorships within the Group
Zurich Insurance Company Ltd

Read more: Page 57



Kishore Mahbubani
Member of the Board of Directors

Nationality
Singapore

Committee membership
Remuneration Committee

Other directorships within the Group
Zurich Insurance Company Ltd

Read more: Page 56



Barry Stowe
Member of the Board of Directors

Nationality
U.S.

Committee membership
Governance, Nominations and Sustainability Committee, Audit Committee

Other directorships within the Group
Zurich Insurance Company Ltd

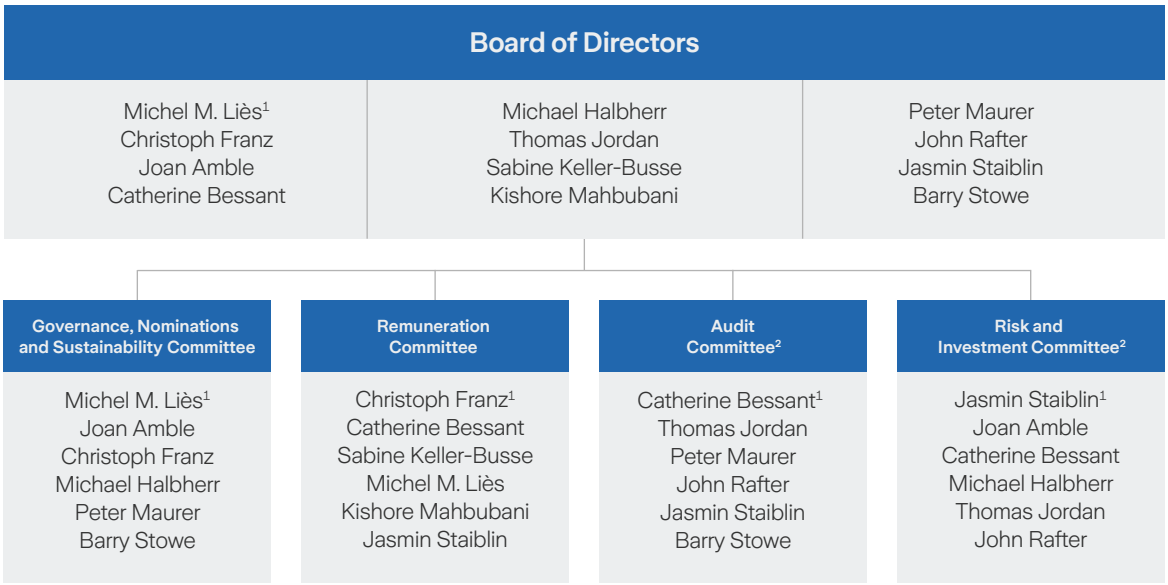
Read more: Page 57

Board of Directors

The Board decides ultimately on the Group's strategy and sets the Group's values and standards. It holds the final decision-making authority for Zurich Insurance Group Ltd (ZIG), except for decisions on matters reserved for the shareholders. The Board is chaired by the Chairman, or in his absence, by the Vice-Chairman. The Vice-Chairman and the Board's secretary are appointed by the Board.

Board of Directors and its committees

as of December 31, 2025



1 Chair of Board and Board committee, respectively.
2 To facilitate an ongoing exchange of information between the Risk and Investment Committee and the Audit Committee, the Audit Committee Chair is a member of the Risk and Investment Committee and at least one member of the Risk and Investment Committee is a member of the Audit Committee. The Chairman of the Board regularly participates in both the Audit Committee and Risk and Investment Committee meetings as a guest.

Size and elections

The Articles of Association require that the Board consists of at least seven but not more than 13 members (art. 21, www.zurich.com/investor-relations/our-shares/articles-of-association). Shareholders elect the Chairman and the other Board members individually at the AGM for a term of office ending with the conclusion of the next AGM. According to the Organizational Rules (art. 2.2, www.zurich.com/about-us/corporate-governance/corporate-documents), no Board member may serve for more than 12 consecutive terms, although the Board may extend this limit in exceptional circumstances.

Board members are elected by an absolute majority of the votes represented (art. 17 of the Articles of Association). The Board constitutes itself, except for the Chairman and the Remuneration Committee members, who are elected individually by the shareholders at the AGM for a term of office ending with the conclusion of the next AGM.

All ZIG Board members are also members of the Zurich Insurance Company Ltd (ZIC) Board of Directors. Mr. Liès also serves as Chairman of ZIC's Board of Directors. None of the Board members have further memberships in a subsidiary board of the Group.

Independence

Zurich considers the independence of its Board members essential for good corporate governance. Zurich's independence criteria comply with applicable laws and reflect best-practice standards such as the SIX Exchange Regulation Directive on Information relating to Corporate Governance and the Swiss Code of Best Practice. The GNSC reviews Board members' independence status annually and reports its findings to the Board for final determination. The GNSC checks the independence criteria before recommending a Board candidate for election and, thereafter, for reelection on an annual basis. Board members are not deemed independent, if they (or if an immediate family member of a Board member), during the tenure as Board member, but at least within the past three years:

- Receive or have received, directly or indirectly, any consulting, advisory or other compensatory fees from the Group other than in their capacity as Board or committee members;
- Own or have owned more than 10 percent of the shares of ZIG;
- Are or have been employed or affiliated with the external auditors;
- Have or have had a material direct or indirect relationship with any member of the Group; or
- Are or have been an employee of the Group (or in case of immediate family members, are an executive officer of the Group).

Upon the recommendation of the GNSC, the Board determined that, as of February 18, 2026, all Board members were non-executive and independent. For further information on the independence policy, see section VII (B) (3) of the Annex I (Committees Charter) to the Organizational Rules (www.zurich.com/about-us/corporate-governance/corporate-documents). Board members are also subject to rules and regulations to avoid conflicts of interest and misuse of insider information.

Clauses on changes of control

There are no clauses pertaining to change of control that would benefit Board members.

Succession planning

One of the Board's key considerations is to maintain and enhance the Board's wide range of perspectives and experiences. Ongoing succession planning ensures that the Board continues to anticipate risks and opportunities as well as provide effective oversight and control.

The Chairman, supported by the GNSC, leads a structured succession planning process on a yearly basis. During these discussions, the Board focuses on track records, industry experience, technical and interpersonal skills and knowledge, education and viewpoints, ability to commit adequate time as well as diversity in terms of gender, culture, geographical origins and a variety of complementary backgrounds to enable the Board to meet the current and future challenges of the Group. For further information, see section VII of the Annex I (Committees Charter) to the Organizational Rules under www.zurich.com/about-us/corporate-governance/corporate-documents.

In 2025, the GNSC had regular discussions on Board succession as some Board members approach the end of their tenure in coming years. In addition, the Board and Committee composition and desired skills were discussed in detail.

Composition

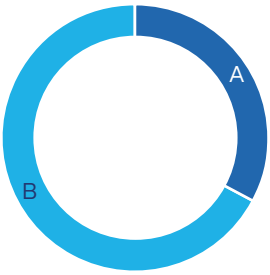
Diversity is a key factor for success in today's fast-changing global environment. Our Board consists of individuals with diverse geographic, cultural and educational backgrounds and experience, mirroring our international footprint and bringing local cultural perspective as well as regional networks. The backgrounds as shown below are measured based on key areas of the Board members' expertise and include insurance, banking and non-financial industries, CEO experience, risk management, sustainability, IT, data, digital and cyber security, legal, regulatory and governance, macroeconomics, finance, accounting and audit, as well as people and culture. In addition, each Board member avails of a wide range of management experience in a variety of areas adding up to a well-balanced and diverse skill set of ZIG's Board.

As of December 31, 2025, our Board:

- Was 33 percent female.
- Represented an age range from 55 to 77 years.
- Comprised members of six different nationalities.
- Had an average length of tenure of 6.7 years.

Length of tenure

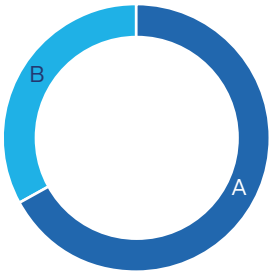
%, as of December 31, 2025



A	Less than 5 years	33
B	Between 5 and 12 years	67

Gender

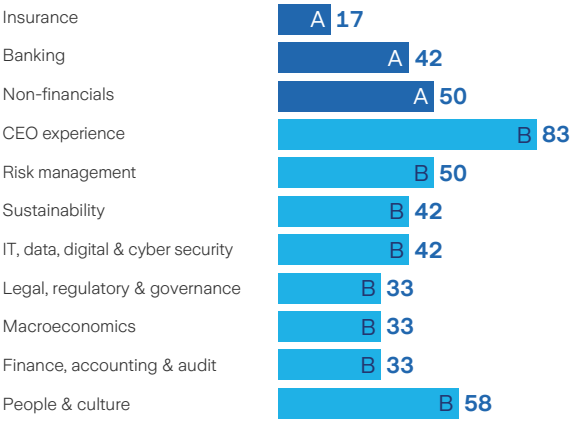
%, as of December 31, 2025



A	Male	67
B	Female	33

Background, experience, skills and knowledge

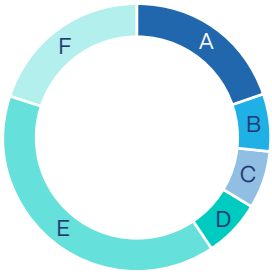
%, as of December 31, 2025



Board members are allocated to one or more nationality, sectors and/or specialization areas based on their individual profile.

Nationality[1]

%, as of December 31, 2025



A	Germany	20
B	Ireland	7
C	Luxembourg	7
D	Singapore	7
E	Switzerland	40
F	U.S.	20

1 Percentages may not total 100 due to rounding.

Changes to the Board in 2025

At the AGM on April 9, 2025, Thomas Jordan was elected as a new Board member. After 12 years on the Board, Monica Mächler did not stand for reelection at the AGM 2025. The biography of Monica Mächler can be found on page 48 of the 2024 Annual Report (www.zurich.com/investor-relations/results-and-reports).

Limits on mandates

Art. 33 para. 1 of the Articles of Association (www.zurich.com/investor-relations/our-shares/articles-of-association) sets forth the following, generally applicable, maximum limits for Board members:

Additional mandates for listed and non-listed companies (maximum in total)	8 maximum
Maximum of mandates for listed companies (included in total maximum)	3 maximum

Exempted from this general limit are the following categories of mandates (art. 33 para. 2 of the Articles of Association):

Mandates for ZIG and its Group companies	No limit
Mandates exercised on behalf of ZIG or a Group company in legal entities not affiliated with the Group	5 maximum
Mandates in associations, professional or trade organizations, foundations, pension foundations, educational institutions and similar organizations	5 maximum
Mandates in structures managing the personal or family's assets of Board members and/or their related persons	5 maximum

Mandate means any membership in the board of directors, the executive committee or the advisory board (*Beirat*), or any comparable function under foreign law, in a company with an economic purpose. Mandates in different legal entities of the same group (including asset management structures in accordance with art. 33 para. 2 lit. d of the Articles of Association) and mandates in legal entities closely associated with the group (such as pension funds and joint ventures) are deemed one mandate. The maximum limits set forth in the Articles of Association do not discharge the Board members from their duties to act with due care and protect Group interests. Additional mandates may be assumed only where, upon assuming such mandates, time and resources remain available to perform the office held in the Group.

The disclosure of mandates under art. 734e of the Swiss Code of Obligations for the Board can be found on page 117 of the remuneration report. The Board CVs on the following pages take into account the rules set forth in the SIX Exchange Regulation Directive on Information relating to Corporate Governance and may include other engagements not disclosed in the remuneration report.

Biographies

Michel M. Liès
Chairman

Born: 1954

Skills and experience
Michel M. Liès has 40 years' experience in global insurance and reinsurance, life insurance, and property and casualty insurance. He has held a number of positions in the industry, including Group CEO of Swiss Re. He began his career at the reinsurer in 1978, working first in the life market in Latin America before moving to Europe in 1983, where he held a number of senior positions within Swiss Re's life businesses. In 1994, he moved into Swiss Re's non-life sector, with responsibility for southern Europe and Latin America. From 1998 he served as Swiss Re's head of Latin America division until 2000, when he was appointed head of the Europe division of its Property & Casualty business group. In 2005, he became Swiss Re's head Client Markets with responsibility for client relationships worldwide, and was appointed a member of the reinsurer's group executive committee. From 2011 to 2012, Mr. Liès served as Swiss Re's chairman of Global Partnerships, which works with governments, international development bodies and non-governmental organizations (NGOs) to mitigate and address global risks and increase resilience. He was appointed Swiss Re's Group CEO in February 2012 and served in that role until his retirement from Swiss Re in 2016. He became Chairman of the boards of Zurich Insurance Group Ltd and Zurich Insurance Company Ltd in April 2018.

Committee membership
Governance, Nominations and Sustainability Committee (Chair), Remuneration Committee

Other directorships within the Group
Zurich Insurance Company Ltd

External appointments
Mr. Liès is chairman of the foundation board of Avenir Suisse, steering committee chair of the Insurance Development Forum, and chairman of the European Financial Services Round Table. He is also a member of the executive committee (vice-chairman for insurance) of the board of the Institute of International Finance (IIF), and a member of the board of trustees of The Swiss Institute of International Studies and the Lucerne Festival. Mr. Liès is member of the Bretton Woods Committee.

Educational background
Mr. Liès holds a master's degree in mathematics from the Swiss Federal Institute of Technology in Zurich (ETH). In 1991, he completed the Stanford Executive Program at Stanford University in the U.S. He completed the Senior Executive Program at Harvard University in 1996.

Christoph Franz
Vice-Chairman

Born: 1960

Skills and experience
Christoph Franz started his professional career in 1990 at Deutsche Lufthansa AG. From 1994 until 2003, he held different executive functions at Deutsche Bahn AG, including as member of the executive board and CEO of the passenger transport division. In 2004, he became CEO of Swiss International Air Lines Ltd, and in 2009 he was promoted to the role of deputy chairman of the executive board of Deutsche Lufthansa AG and CEO Passenger Airlines. From 2011 to 2014, Mr. Franz was chairman of the executive board and CEO of Deutsche Lufthansa AG and from 2014 to 2023 chairman of Roche Holding Ltd. From 2017 to March 2025, he was a member of the board of Chugai Pharmaceutical Ltd. He became a member of the boards of Zurich Insurance Group Ltd and Zurich Insurance Company Ltd in April 2014. He was elected Vice-Chairman in April 2018.

Committee membership
Remuneration Committee (Chair), Governance, Nominations and Sustainability Committee

Other directorships within the Group
Zurich Insurance Company Ltd, Konzern-Vorsorgestiftung der Zürich Versicherungs-Gruppe

External appointments
Mr. Franz is a member of Stadler Rail Ltd and vice-chairman and lead independent director of Artemis Holding AG. Mr. Franz serves as a member of the board of trustees of Ernst Goehner Foundation, of the Swiss Study Foundation and of the Lucerne Festival and is a member of the advisory board of the University of St.Gallen (HSG). He was named as an honorary professor of business administration at the University of St.Gallen in May 2017. In September 2017, the International Committee of the Red Cross (ICRC) appointed Mr. Franz as a member of its Assembly, the organization's top governing body, and in May 2018 he was elected to the Assembly Council. He is an advisory board member/industrial partner of Rantum Equity Participation GmbH & Co. KG and member of the senate of the Helmholtz Association of German Research Centres.

Educational background
Mr. Franz studied industrial engineering at the Technical University Darmstadt (Germany) and completed his studies with a Ph.D. (Dr. rer. pol.) at the same university. He also studied at the Ecole Centrale de Lyon (France) and conducted post-doctorate research at the University of California, Berkeley.

Joan Amble
Member of the Board of Directors

Born: 1953

Skills and experience
Joan Amble has substantial financial industry experience. She started her professional career as an accountant with Ernst & Ernst (currently Ernst & Young) in 1977. From 1984 to 1989, she served at the Financial Accounting Standards Board (FASB), specializing in pensions, derivatives and other financial instruments. She then spent 14 years with the General Electric Company (GE) in various leadership roles, including CFO GE Real Estate, COO and CFO GE Capital Markets, and as vice president and chief accounting officer GE Financial Services. From 2004 to May 2011, Ms. Amble served as executive vice president and principal accounting officer and, until the end of 2011, as executive vice president, finance, of the American Express Company. In December 2011, Ms. Amble completed a four-year term as a member of the Financial Accounting Standards Advisory Council (FASAC) and in December 2020 she completed the second of two three-year terms as a member of the Standing Advisory Group (SAG) for the Public Company Accounting Oversight Board (PCAOB). From 2006 to 2008, she was a member of the board and chaired the audit committee of XM Satellite Radio and, following the merger of XM Satellite Radio with Sirius Satellite Radio, she was from 2008 to 2021 a member of the board of Sirius XM Satellite Radio and chaired the audit committee. From 2016 to 2022, Ms. Amble served as an independent adviser to the control and risk committee of the executive committee of the U.S. affiliate of Société Générale S.A., a French multinational banking and financial services company. Ms. Amble was from 2021 until May 2023 a board member, audit committee chair and member of the nomination and governance committee at BuzzFeed, Inc. and served as an adviser to them until December 2023. She has been a member of the boards of Zurich Insurance Group Ltd and Zurich Insurance Company Ltd since April 2015.

Committee membership
Governance, Nominations and Sustainability Committee, Risk and Investment Committee

Other directorships within the Group
Zurich Insurance Company Ltd

External appointments
Ms. Amble is a member of the board and the audit committee at Booz Allen Hamilton Holding Corporation and Spire Global, Inc. She is also involved in supporting women in business, including as chair emeritus and co-founder of W.O.M.E.N. in America Inc., and through her various speaking engagements. Ms. Amble also participates in director and other forums and speaks on corporate governance, culture, risk management and audit committee topics/ best practices.

Educational background
Ms. Amble received a Bachelor of Science in accounting from The Pennsylvania State University, and later became a certified public accountant (currently inactive).

Biographies (continued)

Catherine Bessant
Member of the Board of Directors

Born: 1960

Skills and experience
Since 2024, Ms. Bessant has served as chief executive officer of U.S. philanthropic organization Foundation For The Carolinas, based in Charlotte, North Carolina. For four decades, Ms. Bessant worked at Bank of America, joining in 1982 as a corporate banker. She held numerous senior leadership positions within the company: president of Global Product Solutions and Global Treasury Services; chief marketing officer; president of Consumer Real Estate and Community Development Banking; national Small Business Segment executive; market president of Bank of America, Florida; and president of Global Corporate Banking. Ms. Bessant served as chief operations and technology officer from 2010 until September 2021, leading Bank of America's Global Technology and Operations. In this role, she was responsible for end-to-end technology and operating services, including business continuity and information security efforts across the company, and oversaw nearly 95,000 employees and contractors in more than 35 countries. From October 2021 until December 2023, Ms. Bessant was vice chair, Global Strategy at Bank of America and a member of the Bank of America's executive management team. In this role she was responsible for working with Bank of America's European boards and focused on the bank's global integrated strategy, governance, and client and regulator engagement. In recognition of her multi-sector leadership, Ms. Bessant was inducted into the Most Powerful Women in Banking Hall of Fame by American Banker in 2020 after ranking as the No. 1 of the '25 Most Powerful Woman in Banking' for three consecutive years. In addition, she served 16 years on the board of Florida Blue, formerly Blue Cross and Blue Shield of Florida, including serving as lead independent director. She became a member of the boards of Zurich Insurance Group Ltd and Zurich Insurance Company Ltd in March 2017.

Committee membership
Audit Committee (Chair), Remuneration Committee, Risk and Investment Committee

Other directorships within the Group
Zurich Insurance Company Ltd

External appointments
Ms. Bessant serves as a member of the board of USA Field Hockey and serves on the advisory board of the Ross School of Business at the University of Michigan.

Educational background
Ms. Bessant holds a Bachelor of Business Administration from the University of Michigan Ross School of Business.

Michael Halbherr
Member of the Board of Directors

Born: 1964

Skills and experience
Michael Halbherr has extensive experience in the technology industry and has worked as an adviser, early-stage investor, board member and executive in young, aspiring companies in areas including digital mapping, operating system software, telecommunications, electrification and industrial products. Since 2023, he has been CEO of ABB E-mobility, which was spun off from ABB in 2023 and focuses on the development of charging systems with higher power for electric vehicles. From 2016 to 2025, he was a non-executive director and chairman of German Bionic Systems GmbH in Augsburg and from 2021 until 2024, he was a member of the board of Vontobel Holding AG in Zurich. He was chairman of Trafi Ltd. in Vilnius from 2016 until 2022 and of FATMAP Ltd. in Berlin from 2015 until 2022, which was subsequently sold to Strava, Inc., and of Nanoleq AG in Zurich from 2021 until 2024, which was subsequently sold to Myant Corp. Prior to that he held leadership positions in Nokia Corporation from 2006 to 2014, including from 2011 to 2014 as a member of Nokia's leadership team and CEO of HERE BV, a fully owned Nokia company and leading company in vehicle location technology. From 2001 to 2006, he served as CEO of gate5, a Berlin-based mobile phone software startup, which Nokia acquired in 2006. From 2000 to 2001, he was a managing director at Europeatweb, a venture arm of Groupe Arnault. Prior to that he was a manager at the Boston Consulting Group (BCG) from 1994 to 2000, in the company's Zurich and Boston offices, where he was an active member of BCG's technology practice. He began his career at the Laboratory for Computer Science at Massachusetts Institute of Technology (MIT), where he worked as a visiting scientist and post-doctoral researcher from 1992 to 1994, working on programming paradigms for massively parallel computers. He joined the boards of Zurich Insurance Group Ltd and Zurich Insurance Company Ltd in April 2019.

Committee membership
Governance, Nominations and Sustainability Committee, Risk and Investment Committee

Other directorships within the Group
Zurich Insurance Company Ltd

External appointments
None.

Educational background
Mr. Halbherr holds a Ph.D. in electrical engineering from the Swiss Federal Institute of Technology (ETH) in Zurich.

Thomas Jordan
Member of the Board of Directors

Born: 1963

Skills and experience
Thomas Jordan has substantial international financial market and monetary policy experience. In 2012, he was elected chairman of the governing board of the Swiss National Bank (SNB), a position he held until September 2024. He began his career at the SNB in 1997 as economic adviser and head of economic research. The Swiss Federal Council appointed him in 2004 as alternate member of the governing board and chief investment officer, before appointing him as member of the SNB's governing board in 2007. In 2010 he was appointed vice-chairman of the governing board, and two years later he was elected chairman. As SNB chairman, he also served as governor of the International Monetary Fund (IMF) for Switzerland and as a member of the board of directors of the Bank for International Settlements (BIS). He also served as chairman of the BIS's banking and risk management committee and as a member of its administrative committee. He represented Switzerland in the plenary and steering committee of the Financial Stability Board (FSB) and was chair of the FSB's standing committee on budget and resources. In 2010, Mr. Jordan was elected chairman of the foundation board of the International Center for Monetary and Banking Studies (ICMB) in Geneva and chairman of the G10 central bank counterfeit deterrence group. He resigned from both roles in 2020 and 2022, respectively. From 2010 to 2012 he was also a member of the Bellagio Group, a group of academics and officials from G20 countries meeting annually to discuss major international economic and financial issues. The University of Basel awarded Mr. Jordan an honorary doctorate in 2017. He became a member of the boards of Zurich Insurance Group Ltd and Zurich Insurance Company Ltd in April 2025.

Committee membership
Audit Committee, Risk and Investment Committee

Other directorships within the Group
Zurich Insurance Company Ltd

External appointments
Mr. Jordan was appointed member of the Chamber of Economic and Management Sciences of the Nicolaus Copernicus Academy in 2023 and in 2025 he was named the first Distinguished Fellow of Avenir Suisse. He is also a member of the advisory board of the Stiftung Schweizer Wirtschaftspolitik.

Educational background
Mr. Jordan has a master's degree in economics and business administration and a Ph.D. in economics from the University of Bern. After his habilitation in 1999, he was appointed honorary professor by the University of Bern in 2003.

Biographies (continued)

Sabine Keller-Busse
Member of the Board of Directors

Born: 1965

Skills and experience
Sabine Keller-Busse has extensive financial industry experience. She is president Personal & Corporate Banking, president UBS Switzerland and president of the executive board of UBS Switzerland AG. Ms. Keller-Busse became a member of the group executive board at UBS in 2016. Since joining UBS in 2010, she has served as group chief operating officer, president Europe, Middle East and Africa, group head of human resources and chief operating officer UBS Switzerland. Prior to joining UBS, she led Credit Suisse's private clients region Zurich division from 2008 to 2010. From 1995 to 2008, she worked for McKinsey & Co., where she became a partner in 2002, focusing on the financial services industry. From 2012 to 2021, Ms. Keller-Busse was a member of the board of SIX Group. She joined the boards of Zurich Insurance Group Ltd and Zurich Insurance Company Ltd in April 2021.

Committee membership
Remuneration Committee

Other directorships within the Group
Zurich Insurance Company Ltd

External appointments
Ms. Keller-Busse chairs the foundation board of the UBS Pension Fund and the UBS Optimus Foundation. She is also a member of the foundation council of UBS Center for Economics in Society at the University of Zurich, a member of the board of trustees of the HSG Foundation, a member of the foundation board of Deep Tech Nation Switzerland Foundation and the foundation board of USZ Foundation of the University Hospital Zurich. She is a member of the board and board committee of the Zurich Chamber of Commerce.

Educational background
Ms. Keller-Busse studied business administration at the University of St.Gallen (HSG) and completed her studies with a Ph.D. in economic sciences (Dr. oec.) at the same university.

Kishore Mahbubani
Member of the Board of Directors

Born: 1948

Skills and experience
Kishore Mahbubani began his career in 1971 as a diplomat with the Singapore Foreign Service where he served until 2004 with postings in Cambodia, Malaysia, Washington D.C. and New York. He served two postings as Singapore's ambassador to the United Nations and as president of the UN Security Council in January 2001 and May 2002. Mr. Mahbubani was permanent secretary of the Singapore Foreign Ministry from 1993 to 1998. He served as founding dean at the Lee Kuan Yew School of Public Policy of the National University of Singapore (NUS) from 2004 until the end of 2017. In July 2019, he became a Distinguished Fellow at the Asia Research Institute (ARI) of NUS. From January 2016 to April 2025, he served as an independent director of the board of Wilmar International Limited, Singapore. He has spoken and published extensively on geopolitical and economic issues. In 2013, the Financial Times chose one of his books, 'The Great Convergence: Asia, the West and the Logic of One World,' as one of the best books of the year on economics. His latest book, 'Living the Asian Century,' was released in August 2024. He has been a member of the boards of Zurich Insurance Group Ltd and Zurich Insurance Company Ltd since April 2015.

Committee membership
Remuneration Committee

Other directorships within the Group
Zurich Insurance Company Ltd

External appointments
Mr. Mahbubani was appointed an adviser to TvF Capital in 2022, chairman of the NUS Medical International Council in 2021, and non-executive chairman of the board of Aggregate Asset Management in 2017. In addition, he has served on boards and councils of several institutions in Singapore, Europe and North America, and is currently a member of Yale's President's Council on International Activities (PCIA). He was named a member of the American Academy of Arts and Sciences in 2019.

Educational background
Mr. Mahbubani graduated with a first-class honors degree in philosophy from the University of Singapore and an M.A. in philosophy from Dalhousie University, Canada, where he was also awarded an honorary doctorate.

Peter Maurer
Member of the Board of Directors

Born: 1956

Skills and experience
Peter Maurer has profound knowledge of global megatrends, international relations and current social challenges. He possesses an exceptional global network and is well-connected in the business world. His expertise includes work in areas of global governance and innovative financial instruments. From 2012 to 2022, Mr. Maurer served as President of the International Committee of the Red Cross (ICRC). Prior to that, he served as Secretary of State for Foreign Affairs in Switzerland from 2010 to 2012 and held the role of Ambassador and Permanent Representative of Switzerland to the United Nations from 2004 to 2010. He began his career in the Swiss diplomatic service in 1986, with various positions in Switzerland, South Africa and the U.S. Mr. Maurer was elected as member of the boards of Zurich Insurance Group Ltd and Zurich Insurance Company Ltd in April 2022 and assumed the roles in October 2022.

Committee membership
Governance, Nominations and Sustainability Committee, Audit Committee

Other directorships within the Group
Zurich Insurance Company Ltd

External appointments
Mr. Maurer is a member of the board of trustees of the Vontobel-Stiftung, the advisory board of the elea Foundation for Ethics in Globalization, the advisory council at the International Institute for Strategic Studies in London, the global advisory board of the ETH Zurich and the global advisory panel of Stars – for Leaders of the Next Generation. In addition, Mr. Maurer is president of the Basel Institute on Governance and the Centre of Competence on Humanitarian Negotiation (CCHN), Geneva. He is also an ambassador for GSG Impact and a senior distinguished fellow of the Graduate Institute, Geneva.

Educational background
Mr. Maurer has a doctorate in history and international law from the University of Bern, Switzerland.

Biographies (continued)

John Rafter
Member of the Board of Directors

Born: 1963

Skills and experience
John Rafter has substantial financial and insurance industry experience. He began his career at Goldman Sachs Group, Inc. in 1987 and worked there in various roles until 2023 in both Europe and the U.S. He was named managing director in 1997 and partner in 2000. In these roles, his main responsibility was providing advice to financial institutions on mergers and acquisitions and capital markets transactions. Much of his work was focused on advising on transactions in the insurance sector in various regions around the world, but he also advised both banks and asset management companies.
At Goldman Sachs, he served in leadership roles in the financial institutions group in the investment banking division and was a member of the group-wide commitments committee for many years. In addition, he was a board member of Rothesay Life Group, a UK regulated insurance group, from 2010 to 2013. Before retiring from Goldman Sachs in 2023, he resigned from his partner role in 2020 and served as a senior adviser within the investment banking division from 2020 to 2023. He became a member of the boards of Zurich Insurance Group Ltd and Zurich Insurance Company Ltd in April 2024.

Committee membership
Audit Committee, Risk and Investment Committee

Other directorships within the Group
Zurich Insurance Company Ltd

External appointments
None.

Educational background
Mr. Rafter has a master's of business administration from Stanford University, California and a bachelor of commerce and a diploma in professional accounting from University College Dublin, Ireland.

Jasmin Staiblin
Member of the Board of Directors

Born: 1970

Skills and experience
Jasmin Staiblin brings to her role extensive knowledge of how business sectors transform and the growing importance of digitalization and sustainability as a competitive differentiator. She is recognized as one of Europe's top experts in the field of energy and served as CEO of Alpiq, a leading Swiss energy services provider and electricity producer in Europe, until 2018. She began her career in 1997 at the ABB Group, the Swedish-Swiss global technology company. She served in various global functions as a member of the management team for ABB's power technologies division. She held the positions of CEO of ABB Switzerland from 2006 to 2012 and CEO of Alpiq Holding Ltd from 2013 to 2018. From 2011 to 2023 she was a board member of Georg Fischer Ltd. She joined the boards of Zurich Insurance Group Ltd and Zurich Insurance Company Ltd in April 2019.

Committee membership
Risk and Investment Committee (Chair), Remuneration Committee, Audit Committee

Other directorships within the Group
Zurich Insurance Company Ltd

External appointments
Ms. Staiblin is a board member of NXP Semiconductors N.V., Eindhoven. She also chairs the board of Rolls-Royce Power Systems AG and its subsidiary Rolls-Royce Solutions GmbH, both in Friedrichshafen and fully controlled by Rolls-Royce plc.

Educational background
Ms. Staiblin studied physics and electrical engineering at the Karlsruhe Institute of Technology, Germany and the Royal Institute of Technology in Stockholm, Sweden. She completed her studies with a degree in physics and has a Master of Science in electrical engineering.

Barry Stowe
Member of the Board of Directors

Born: 1957

Skills and experience
Barry Stowe has extensive business experience and knowledge gained through executive roles in the insurance industry in North America and Asia. Between 2006 and 2018, he was a member of the board and the group executive committee of Prudential plc. From 2015 to 2018, he served as chairman and CEO of Jackson Holdings Ltd, a subsidiary of Prudential plc, and from 2006 to 2015, as CEO of Prudential Corporation Asia. From 1995 to 2006, he held senior executive positions at American International Group (AIG), including serving as president of AIG Life Companies Accident & Health Worldwide based in Hong Kong from 2001 to 2006. From 1992 to 1995, he served as president of NISUS, a subsidiary of Pan-American Life Insurance Group. From 1980 to 1992, he held several positions at Willis Corroon Group plc in the U.S., an insurance and reinsurance brokerage services company. He joined the boards of Zurich Insurance Group Ltd and Zurich Insurance Company Ltd in April 2019.

Committee membership
Governance, Nominations and Sustainability Committee, Audit Committee

Other directorships within the Group
Zurich Insurance Company Ltd

External appointments
Mr. Stowe serves as senior adviser to McKinsey & Company, and is co-chair of the Retirement Income Institute in Washington, D.C., trustee emeritus of Cheekwood Estate & Gardens in Nashville, Tennessee, and a member of the Tennessee Business Leadership Council.

Educational background
Mr. Stowe has a Bachelor of Arts in politics and classical studies from Lipscomb University in Nashville, Tennessee.

Self-assessment

To regularly discuss and strengthen the Board's effectiveness, at least annually, the Board reviews, based on an assessment conducted by the GNSC, the Board and committee performance. The review focuses on the Board's composition, availability and engagement at the meetings; co-operation and culture; processes, particularly agenda setting and meeting conduct; the Board's interaction with the Group's senior management and the Board's collective or individual training needs. The review seeks to determine whether the Board and its committees function effectively and efficiently. Every third year, an external assessment of the effectiveness of the Board is performed.

In its 2025 external assessment, the Board focused on Board succession, Board materials and training needs.

Meetings

During 2025, the Board held 12 meetings (of which seven were partly attended virtually and eight were held over two days). One meeting was fully dedicated to the discussion of strategy. Nine meetings lasted four or more hours during the course of a day and three meetings lasted less than three hours on average. Committee meetings lasted about two hours on average.

In 2025, average attendance at Board meetings was 98.61 percent. In the fulfillment of their duties, the Board members spent additional time participating in committee meetings and preparing for meetings.

In addition, several informal exchanges between Board members and between Board members and senior management were facilitated.

as of December 31, 2025	Board of Directors	Governance, Nominations and Sustainability Committee	Remuneration Committee	Audit Committee	Risk and Investment Committee
Minimum no. of meetings required	6	2	2	4	4
No. of meetings held	12	4	4	7	7
No. of members	12	6	6	6	6
Meeting attendance, in %	98.61	100	95.8	100	97.62

Meeting attendance individualized

Joan Amble	12/12	4/4	–	–	7/7
Catherine Bessant	12/12	–	4/4	7/7	7/7
Christoph Franz	12/12	4/4	4/4	–	–
Michael Halbherr	12/12	4/4	–	–	6/7
Thomas Jordan[1]	11/11[1]	–	–	6/6[1]	6/6[1]
Sabine Keller-Busse	11/12	–	4/4	–	–
Michel M. Liès	12/12	4/4	4/4	–	–
Monica Mächler[2]	1/1[2]	1/1[2]	–	1/1[2]	–
Kishore Mahbubani	12/12	–	3/4	–	1/1[3]
Peter Maurer	11/12	4/4	–	7/7	–
John Rafter	12/12	–	–	7/7	6/6[4]
Jasmin Staiblin	12/12	–	4/4	7/7	7/7
Barry Stowe	12/12	3/3[5]	–	7/7	1/1[6]

1 Elected at the AGM on April 9, 2025. Joined committees on the same day.
2 After 12 years on the Board, Monica Mächler did not stand for reelection at the AGM on April 9, 2025. Left committees on the same day.
3 Left Committee on April 9, 2025.
4 Joined Committee on April 9, 2025.
5 Joined Committee on April 9, 2025.
6 Left Committee on April 9, 2025.

Training

The Chairman ensures that new Board members are provided with an onboarding program and existing Board members receive appropriate ongoing training. The Board issued onboarding and training guidelines to underscore the importance of this topic.

Following their appointment, new Board members will be provided with an in-depth and tailor-made onboarding program that generally consists of:

- The Group's strategy, business operating model and its financial and non-financial targets.
- The Group's legal and management structure, corporate governance set-up and processes, the Zurich Code of Conduct and relevant legal and regulatory frameworks.
- The Group's risk management framework and relevant compliance requirements and processes.
- Training and introduction into specific topics based on regulatory requirements (e.g., regulatory capital models).
- Applicable Board processes, meeting schedules and other administrative matters.

As part of the onboarding program, meetings will be scheduled with the Chairman, the chair(s) of the committee(s) on which the new Board member will be serving, the Group CEO, selected senior management members as well as the Board's secretary.

Furthermore, the Board's training needs are evaluated as part of the annual Board self-assessment or based on regulatory requirements and regularly reassessed throughout the year. In 2025, the Board or individual Board members received training on topics such as cyber security, artificial intelligence, current macroeconomic and geopolitical dynamics, capital management, Swiss Solvency Test, IFRS 17, commercial insurance, customer expectations in Zurich's Retail business, Group risk profile analysis and Own Risk and Solvency Assessment (ORSA) process and scenario analysis, and corporate governance.

Role of the Board

The Board is responsible for the ultimate management of ZIG and the Group as a whole, as well as for the supervision of management. In particular, it has responsibility for the following areas:

- *Strategy:* The Board approves the Group strategic plan and the overall Group strategic and financial targets upon the recommendation of the Group CEO and receives reports from the Group CEO on the implementation of and progress towards the Group strategy.
- *Sustainability:* The Board approves the Group's sustainability strategy and objectives, including non-financial targets with a material impact on ZIG or the Group. For more information on our sustainability governance, see the sustainability report on pages 138 to 140.
- *Finance:* The Board approves the Group financial plan for each financial year and applicable accounting standards, control framework and significant changes thereto. Above certain thresholds, the Board approves major financing transactions and arrangements. It approves ZIG's dividend policy and its dividend proposal (if any) to the shareholders' meeting. Within its authority, the Board also takes resolutions on share capital increases and/or reductions.
- *Reporting:* The Board approves the Annual Report, the Group's half-year financial reporting, the Group's updates for the first three and nine months of the year, as well as the Group's financial condition report.
- *Organization of the Group:* The Board establishes the organization and the overall governance of ZIG and the Group. In this respect, the Board also approves the Group's remuneration structure. Further, as part of its duty to convene the shareholders' meeting, it approves and submits proposals to the shareholders' meeting.
- *Business development:* Above certain thresholds, the Board approves entering new businesses, exiting an existing business, M&A transactions, internal reorganizations and certain investments.
- *Corporate culture:* The Board approves and regularly reviews the Zurich Code of Conduct, which summarizes the Group's ethical standards and values.
- *Risk management:* The Board approves the Group's Key Risk Management Principles, including the Group's risk appetite and tolerance. It also oversees the Enterprise Risk Management Framework, which addresses the identification and management of risks (including IT and cyber risk). Additionally, the Board approves the internal control strategy and scope, the Group Recovery Plan as well as the Group's ORSA report.

Additional information can be found in art. 2.1 to 2.4 of the Organizational Rules (www.zurich.com/about-us/corporate-governance/corporate-documents).

Activities and focus topics in 2025 included:

- Delivery on strategic priorities for the cycle, including developments in all regions.
- Review of Group financial plan and financial targets.
- Zurich's sustainability performance and performance management.
- Zurich's engagement with customers on climate transition plans.
- Macroeconomic and geopolitical developments in 2025 and implications for the Group.
- Artificial intelligence developments, business opportunities and risks.
- Annual cyber security update.
- Risk management, including risk appetite and tolerance and internal control framework, enabling integrated view of risks and customer trends, structural industry changes and new technologies.
- Mergers and acquisitions, including a review of respective value creation and investment management.
- Legal and regulatory environment.
- Board succession planning.

Role of the Chairman

The Chairman leads the Board, coordinates the Board tasks, convenes Board meetings and sets the Board's agenda. He has continuous contact with the Group CEO and facilitates a constructive relationship between the Board, Group CEO and other ExCo members. In particular, in his role, he also:

- Presides over shareholders' meetings.
- Oversees accuracy and proper implementation of Board resolutions.
- Arranges that Board members receive accurate, timely and clear information.
- Takes the lead in crisis situations and resolutions on matters requiring immediate attention, subject to notification of the Board for acknowledgement and recording in the minutes of the subsequent Board meeting.
- Arranges the Board's onboarding and training program.
- Issues further guidelines on compliance with the fit and proper criteria of Board candidates and members.
- Arranges the Board self-assessment.

Additional information can be found in art. 3 of the Organizational Rules (www.zurich.com/about-us/corporate-governance/corporate-documents).

Role of the Vice-Chairman

The Vice-Chairman supports the Chairman in fulfilling his responsibilities and authorities and assumes the Chairman's role in case of inability.

Role of the Board committees

The Board delegates certain responsibilities and authorities to committees, whose members and chairs are appointed by the Board except for the Remuneration Committee members. As a general rule, the committees provide their views and recommendations to the Board prior to its decision and do not have decision-making powers, unless specifically stated in Annex I (Committees Charter) to the Organizational Rules (www.zurich.com/about-us/corporate-governance/corporate-documents). If deemed necessary in a specific situation, the Board may attract any matter and resolve on it without involvement of the respective committee. Each committee informs the Board on its findings and actions in a timely manner.

All committees have the authority to retain external advice. To get an outside view, the Board and/or its committees occasionally invite external advisers (e.g., the independent executive compensation consultant of the Remuneration Committee, the external auditors) to attend a meeting and/or represent a specific topic.

The Board has the following standing committees:

Governance, Nominations and Sustainability Committee

Key tasks and responsibilities:

- Assists the Board in setting an appropriate tone at the top to promote key values and behaviors, and to ensure a sound and open culture throughout the Group.
- Supports the Board by establishing corporate governance best practices across the Group with a view to ensure that the shareholders' and other important stakeholders' rights are protected.
- Ensures structures and processes are in place allowing for sound corporate governance practices and proper documentation.
- Monitors legislative and regulatory developments and reporting requirements relating to corporate governance and sustainability.
- Is entrusted with Board and ExCo succession planning and makes proposals to the Board on the Board composition, the nomination of the Chairman, the Vice-Chairman, the Group CEO and ExCo members. Final decisions are made by the Board, subject to shareholder approval, where required.
- Monitors the Group CEO's talent management and management succession planning.
- Reviews and proposes to the Board for approval the Group's sustainability strategy and objectives, including non-financial targets with a material impact on ZIG or the Group.
- Reviews the Group's forward-looking plans (including transition plan) with regard to sustainability topics.

Activities and focus topics in 2025 included:

- Zurich's sustainability performance and performance management.
- Zurich's engagement with customers on climate transition plans.
- Board and ExCo succession planning.
- Review of the Organizational Rules and recommendation to the Board for approval.
- Developments affecting corporate governance, including changes to Swiss and international laws, regulations and trends.
- Review of the corporate governance report and recommendation to the Board for approval.
- Chairman roadshow.

Remuneration Committee

Key tasks and responsibilities:

- Annually evaluates the Group's remuneration architecture and system, as well as Zurich's remuneration rules, and proposes appropriate amendments to the Board, which is responsible for the design, implementation and monitoring of the remuneration framework.
- Annually reviews and proposes to the Board the remuneration terms of the Board members.
- Reviews and recommends to the Board the employment terms and conditions of the Group CEO and the other ExCo members, including the annual review of performance objectives and performance against these objectives, as well as the targets and awards under the short-term and long-term incentive plans (STIP and LTIP) of the Group CEO, other ExCo members and the Group General Counsel, Group Chief Compliance Officer and Group Chief Auditor.
- Reviews the performance achievements against the predefined performance metrics related to STIP and LTIP, and makes a qualitative assessment of the performance.
- Reviews and recommends to the Board the funding of the STIP pools, the LTIP vesting level and the amount of the total variable remuneration pool.
- Reviews and recommends to the Board the maximum total amounts of Board and ExCo remuneration for submission to and approval by the shareholders' meeting.
- Liaises with the Group CEO on other important matters related to employment, salary and benefits.
- Discusses the legal and regulatory environment and risk management aspects regarding remuneration and related disclosure, and reviews and recommends the remuneration report to the Board.

Activities and focus topics in 2025 included:

- Performance across the Group and the associated STIP awards and funding levels, the LTIP vesting level, and the total variable remuneration pool for the period ending December 31, 2024.
- Performance and individual STIP awards for the Group CEO, other ExCo members, Group General Counsel, Group Chief Compliance Officer and Group Chief Auditor.
- Remuneration structures and levels of the Board, Group CEO, other ExCo members, Group General Counsel, Group Chief Compliance Officer and Group Chief Auditor.
- The remuneration report, the information on the remuneration-related votes in the AGM invitation and other related disclosures as appropriate.
- Risk management aspects of the Group's remuneration architecture, together with the Risk and Investment Committee, as well as key activities with respect to identified key risk taker (KRT) positions, for example the risk-based assessment of KRTs.
- Share ownership of the Board and the ExCo in line with the current guidelines.
- Results of the remuneration-related votes from the AGM 2025.
- Regulatory environment and external developments related to remuneration and disclosure requirements.
- Zurich's remuneration rules, including performance and incentive architecture looking ahead into 2026.
- Activities of the Group Pensions Committee.

Further details of the Group's remuneration framework are set out in the remuneration report on pages 82 to 123.

Audit Committee

Key tasks and responsibilities:

- Serves as a focal point for communication and oversight regarding accounting as well as financial and sustainability reporting, internal control, actuarial calculations, actuarial analysis and compliance.
- Reviews the Group's annual and half-year financial statements, the Group's updates for the first three and nine months, and the Group's Annual Report.
- At least annually, reviews the standards of internal control, including activities, plans, organization and quality of Group Audit and Group Compliance.
- Oversees the work of the external auditors.

Activities and focus topics in 2025 included:

- Annual and half-year reporting with a strong focus on accounting and reserving matters, as well as the Group's updates for the first three and nine months.
- Assessment of sustainability reporting.
- Strategy, scope and effectiveness of the Internal Control Integrated Framework, including internal controls over financial reporting.
- Annual Group Audit plan, Group Audit findings and management's implementation of improvement actions.
- Work of the external auditors including the regular review of the Non-Audit Services Policy, as well as the external auditors' findings on key judgments and estimates in financial statements.
- Annual Group Compliance plan, activities to support management of compliance risks, compliance policy updates and enhancements, compliance findings, the result of the annual Zurich Code of Conduct training, as well as evolving regulatory expectations.
- Tax strategy and regulation.
- Legal and regulatory matters.

Risk and Investment Committee

Key tasks and responsibilities:

- Enterprise Risk Management Framework and risk appetite and tolerance:
  - Oversight of the Group's risk appetite and tolerance, including agreed limits by type of risk which the Board regards as acceptable for ZIG and the Group to bear, the aggregation of agreed limits across the Group, the measurement of adherence to agreed risk appetite and tolerance, and the Group's risk appetite and tolerance in relation to anticipated capital levels.
  - Oversight of the Group's Enterprise Risk Management Framework (embracing policies, models, methodologies, reporting, systems, processes and people). The framework governs the identification and management of risks (including IT and cyber risk).
  - Oversight of the impact of risk on economic and regulatory capital requirements.
- Risk reporting:
  - Receipt of periodic reports from the risk management function and assessment of whether all significant risk matters (as defined in the Zurich Risk Policy) are being appropriately addressed by the ExCo members in a timely manner.
  - Review of the Group ORSA report and the Group Recovery Plan and recommendation to the Board for approval.
- Investments:
  - Oversight of the investment process.
  - Review and recommendation to the Board investments that are subject to Board approval.
  - Monitoring of developments in the macroeconomic environment.
  - Receipt of updates on the Group's annual strategic asset allocation, market risk consumption relative to allocated market risk capital and limit, as well as major market risk drivers.
  - Receipt of updates on the accounting investment result, the economic investment return relative to liabilities, and the performance of asset managers.
- Risk management and investment management functions: oversight, e.g., by reviewing plans, organizations, performance.
- Review of relevant regulatory framework reforms.

Activities and focus topics in 2025 included:

- Enterprise risk management updates, including quarterly risk reports, strategic risk assessment (Group Total Risk Profiling), Internal Control Integrated Framework, planning and validation results for model risk, and scenario analysis discussions.
- 2026 Group risk appetite and tolerance statements.
- 2025 Group ORSA report and Group Recovery Plan.
- Regular updates from Investment Management including discussions on macroeconomic developments and impact on investment performance.
- Updates on credit and country risk, accumulation management, underwriting (P&C and cyber), operational risk, own insurance, own cyber risk, reinsurance strategy and Group's capital position with regards to economic and regulatory metrics.
- Update on artificial intelligence risk management.
- Group Risk Management strategy update as well as regional risk updates.

For further information on risk governance, see the risk review on pages 224 to 255.

For further information on the Board committees in general, see Annex I (Committees Charter) to the Organizational Rules (under www.zurich.com/about-us/corporate-governance/corporate-documents).

Executive Committee

An Executive Committee focused on delivering results

Our ExCo is well equipped to steer Zurich toward its 2027 targets and beyond to ensure the Group remains agile and ready for the future.



Mario Greco
Group Chief Executive Officer
Nationality
Italian

Read more: Page 70



Ericson Chan
Group Chief Information and Digital Officer
Nationality
Chinese (Hong Kong SAR)

Read more: Page 70



Claudia Cordioli
Group Chief Financial Officer
Nationality
Swiss and Italian

Read more: Page 70



Peter Giger
Group Chief Risk Officer
Nationality
Swiss

Read more: Page 71



Alison Martin
CEO EMEA (Europe, Middle East & Africa) and Bank Distribution

Nationality
British

Read more: Page 71



Sierra Signorelli
CEO Commercial Insurance

Nationality
U.S.

Read more: Page 72



Laurence Maurice
CEO Latin America

Nationality
French

Read more: Page 71



Kristof Terryn
CEO North America

Nationality
Swiss and Belgian

Read more: Page 73



Cara Morton
CEO Zurich Global Ventures

Nationality
Australian

Read more: Page 72



Stephan van Vliet
Group Chief Investment Officer

Nationality
Dutch

Read more: Page 73



Tulsi Naidu
CEO Asia Pacific

Nationality
British

Read more: Page 72



Raul Vargas
CEO of Farmers Group, Inc.

Nationality
Argentinian and Spanish

Read more: Page 73

Executive Committee

The Board delegated to the Group CEO the management of Zurich Insurance Group Ltd (ZIG) and the Group as well as any matters that are not reserved to the Board pursuant to mandatory laws and regulations, the Articles of Association, the Organizational Rules or other Board-approved documents. The Group CEO delegated specific responsibilities and authorities to individual ExCo members or Group CEO direct reports and authorized further delegation of specific responsibilities and authorities as appropriate. The ExCo serves as the core management committee of the Group CEO and as a forum for discussion, alignment and coordination for strategic, financial and business policy issues of Group-wide relevance.

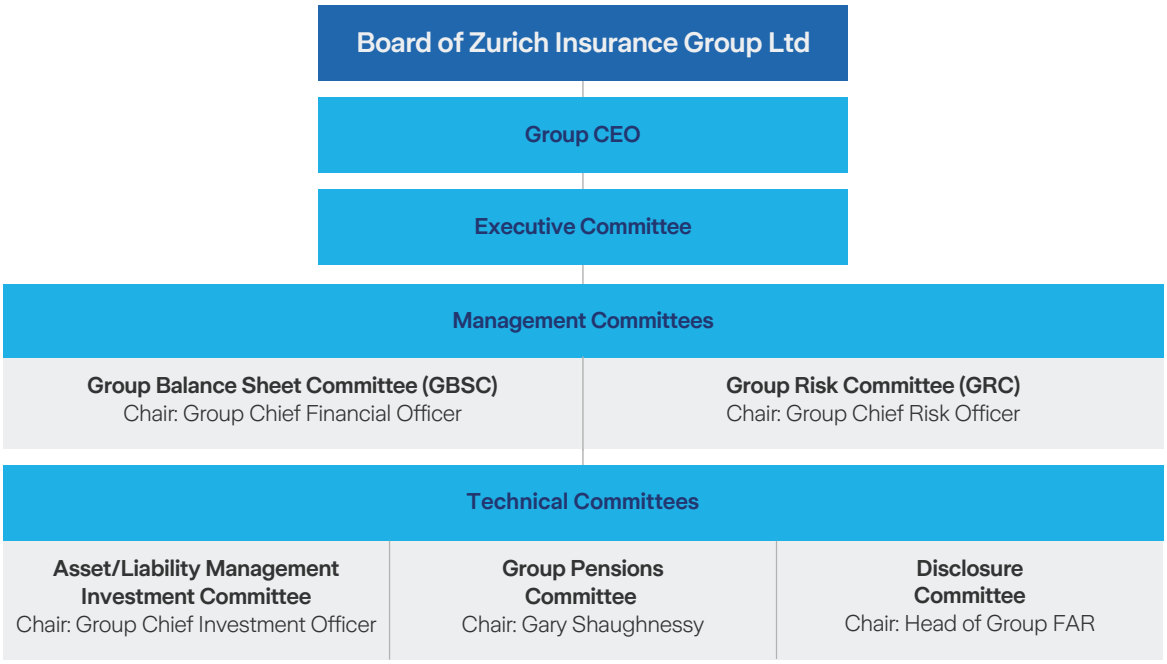
The Group CEO is responsible for:

- Management and performance of ZIG and the Group.
- Development and implementation of the Group's strategy and the strategic plan approved by the Board and reporting to the Board on strategic performance.
- Representation of the overall interests of ZIG and the Group towards third parties to the extent such interests are not represented by the Board or the Chairman.
- Management, supervision and coordination of the activities of the ExCo members and other Group CEO direct reports.
- Succession planning at ExCo level.
- Specific other powers and duties pertaining to strategic, financial and organizational matters.

ZIG has not transferred key parts of management by contract to other companies (or individuals) not belonging to (or employed by) the Group.

Additional information can be found in art. 7 of the Organizational Rules (www.zurich.com/about-us/corporate-governance/corporate-documents).

Group Management
as of December 31, 2025



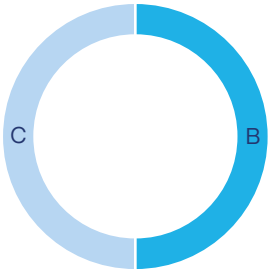
Composition

As of December 31, 2025, the ExCo included members of 11 nationalities. ExCo members' business experience covers a broad range of jurisdictions, giving the ExCo profound collective knowledge of international business practices.

The average length of tenure was 5.9 years.

Length of tenure

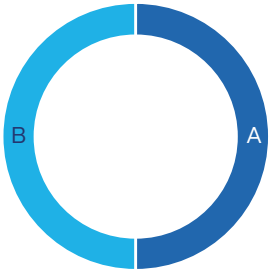
%, as of December 31, 2025



A	Less than 1 year	0
B	Between 1 and 5 years	50
C	More than 5 years	50

Gender

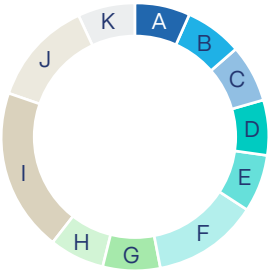
%, as of December 31, 2025



A	Male	50
B	Female	50

Nationality[1]

%, as of December 31, 2025



A	Argentina	7
B	Australia	7
C	Belgium	7
D	China (Hong Kong SAR)	7
E	France	7
F	Italy	13
G	Netherlands	7
H	Spain	7
I	Switzerland	20
J	UK	13
K	U.S.	7

ExCo members are allocated to one or more nationality.

1 Percentages may not total 100 due to rounding.

Changes to the ExCo in 2025

There have been no changes to the ExCo in 2025.

Clauses on changes of control

The employment agreements with ExCo members are subject to a maximum notice period of 12 months. The regulations for the Group's share-based long-term incentive plan, which apply to all of the plan's participants, including ExCo members and a defined group of senior managers, provide that in case of a change of control, the plan administrator may, at its discretion, either roll over existing share obligations into new share rights or provide for consideration in lieu of share obligations, or provide for accelerated vesting and removal of sales restrictions.

There are no further clauses pertaining to change of control that would benefit ExCo members or other members of senior management.

Limits on mandates

Art. 33 para. 1 of the Articles of Association (www.zurich.com/investor-relations/our-shares/articles-of-association) sets forth the following, generally applicable, maximum limits for ExCo members:

Additional mandates for listed and non-listed companies (maximum in total)	4 maximum
Maximum of mandates for listed companies (included in total maximum)	1 maximum

Exempted from this general limit are the following categories of mandates (art. 33 para. 2 of the Articles of Association):

Mandates for ZIG and its Group companies	No limit
Mandates exercised on behalf of ZIG or a Group company in legal entities not affiliated with the Group	5 maximum
Mandates in associations, professional or trade organizations, foundations, pension foundations, educational institutions and similar organizations	5 maximum
Mandates in structures managing the personal or family's assets of ExCo members and/or their related persons	5 maximum

Mandate means any membership in the board of directors, the executive committee or the advisory board (Beirat), or any comparable function under foreign law, in a company with an economic purpose. Mandates in different legal entities of the same group (including asset management structures in accordance with art. 33 para. 2 lit. d) and mandates in legal entities closely associated with the group (such as pension funds and joint ventures) are deemed one mandate. The maximum limits set forth in the Articles of Association do not discharge the ExCo members from their duties to act with due care and protect Group interests. Additional mandates may be assumed only where, upon assuming such mandates, time and resources remain available to perform the office held in the Group.

The disclosure of mandates under art. 734e of the Swiss Code of Obligations for the ExCo can be found on page 118 of the remuneration report. The ExCo CVs on the following pages take into account the rules set forth in the SIX Exchange Regulation Directive on Information relating to Corporate Governance and may include other engagements not disclosed in the remuneration report.

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Biographies

Mario Greco
Group Chief Executive Officer

Born: 1959

Skills and experience
Mario Greco joined Zurich in March 2016 as Group CEO and member of the Executive Committee. Mr. Greco started his professional career in management consulting, working in McKinsey & Company's Milan office from 1986 until 1994, where he became a partner in 1992 and subsequently a partner leader in the insurance segment. In 1995, he joined RAS (Allianz Group) in Milan as head of the claims division. He became general manager in charge of the insurance business the following year. In 1998, he was appointed managing director and in 2000, he became the company's CEO. At the end of 2004, Mr. Greco joined Allianz AG's executive board, with responsibility for France, Italy, Spain, Portugal, Greece and Turkey. In April 2005, he joined the Sanpaolo IMI Group in Milan as CEO of EurizonVita and in October 2005, he was appointed CEO of Eurizon Financial Group. From 2007 to 2012, he served at Zurich, first as CEO Global Life and from 2010, as CEO General Insurance. In 2012, he was appointed CEO of Generali.

External appointments
Mr. Greco is a member of the board of the Swiss-American Chamber of Commerce. He is also a member of the international advisory council of Bocconi University, a member of the executive faculty of the University of St.Gallen (HSG), a member of the advisory board of the Executive School of the University of St.Gallen (HSG), and a member of the advisory board of the Department of Economics at the University of Zurich.

Educational background
Mr. Greco holds a bachelor's degree in economics from the University of Rome and a master's degree in international economics and monetary theory from Rochester University.

Ericson Chan
Group Chief Information and Digital Officer

Born: 1966

Skills and experience
Ericson Chan has an extensive background in technology leadership prior to joining Zurich as Group Chief Information and Digital Officer and as a member of the Executive Committee in October 2020. From 2016 to 2020, he was CEO of Ping An Technology where he helped to transform Ping An Group's business model and online ecosystems through digital services including a range of fintech products and online platforms. Between 1998 and 2016, he held several technology and operations leadership roles at Standard Chartered Bank in Hong Kong, Shanghai and Singapore, including chief information officer for North Asia, head of Corporate & Investment Banking Operations in China and global head of Consumer Banking Technology. He also has six years of HealthTech experience in the U.S.

External appointments
Mr. Chan is the chairman of the board of the Jane Goodall Institute in Hong Kong.

Educational background
Mr. Chan graduated from the University of Wisconsin-Madison with a bachelor of science degree in computer science and has an MBA from Edgewood College in Madison, Wisconsin.

Claudia Cordioli
Group Chief Financial Officer

Born: 1971

Skills and experience
Claudia Cordioli, Zurich Group Chief Financial Officer (CFO) and a member of the Executive Committee, has served in various senior positions in insurance, reinsurance and consulting. Prior to joining Zurich as CFO on March 1, 2024, she served as Swiss Re's group finance director from 2022 to 2024, overseeing core finance functions and the group's transition to IFRS 17. From 2020 to 2022, she served as CFO of Swiss Re's reinsurance business, and prior to that, held various senior positions across the group including Head of Western and Southern Europe, leading its reinsurance business in 15 countries. Before joining Swiss Re in 2003, she worked in banking and consulting firms as a senior consultant, including at KPMG, Zurich (Switzerland).

External appointments
Ms. Cordioli is a fellow of the Aspen Institute Finance Leaders Fellowship and a member of the Aspen Global Leadership Network. She is also a member of the financial services chapter board of the Swiss-American Chamber of Commerce.

Educational background
Ms. Cordioli holds a degree in business administration from the University of Verona (Italy), Faculty of Economics. In 2007 she passed her certified public accountant (CPA) exam with the New Hampshire, U.S., Board of Accountancy.

Biographies (continued)

Peter Giger
Group Chief Risk Officer

Born: 1964

Skills and experience
Peter Giger has extensive experience in insurance and reinsurance, including in areas of finance, risk, strategy, underwriting and regulatory management. He was appointed Group CRO and member of the Executive Committee in October 2019 and took on the additional responsibilities as Group Chief Investment Officer on an interim basis from mid-2021 until early 2022. Prior to that, he served for four years from 2014 to 2018 as the head of FINMA's insurance division. During that time, he also served as FINMA's deputy CEO and a member of its executive team. While at FINMA he represented Switzerland in international organizations, instituted standard operating procedures and guidelines, and was instrumental in consolidating Swiss Solvency Test modeling. From 2002 to 2014, he held executive leadership roles at Zurich, including CFO General Insurance from 2010 to 2014. Prior to that he headed Structured Finance at Swiss Re from 1999 to 2002. Mr. Giger began his career at Zurich, holding a series of management positions between 1992 and 1999.

External appointments
Mr. Giger has been a member of the CRO Forum Association since October 2019.

Educational background
Mr. Giger has a doctorate in business administration from the University of Zurich, and a master's degree in business administration, specializing in IT, from the University of St.Gallen (HSG).

Alison Martin
CEO EMEA (Europe, Middle East & Africa) and Bank Distribution

Born: 1974

Skills and experience
Alison Martin has extensive management, financial and commercial experience within the insurance sector. She was appointed CEO Europe, Middle East & Africa (EMEA) and Bank Distribution in July 2019. Prior to that, she served as Group CRO from January 2018 to September 2019. A qualified accountant, Ms. Martin began her career at PwC, where from 1995 to 2003 she worked with insurance clients in audit and advisory roles. She then served in leading executive positions at Swiss Re, starting in 2003 as finance director, Life & Health. Starting in January 2011, she served as group managing director of Swiss Re's Life & Health Products Division. She was appointed Swiss Re's head of Life & Health Business Management in 2013, a position she held until joining Zurich as Group CRO-designate and a member of the Executive Committee in October 2017.

External appointments
Ms. Martin is a councillor of the British-Swiss Chamber of Commerce.

Educational background
Ms. Martin earned a bachelor's degree in law, with honors, from the University of Birmingham in 1995. In 1998, she qualified with the Institute of Chartered Accountants in England and Wales as an associate member, and in 2010 she completed the Chartered Financial Analyst investment management certificate.

Laurence Maurice
CEO Latin America

Born: 1965

Skills and experience
Laurence Maurice has extensive experience in the insurance industry and in organizational transformation. Before joining Zurich as CEO Latin America and as a member of the Executive Committee in October 2020, she served for five years as Allianz Partners' CEO of Spain and head of Southern Europe. During that time, she revamped strategy while supporting the company's global transformation. Before this, she spent seven years as global CFO at Allianz Global Assistance and seven years as Brazil and then Latam regional CFO for Allianz Seguros. After beginning her career at PWC, she held positions as head of business division and head of International Internal Audit at Allianz France.

External appointments
Ms. Maurice is an associate of the French-Brazilian Chamber of Commerce (Câmara de Comércio França-Brasil).

Educational background
Ms. Maurice holds an engineering degree from SupAgro Montpellier and a master's degree in audit from ESCP Europe.

Biographies (continued)

Cara Morton
CEO Zurich Global Ventures

Born: 1969

Skills and experience
Cara Morton has an extensive background in strategic business transformation and leadership within the insurance and financial services sectors. She was appointed CEO of Zurich Global Ventures and joined the Executive Committee in February 2024. Prior to this, she served as CEO of Cover-More Group, part of Zurich Global Ventures, from April 2020 to February 2024. She initially joined Cover-More in July 2018 as interim CEO of World Travel Protection and then became COO of Cover-More in November 2018, a role she held until April 2020 when she was named CEO. Before joining Cover-More, Ms. Morton held senior leadership roles at QBE Insurance Group from 2014 to 2018, including group head of operations and group head of strategic transformation. Ms. Morton began her professional career at Accenture, formerly known as Andersen Consulting, in Brisbane in 1991. She remained with the company until 2014, during which time she led projects for global banking and insurance companies, including serving as managing director of the finance and performance management consulting business across Asia Pacific.

External appointments
None.

Educational background
Ms. Morton holds a bachelor's degree, with honors, in minerals processing engineering from the University of Queensland.

Tulsi Naidu
CEO Asia Pacific

Born: 1973

Skills and experience
Tulsi Naidu was appointed CEO Asia Pacific in January 2021, when she also became a member of the Executive Committee. Ms. Naidu has extensive experience in international financial services, having worked in life, property and casualty insurance and corporate finance, in Europe and Asia Pacific. Ms. Naidu started her career in India with roles at Arthur Andersen and ICICI Bank before moving to Credit Suisse First Boston in Hong Kong. She joined Prudential plc in London in 2003 and held a number of roles within the UK and Europe division including serving as chief operations officer and as the executive director responsible for UK and offshore business. Ms. Naidu joined Zurich in September 2016 as Head of Business Development EMEA and was then appointed CEO of Zurich UK.

Since 2024, Ms. Naidu has also served on the board of Zurich Kotak General Insurance.

External appointments
Ms. Naidu is an independent director of Wipro Ltd.

Educational background
Ms. Naidu holds a bachelor's degree in mathematics, economics and statistics from Nizam College, Hyderabad and a master's degree in management from the Indian Institute of Management Ahmedabad.

Sierra Signorelli
CEO Commercial Insurance

Born: 1975

Skills and experience
Sierra Signorelli was appointed CEO Commercial Insurance and became a member of the Executive Committee in March 2021. She has extensive experience in the insurance industry, serving as Zurich's Group Chief Underwriting Officer from October 2020 and as Chief Underwriting Officer for Commercial Insurance after joining the company in 2017. Her prior experience includes 17 years with American International Group where she held a number of senior leadership roles in the insurer's Global Specialties division, including global chief underwriting officer, specialty lines and specialty executive in Asia/Pacific and global head of Network Partner Practice.

External appointments
None.

Educational background
Ms. Signorelli holds a Bachelor of Science degree in environmental science from the University of California, Santa Barbara. She completed the Stanford Executive Program at Stanford University School of Business.

Biographies (continued)

Kristof Terryn
CEO North America

Born: 1967

Skills and experience
Kristof Terryn began his career in 1993 in the banking industry, working in capital markets. In 1997, he joined McKinsey & Company where he held various positions within the financial services practice in Brussels and Chicago. He joined Zurich in 2004 in the Finance department. In 2007, he became Chief Operating Officer (COO) for the Global Corporate business division and in January 2009 was named COO for General Insurance. Mr. Terryn became a member of the Executive Committee in 2010 upon his appointment as Group Head Operations. In September 2013, he was appointed CEO Global Life, and became CEO General Insurance in October 2015. He was appointed Group COO effective July 2016. Mr. Terryn was named CEO North America effective January 1, 2021.

External appointments
Mr. Terryn is a board member of the American Property Casualty Insurance Association (APCIA), Illinois Economic Development Corporation, the Executives' Club of Chicago, and St. John's School of Risk Management. He is also a member of the Civic Committee of the Commercial Club of Chicago and the CEO Leadership Council of the Global Business Alliance.

Educational background
Mr. Terryn holds a law degree and a degree in economics from the University of Leuven, Belgium, as well as an MBA from the University of Michigan.

Stephan van Vliet
Group Chief Investment Officer

Born: 1970

Skills and experience
Stephan van Vliet has extensive international experience in asset management in the insurance sector. He joined Zurich as Group Chief Investment Officer and as a member of the Executive Committee in May 2022. Prior to this, he served as chief investment officer for Prudential Corporation Asia, Hong Kong, from 2017 to March 2022. Before Prudential, he worked at PineBridge Investments (2014–2016) as head of insurance asset management; at ING Insurance Asia Pacific as head of investments (2010–2013); and at ING Investment Management (1994–2013) in roles spanning asset ownership and asset management. These roles involved advising and managing portfolios for many different insurance companies and pension funds – both affiliated and third party – under multiple regulatory models.

External appointments
Mr. van Vliet is a member of the board of trustees of the Foundation for Constructivist, Concrete, and Conceptual Art (Museum Haus Konstruktiv) in Zurich.

Educational background
Mr. van Vliet earned a bachelor's degree in business administration from Nijenrode University, the Netherlands, in 1991. Between 1991 and 1994, he completed a master's degree in international affairs at Johns Hopkins University and an MBA at Bocconi University.

Raul Vargas
CEO of Farmers Group, Inc.

Born: 1975

Skills and experience
Raul Vargas has more than two decades of international leadership experience in global life and non-life insurance markets across the U.S., Latin America and Europe. Mr. Vargas was appointed CEO of Farmers Group, Inc. and became a member of the Executive Committee in January 2023. He also became a member of the Board of Directors of Farmers Group, Inc. in January 2023 and has been its Chairman since August 2023. In his extensive career with the Zurich Insurance Group, he served most recently as President of Distribution, Life and Financial services for Farmers Group, Inc. in Los Angeles, overseeing sales and distribution activities, in addition to Farmers New World Life and Farmers Financial Solutions. From 2014 to 2022, Mr. Vargas was CEO of Zurich Santander Insurance America. Prior to this, he held a variety of leadership roles in different geographies, including Head of Distribution and Proposition Management of Zurich Santander in Madrid, Spain from 2011 to 2014, Head of Life Business Latin America in Miami, Florida, from 2007 to 2010, as well as Chief Life Actuary and Head of Product Development in Milan, Italy from 2004 to 2007.

External appointments
Mr. Vargas is a board member of The Institutes Risk and Insurance Knowledge Group and the Southern California Leadership Council.

Educational background
Mr. Vargas holds a degree in actuarial science and economics from the University of Buenos Aires.

Management committees

The following cross-functional committees have been established for key areas to facilitate the coordination and alignment of recommendations to the Group CEO for approval on specific subjects.

Group Balance Sheet Committee (GBSC)

Members: Group CFO (Chair), Group CEO, Group CRO, Group CIO. The Group General Counsel attends the meetings ex officio, but is not a voting member.

Key tasks and responsibilities: The GBSC acts as a cross-functional advisory body for matters that could materially affect the financial position of the Group as a whole. The committee issues recommendations to the Group CEO.

The GBSC has oversight of all of the main levers of the balance sheet, including but not limited to transactions, capital management, reinsurance, asset and liability management, dividend and share buyback programs, liquidity, leverage, rating agencies and other balance-sheet-related matters. It also has oversight of the internal economic capital models, including the Zurich Economic Capital Model (Z-ECM), risk-based capital (RBC) and related models, such as the SST and Solvency II.

Oversight is exercised through regular review of plans, policies and specific transactions related to these areas and recommending appropriate actions to the Group CEO and, where appropriate, to the relevant decision-making bodies and management committees of the Group.

Core topics are:

- Capital management, capital allocations and lending and borrowing decisions.
- Rating management strategy and target ratings management.
- Planning on capital and liquidity, solvency, investment and asset/liability management strategies and associated capital allocation, including changes to investment strategy.
- Business development matters on corporate transactions with third parties, internal restructuring, investments including real estate, and entry into new types of business and markets.
- Material Group reinsurance strategy and reinsurance programs.
- Other matters with material impact on the balance sheet of the Group as determined by the GBSC Chair.

Group Risk Committee (GRC)

Members: Group CRO (Chair), Group CFO, Group CIO, CEO EMEA and Bank Distribution,[1] CEO Commercial Insurance,[2] Group General Counsel. The Group Chief Auditor and the Group Chief Compliance Officer are invited ex officio to attend the meetings, but are not voting members.

Key tasks and responsibilities: The GRC's main function is to review and provide recommendations to the Group CEO on activities related to the Group's overall risk profile, including but not limited to property and casualty insurance risk, life insurance risk, market risk, credit risk, operational and strategic risks.

The GRC reviews and recommends actions on topics such as:

- The Group's overall risk profile including exposures and the impacts of risks on capital and liquidity, earnings and reputation relative to the Group's risk appetite and tolerance.
- Changes to governance documents such as the Key Risk Management Principles and the Zurich Risk Policy.
- Key regulatory filings including the Group ORSA and Group Recovery Plan reports.
- The Group's Internal Control Integrated Framework.
- Prospective changes to internal capital models with significant impact on economic solvency ratios.
- The annual independent model validation plan and outcomes including additional granularity on material findings.

1 The CEO EMEA and Bank Distribution is a member of the GRC by virtue of her responsibility for Life Business Management (incl. underwriting and claims for life insurance).
2 The CEO Commercial Insurance is a member of the GRC by virtue of her additional responsibility for underwriting and claims for property and casualty insurance.

Technical committees

In addition to management committees, the Group's governance structure provides for committees of a more technical nature to support further aspects of Zurich's business activities. These include:

The Asset/Liability Management Investment Committee, chaired by the Group CIO, acts as a cross-divisional body and has primary responsibility for monitoring and reviewing the Group's asset/liability management and the strategic asset allocation of Zurich's invested assets.

The Group Pensions Committee, chaired by Gary Shaughnessy, is responsible for developing, reviewing and advising on the Group governance framework in matters related to pension and post-employment benefit arrangements. It provides oversight and guidance in the areas of market, demographic and reputational risk. It reports to and makes recommendations to the GBSC on material, pension-related matters, and reports regularly to the Remuneration Committee.

The Disclosure Committee, chaired by the Head of Group Financial Accounting and Reporting (FAR), is responsible for reviewing all external communications and disclosures that contain information material to the financial and capital position and/or performance of the Group. In particular, it reviews half-year and year-end financial results based on IFRS Accounting Standards as well as the updates for the first three and nine months of the Group and related documents, e.g., related news releases and analysts' information. It reviews other external communications that contain information or guidance regarding earnings in respect of either current or future reporting periods as well as external documentation required under applicable laws and regulations in relation to public financing transactions or publicly announced share buyback programs as well as sustainability reports. It also reviews controls and procedures regarding the effectiveness of the Group's internal controls over financial reporting. It makes recommendations to the Group CFO.

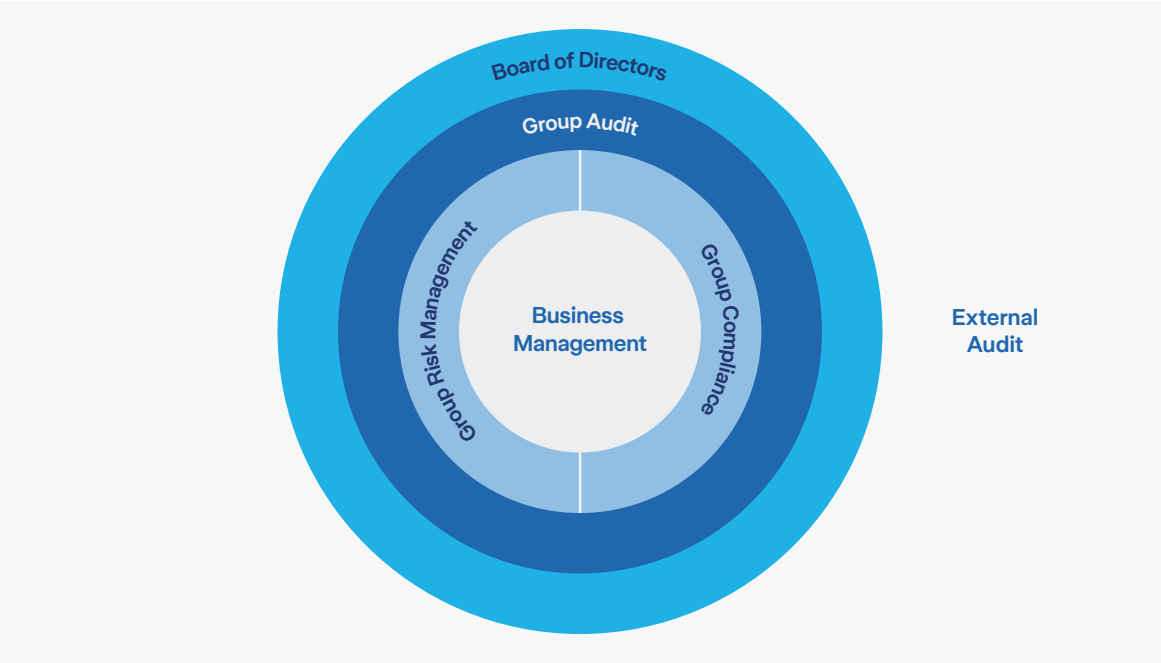
Governance and control functions

Zurich is committed to complying with applicable laws, regulations and internal requirements, professional and industry standards, and our Code of Conduct and corporate values. Various governance and control functions help to ensure that risks are identified and appropriately managed and that internal controls are in place and operating effectively. The Board is ultimately responsible for the supervision of these activities. The Board supervises management and monitors its performance through reporting and controlling processes. It receives regular and timely information on developments relevant to the Group as further described in this section.

Although each governance and control function maintains its distinct mandate, the functions are closely aligned and cooperate with each other through a regular exchange of information, planning and other activities. This approach supports management in its responsibilities and provides confidence that risks are appropriately addressed.

Zurich uses a model of three lines of defense in its approach to enterprise risk management. This model runs through Zurich's governance structure, so that risks are clearly identified, assessed, owned, managed and monitored.

Three lines of defense at Zurich Insurance Group
as of December 31, 2025



First line: business management

The first line of defense consists of business management and all functions except Group Risk Management, Group Compliance and Group Audit. The first line takes risks and is responsible for day-to-day risk management (i.e., risks are identified and monitored, mitigation actions are implemented and internal controls are in place and operating effectively).

The Group CEO and other executives inform the Chairman and the Board through regular reports, including on key performance indicators and other Group-relevant financial data, existing and emerging risks, mitigation measures for such risks, important market developments, industry peers and other significant issues and events. The Group CEO is generally invited to attend Board meetings. ExCo members are regularly invited to Board or Board committee meetings, while other executives attend these meetings from time to time. Most Board and Board committee meetings include closed sessions without management participation.

During 2025, the Chairman regularly met with the Group CEO. The Chairman meets from time to time with other ExCo members and management outside regular Board meetings. The other Board members do so as well, including meetings with the Group CFO and the Group CRO, in particular.

The Group has an information and financial reporting system. The annual plan for the Group, which includes a summary of financial and operational metrics, is reviewed by the ExCo in detail and approved by the Board. Full-year forecasts are revised, if necessary, to reflect changes in sensitivities and risks that may affect the results of the Group. Action is taken, where appropriate, when variances arise. This information is reviewed regularly by the ExCo and the Board.

Second line: Group Risk Management and Group Compliance

The second line of defense consists of the two control functions, Group Risk Management and Group Compliance.

Group Risk Management

Group Risk Management is responsible for supporting the development, implementation and maintenance of Zurich's Enterprise Risk Management and Internal Control Integrated Frameworks. The Group CRO regularly reports risk matters to senior management committees, the Group CEO and the Board's Risk and Investment Committee (e.g., in the form of quarterly risk reports and updates) and internal control matters to the Board's Audit Committee. For more information, see the risk review on pages 224 to 255; this information is not described separately in the corporate governance report.

Group Compliance

Group Compliance enables business management to manage its compliance risks by providing compliance solutions and independent challenge, monitoring and assurance related to relevant processes and controls, new business opportunities and complex transactions. The Group Compliance mandate includes:

- Enabling the business to manage its compliance risks.
- Being a trusted adviser.
- Providing independent challenge, compliance risk monitoring and assurance.
- Assisting management to promote compliance culture and ethics.

Group Compliance is vertically integrated to support a global framework and is led by the Group Chief Compliance Officer, who reports directly into the Group CEO, while maintaining functional independence as second line of defense. The Group Chief Compliance Officer has direct access to the Audit Committee Chair and appropriate access to the Chairman of the Board.

Group Compliance provides an independent view on the key compliance risks to the business and performs independent risk-based monitoring and assurance activities, while also challenging the business operations. Group Compliance performs its activities according to the global annual compliance plan. Each annual compliance plan (global, regional, local) is a risk-based plan and must be prepared on the basis of an independent forward-looking compliance risk assessment, considering both internal and external key risk drivers.

Group Compliance also provides compliance risk insight through relevant and targeted reporting. It provides the ExCo and the Audit Committee with insights into key compliance trends, matters and insights, compliance assurance outcomes as well as on progress against the global annual compliance plan through quarterly reporting to enable the members of the respective bodies to take informed business decisions. The equivalent regional and local governance bodies receive insights into relevant compliance topics, including progress against the respective risk-based plans. These reporting flows ensure that the organization at all levels embeds the findings and activities of Group Compliance to safeguard against regulatory and business risk exposure.

The Group Chief Compliance Officer defines and issues compliance policies at Group level and establishes appropriate processes and guidance. Group Compliance supports a strong compliance culture across the Group via training and awareness initiatives and maintains the global Integrity Concerns reporting framework. Zurich encourages its employees to speak up and report suspected or actual illegal, fraudulent, improper or unethical conduct (Integrity Concerns). Employees are free to report their concerns to management, Human Resources, Group Legal, Group Compliance, or through the Zurich Ethics Line, a phone and web-based service run by an independent external provider. The Zurich Ethics Line is also open to the public, including customers, contractors and business partners, and reports can also be made anonymously. Zurich does not tolerate retaliation against any employee reporting an Integrity Concern in good faith.

Third line: Group Audit

The primary role of Group Audit is to help the Board and ExCo to protect the assets, reputation and sustainability of Zurich. It does this by performing risk-based and objective audit activities to systematically evaluate and challenge the adequacy and effectiveness of the Group's governance, risk management and internal controls. The scope of Group Audit's mandate is unrestricted and spans the whole of Zurich and includes all activities undertaken within and on behalf of the Group.

Group Audit assesses whether significant risks are comprehensively identified and appropriately reported by management and the second line of defense to the Board and ExCo; evaluates whether the Group is adequately controlled; and challenges and influences management to improve the effectiveness of governance, risk management and internal controls.

Group Audit is an independent and objective function, reporting to the ZIG Board through the Audit Committee. The Group Chief Auditor reports functionally to the Chair of the Audit Committee and for administrative purposes to the Group CEO. All Group Audit staff ultimately report to the Group Chief Auditor, while recognizing local laws and regulations.

The Group Chief Auditor attends Audit Committee meetings, including regular private sessions with the Audit Committee. In addition, the Group Chief Auditor has free and unrestricted rights of access to the Chairs of the Board, the Audit Committee, and other Board Committees as appropriate, as well as to the Group CEO.

Group Audit performs an independent risk assessment and develops a risk-based plan which is submitted each year to the Audit Committee for review and approval. The plan considers the full spectrum of business risks and is informed by the views of the Audit Committee and management among others. Group Audit reviews and adjusts the annual audit plan dynamically as the risks faced by the Group change. If material changes are made to the audit plan, Audit Committee approval is sought. The audit plan for 2025 comprised 458 audits, addressing key risks and regulatory requirements across the Group.

Group Audit executes the plan and reports at least quarterly on the results of its work, in writing, to the Audit Committee and audit committees of subsidiary companies. The reporting includes, as relevant, details of the status of plan execution, the results of audit activities performed, insights on significant audit issues raised, any significant thematic or systemic issues identified across the Group, and the status of management's corrective actions.

The Group Chief Auditor ensures that Group Audit has appropriate resources, budgets and the collective skills and capabilities to effectively deliver on its mandate. The Audit Committee approves Group Audit's plan, budgets and resources and confirms on an annual basis that Group Audit is staffed appropriately and operating effectively.

Group Audit staff are expected to work in conformance with the Global Internal Audit Standards, issued by The Institute of Internal Auditors, and adhere to the function's methodology, processes and procedures. Group Audit operates a quality assurance and improvement program, carried out by individuals who are not directly involved in the delivery of audits. The results of the assessments are reported annually to the Audit Committee. To assess conformance with the Group Internal Audit Standards, Group Audit is subject to an independent and objective external quality assessment at least every five years.

External auditors

Duration of the mandate and term of office of the lead auditor

Ernst & Young Ltd (EY), Maagplatz 1, 8005 Zurich, Switzerland, were reelected as Zurich Insurance Group Ltd (ZIG)'s external auditors for the financial year 2025 by the AGM on April 9, 2025. EY has been ZIG's external auditors since the financial year 2021.

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

Guillaume Fontaine of EY is the global relationship partner and lead auditor who took up office in 2025, replacing Isabelle Santenac. He co-signs the auditors' report for 2025 together with David Jewell, audit engagement partner, who took up office in 2024. Philip Kirkpatrick has been the auditor in charge of the regulatory audit work since 2022. Key audit engagement roles are rotated at least every five or seven years depending on the role. The audit mandate is tendered every 10 years.

The AGM elects the external auditors annually. The Board proposes to reelect EY at ZIG's AGM on April 8, 2026 as external auditors for the financial year 2026. EY fulfills all necessary requirements under the Swiss Federal Act on the Admission and Oversight of Auditors and is admitted as a registered auditing company by the Federal Audit Oversight Authority.

Audit fees

Total audit fees (including expenses and value added taxes) charged by EY in the year 2025 amounted to USD 57.0 million. This includes the audit of the Group's consolidated, sub-consolidated and statutory financial statements globally. It also includes any fees for interim reviews, assurance and attestation services related to any regulatory filings of the Group and its subsidiaries. Audit fees are approved annually by the Audit Committee. Any unplanned overruns and new scope changes are reviewed and agreed with management.

Non-audit fees

Total fees (including expenses and value added taxes) in the year 2025 for non-audit services, such as tax advice, audit-related services and other services were USD 5.8 million.

The Audit Committee has approved a comprehensive policy for non-audit services, which defines allowable and non-allowable non-audit services as well as approval limits for non-audit service mandates at the local and Group level. Allowable non-audit services may include tax advice, comfort and consent letters as well as certifications and attestations, to the extent that such work complies with applicable legal and regulatory requirements and does not compromise the independence or objectivity of EY. To avoid conflicts of interest, all allowable non-audit services need pre-approval from the Audit Committee Chair, the Group CFO, the Head of Group FAR or the local CFO, depending on the expected fee. The policy further requires, among others, an engagement letter specifying the services to be provided.

EY also tracks non-audit services and reports quarterly to the Head of Group FAR and the Audit Committee the extent of non-audit services provided worldwide.

The audit and non-audit fees of EY for 2025 and 2024 were as follows:

Audit and non-audit fees

in USD millions, as of December 31	2025	2024
Total audit fees[1]	**57.0**	**54.1**
Total non-audit fees[2]	**5.8**	**5.5**
– Tax advice	1.4	1.2
– Audit-related services[3]	3.5	3.6
– Other services[4]	0.9	0.7

1 The total audit fees reflect statutory and regulatory scope changes, specific IT initiatives, as well as recurring scope changes resulting from M&A activities. In 2024, the total audit fees further reflected the auditors' additional work related to the application of the revised international auditing standard ISA 600.
2 Rounded individual amounts may not always add up to the rounded total.
3 Primarily for attestation and assurance services (e.g., agreed upon procedures, service organization control reports) and limited/reasonable assurance for sustainability reporting.
4 In 2025 and 2024, this primarily related to independent services relating to Zurich projects with third parties.

Supervision and control over the external audit process

The Audit Committee regularly meets with the external auditors. During 2025, the Audit Committee met with EY eight times. The external auditors regularly have private sessions with the Audit Committee without management present. Based on written reports, the Audit Committee and the external auditors discuss the quality of the Group's financial and accounting function and any recommendations that they may have. Topics considered during such discussions include strengthening of internal financial controls, applicable accounting principles and management reporting systems. In connection with the audit, the Audit Committee obtains from the external auditors a timely report relating to the audited financial statements of the Group.

The Audit Committee oversees external auditors' work. It reviews, at least annually, the external auditors' qualification, performance and independence and reviews any matters that may impair their objectivity and independence. The review is based on a written report by EY describing the firm's internal quality control procedures, any material issues raised and all relationships between EY and the Group and/or its employees that could be considered to bear on their independence. The Audit Committee evaluates the external auditors' performance during their audit examination. It elicits the comments of management regarding the external auditors' performance (based on criteria such as their understanding of Zurich's business, technical knowledge and expertise, etc.) and the quality of the working relationship (responsiveness to the needs of ZIG and the Group and the clarity of communication). The Audit Committee reviews, prior to the commencement of the annual audit, the scope and general extent of the external audit and suggests areas requiring special emphasis.

The Audit Committee proposes the external auditors to the Board for (re)election by the AGM and is responsible for approving the audit fees (see page 79 for further information).

Information policy

Please find below an overview of the different ways Zurich communicates with shareholders, as well as relevant sources of information:

Topic	Links
Shareholders' meeting invitation	is published in the Swiss Official Gazette of Commerce and on our website: www.zurich.com/agm Registered shareholders receive a reply card by unregistered mail. No printed documents are sent to registered shareholders who have previously registered for an email alert via the shareholder portal (www.gvote.ch).
Annual Report and Half Year Report	www.zurich.com/investor-relations/results-and-reports
Group's updates for the first three and nine months	www.zurich.com/investor-relations/results-and-reports
Media releases	www.zurich.com/media/news-releases
Free news subscription service	www.zurich.com/services/news-releases
Financial calendar	www.zurich.com/investor-relations/calendar
Investor Day / Investor Update	an event to provide investors and analysts with an update on the latest strategic developments and insights into segments and business activities of the Group. www.zurich.com/investor-relations/investor-day
Chairman roadshow	to engage with our investors on an annual basis. www.zurich.com/investor-relations/presentations
Investor Relations	www.zurich.com/investor-relations
Registered office, contact, phone number	see page 428 of this Annual Report.

Message from our Chair of the Remuneration Committee

Clear focus on sustainable performance



“Our rewards programs are designed to drive sustainable performance and create long-term value. Zurich’s competitive, responsible remuneration allows us to attract and retain skilled people who help to deliver on our promises to all our stakeholders.”

Christoph Franz
Chair of the Remuneration Committee

On behalf of the Board of Directors (Board) and the Remuneration Committee, I am pleased to share Zurich Insurance Group Ltd's and its subsidiaries' (the Group or Zurich) remuneration report for the year ended December 31, 2025, which outlines key compensation outcomes and decisions taken by the Remuneration Committee and the Board.

2025 marks a pivotal year for Zurich as we set the foundation for our future ambitions. By aligning our organization to our strategic priorities, we are strengthening profitability, simplifying operations, and accelerating growth across Specialties and Middle Market, Retail, Life and Farmers. We are investing in the future of insurance through the Zurich AI Lab, combining world-class expertise and research to accelerate innovation and transform customer experience. These changes empower us to seize new opportunities, create greater value, and position Zurich for long-term success.

Performance of the Group in 2025

Since presenting our new three-year plan for 2025–2027 in November 2024, Zurich has delivered another exceptional year of performance, achieving its highest-ever business operating profit (BOP) of USD 8.9 billion, a 14 percent increase over the prior year, and outstanding earnings growth in the full year 2025. The strong growth in BOP was accompanied by a solid increase in the Core return on equity (ROE).

Our businesses continued to progress well. Property & Casualty gross written premiums exceeded USD 50 billion for the first time in 2025. Life delivered an excellent performance, with the contractual service margin at all-time high. Farmers posted its strongest BOP.

These results underscore the Group's ability to deliver sustained financial performance through a combination of disciplined underwriting that resulted in an improved combined ratio, effective risk selection, and operational excellence, underpinned by our focus and successful execution on the key metrics incorporated in our incentive plans.

Strategic execution and customer experience

Zurich has delivered on its strategic ambitions through the effective integration of AIG's global personal travel insurance and assistance business and the successful build-up of its stake in Zurich Kotak General Insurance in India. These milestones have further diversified Zurich's earnings base and expanded its global footprint in key growth markets. This progress has enabled Zurich to deliver greater value to our customers and quickly enhance our operational expertise in these markets.

The transactional net promoter score (TNPS), measuring customer satisfaction immediately following key interactions, is a component of Zurich's performance assessment and is directly linked to the Group's short-term incentive plan (STIP) outcome for employees. In 2025, the Group achieved an increase in its overall TNPS of 3.6 points compared with 2024, reflecting the Group's ongoing commitment to delivering outstanding customer experience.

Sustainability forms an important part of our strategy, and the Group has made significant progress in reducing operational CO2-equivalent (CO2e) emissions. Operational emissions were introduced as one of the performance criteria of the long-term incentive plan (LTIP) in 2023, reinforcing our commitment to embedding sustainability across the organization. The Zurich Forest project, launched in 2020, continues to support reforestation and biodiversity restoration, reflecting Zurich's broader commitment to environmental stewardship.

Exceptional long-term return to shareholders

Over the past decade, the Group has consistently delivered industry-leading total shareholder return (TSR), ranking in the top quintile of peers on total annualized return since 2016. This strong performance continued in 2025, and our continued focus on absolute share price performance in our LTIP ensures ongoing alignment with our shareholders' long-term interests.

Pay-for-performance in our remuneration framework

In an increasingly competitive market, remuneration continues to play a critical role. At Zurich, our remuneration philosophy is a cornerstone of our performance-focused organization that delivers exceptional shareholder value, a positive customer experience and acts responsibly for society and the planet.

Our approach is underpinned by guiding principles that ensure our remuneration system is balanced, competitive, and effectively managed to attract, retain, motivate and reward our employees. A robust remuneration framework, including comprehensive governance processes, is in place to ensure this philosophy is applied consistently across the Group.

Variable remuneration is only awarded when performance meets challenging targets, ensuring that rewards are commensurate with the value created for shareholders and other stakeholders. The Remuneration Committee undertakes a rigorous assessment of both quantitative and qualitative performance measures, including risk management and strategic execution, to determine incentive outcomes. This process ensures that remuneration outcomes reflect Zurich's strategic priorities, growth aspirations and achieved results.

Incentive outcomes 2025

2025 short-term incentive plan (STIP)

The Remuneration Committee undertook a rigorous assessment of both business and individual performance to determine the 2025 STIP outcomes. As a key measure of the incentive plan, BOP indicates the progress of our commitment to investors for growth and therefore plays a key role in the funding of STIP pools. Reflecting the strong results outlined in Zurich's performance highlights, the business performance outcome under the STIP for Executive Committee (ExCo) members was assessed at 120 percent, which does not yet reflect individual performance.

The Remuneration Committee also reviewed the individual performance of the Group CEO, Mario Greco, against his 2025 target card and his contribution to the wider business. Mr. Greco's leadership was instrumental in driving the successful completion of the first year of Zurich's 2025–2027 business plan. His strategic focus, disciplined execution, and commitment to responsible innovation enabled Zurich to exceed its target and deliver record results. These achievements demonstrate the impact of Mr. Greco's role in setting a strong foundation for continued progress and growth throughout the remainder of the business plan period. Thanks to Mr. Greco's disciplined execution, Zurich remains agile and well-prepared to meet the evolving needs of customers and markets. The Remuneration Committee is confident that his leadership and vision for innovation drives sustainable value for our shareholders.

After careful consideration, the Board approved a STIP award of 200 percent of the individual STIP target amount for the Group CEO, reflecting the outstanding performance achieved in 2025. The STIP awards for all ExCo members (including the Group CEO) for 2025 range between 120–200 percent of the individual STIP target amount (within the possible range of 0–200 percent). This reflects their consistent and high performance in achieving key strategic financial, business, customer, people and planet objectives across regions, business segments and functions.

In finalizing remuneration outcomes, the Remuneration Committee considered Zurich's overall performance, revenues and profitability in 2025, and believes that the outcomes are commensurate with Zurich's exceptional performance during the year.

2023–2025 long-term incentive plan (LTIP)

Driven by strong performance in average core ROE and cash remittance, both significantly exceeding the threshold, an above-target reduction in operational CO2e emissions, and a solid total shareholder return (TSR) position – ranking 9th relative to our TSR peers – the 2023–2025 LTIP will vest at 170 percent of target in April 2026.

Shareholder engagement

At our last Annual General Meeting (AGM), all three remuneration votes received clear majority support from our shareholders.

In our 2024 remuneration report, the Remuneration Committee placed a strong emphasis on improving the clarity and readability of the remuneration report for our shareholders. Our shareholders appreciated the changes we made to our disclosure, and this was reflected through the shareholders' voting result. We continued to refine our disclosure practices in the 2025 remuneration report by further providing clarity, reflecting investors' feedback.

The Remuneration Committee will continue to maintain an open dialogue with investors to address any concerns regarding executive remuneration practices.

Our changes to the remuneration framework

Since we presented our new three-year plan for 2025–2027 at the Investor Day in November 2024, we have updated our LTIP targets to reflect our ambition to deliver sustainable growth and value for our shareholders. To ensure our remuneration framework fully supports our long-term strategy, we have focused changes on areas that best align with our key priorities for the coming three years.

The financial targets set for our business plan 2025–2027 are central to our strategic priorities. For this reason, these targets will also form the basis for the LTIP 2026–2028 cycle, creating a clear link between our incentive structure and our strategic planning period. We have also reviewed our non-financial targets, with a focus on sustainability, with minimal changes compared to the prior cycle. For the LTIP 2026–2028, these sustainability-related targets will be updated to reflect our progress in reducing emissions and advancing Zurich's climate transition plan.

Our updated framework reinforces our commitment to strong financial performance and meaningful progress in sustainability, ensuring our remuneration practices remain aligned with Zurich's long-term goals.

Looking ahead

We remain confident in our ability to deliver on our ambitious 2025–2027 business plan. Our experienced leadership team is fully committed to this three-year plan, supported by a robust remuneration framework that places a strong emphasis on pay-for-performance.

With Zurich's renewed organizational structure in place as of January 1, 2026, we are well positioned to accelerate growth, strengthen collaboration across the business, and fully leverage our expertise to achieve our strategic goals.

We trust that shareholders will value our enhanced disclosures, and support the three remuneration votes at the AGM 2026.

- Maximum total amount of remuneration for the Board for the next one-year period from AGM 2026 to AGM 2027;
- Maximum total amount of remuneration for the ExCo for the subsequent financial year 2027; and
- Advisory vote on the remuneration report.

Finally, as I will have served the maximum 12 consecutive terms on the Board of Zurich, I will not stand for re-election at the upcoming AGM. I am honored to present my final remuneration report as Chair of the Remuneration Committee. I want to sincerely thank my fellow Committee members and our shareholders for their continued support and trust throughout my time on the Board and as Chair of the Remuneration Committee. Working together to help guide Zurich's future has been both a privilege and a pleasure.

On behalf of the Remuneration Committee, I thank you for your continued trust in Zurich.



Christoph Franz
Chair of the Remuneration Committee

Remuneration report

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This remuneration report provides information on the remuneration of Zurich as required by, and complying with, the following regulations:

- Art. 734 to 734f of the Swiss Code of Obligations.
- Point 5 to the Annex of the Directive on Information relating to Corporate Governance of the SIX Exchange Regulation.
- Circular 2010/01 on minimum standards for remuneration schemes of financial institutions issued by the Swiss Financial Market Supervisory Authority, FINMA.
- Swiss Code of Best Practice for Corporate Governance.

Remuneration at a glance

The remuneration at a glance section provides a summary of the remuneration of the Group CEO and the Executive Committee (ExCo), illustrating the link between business performance and variable pay decisions for 2025. Remuneration for the Board of Directors (Board) is also included.

For the performance year 2025, Zurich reported record performance across key financial metrics including BOP of USD 8.9 billion. The corresponding STIP awards for the Group CEO and the ExCo members highlight the Group's commitment to a disciplined pay-for-performance strategy.

Remuneration for 2025 in light of business results

Total variable remuneration for 60,903 employees across the Group in 2025 is considered in the context of Zurich's overall revenues, share capital and profitability, as shown by the following key financial figures.

Key financial figures[1]

in USD millions, for the years ended December 31	2025	2024
Insurance revenue	62,945	59,507
Business operating profit (BOP)	8,856	7,751
Net income attributable to shareholders (NIAS)	6,798	5,814
Shareholders' equity	28,515	25,472
Return on common shareholders' equity (ROE)	28.1%	24.7%
Dividends paid to shareholders[2]	4,665	4,156
Total variable remuneration for all employees gross before tax[3]	1,194	1,031
– as a percentage of insurance revenue	2%	2%
– as a percentage of shareholders' equity	4%	4%
– as a percentage of dividends paid to shareholders	26%	25%

1 Applicable figures align with those presented in the consolidated financial statements.
2 Dividend at transaction day exchange rate in 2025 and 2024.
3 The corresponding amount of total variable remuneration in Swiss francs is CHF 965 million for 2025 and CHF 934 million for 2024. Short-term incentives were converted at the year-end exchange rate. Long-term incentives were converted using the exchange rate of the second working day in April.

As demonstrated in the table above, the total variable remuneration awarded and allocated remains relatively small in relation to Zurich's overall revenue and shareholders' equity.

200%

Group CEO STIP award for 2025 as a percentage of the individual STIP target amount (2024: 200% of target)

120–200%

Range of STIP awards for all ExCo members, including the Group CEO, for 2025 as a percentage of the individual STIP target amount (2024: 103–200% of target)

170%

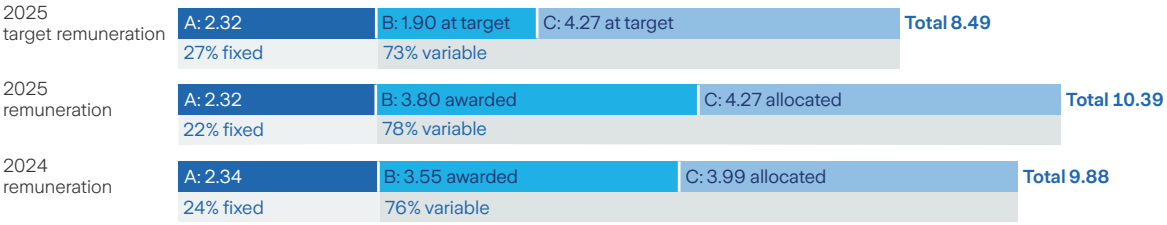
LTIP vesting in 2026 as a percentage of target following the 2023–2025 performance period (2025: 167%)

ExCo remuneration

The target remuneration structure is based on fixed remuneration, comprising base salaries, pensions, other remuneration including employee benefits, and variable performance-related remuneration at target values. The remuneration for 2025 and 2024 comprises fixed remuneration, the actual STIP awarded for the respective year and the LTIP target allocation made in the respective year, which will be assessed for vesting in 2028 and 2027, respectively.

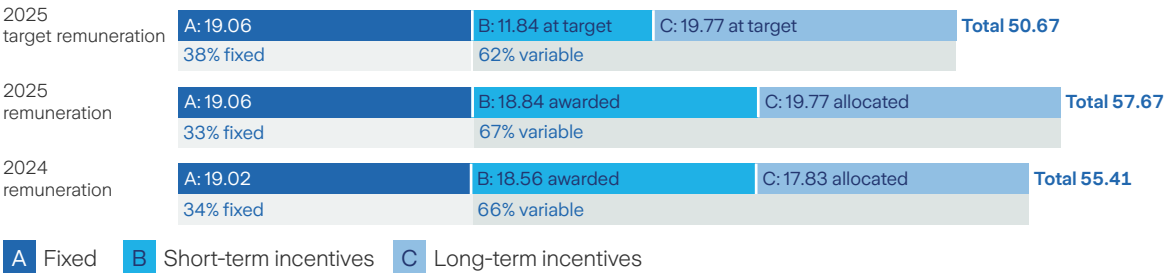
Group CEO remuneration

in CHF millions



ExCo remuneration (including Group CEO)

in CHF millions

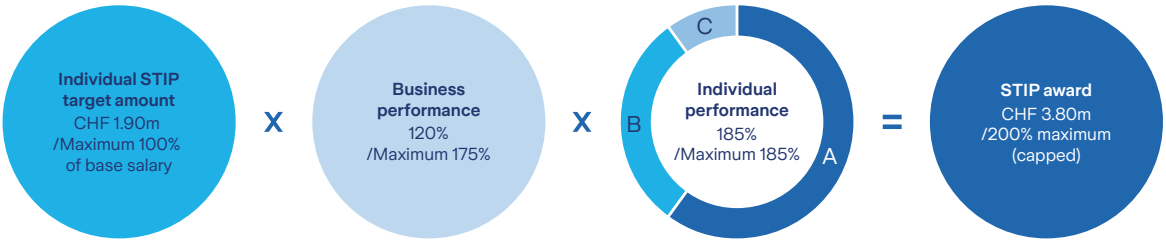


A Fixed B Short-term incentives C Long-term incentives

STIP 2025

For 2025, the STIP awards for all ExCo members, including the Group CEO, range between 120–200 percent of their individual STIP target amount (2024: 103–200 percent of target) within a possible range of 0–200 percent. This outcome reflects both business and individual performance achievements. Business performance for STIP 2025 is measured by the Group BOP, assessed against clearly defined targets, and reviewed both quantitatively and qualitatively. Individual performance focuses on delivering key financial, business, customer, people and planet objectives across regions, segments and functions. The Board has reviewed and approved the final STIP awards, considering both business and individual performance.

Group CEO STIP award calculation



Business performance	Given the record BOP achievement of USD 8.9 billion, the Board approved a business performance outcome of 120 percent (2024: 115 percent).
Individual performance	Performance is assessed by the Board against the targets set at the beginning of the performance year, along with consideration of the execution against strategic priorities, including sustainability factors and a risk-based review of performance.

Measure category		Weight	Overall outcome
A	Financial measures supporting strategy execution	60%	Individual performance: Exceeded (185%) resulting in 200% of individual STIP target amount (maximum 200%)
B	Customers	30%	
C	People	10%	

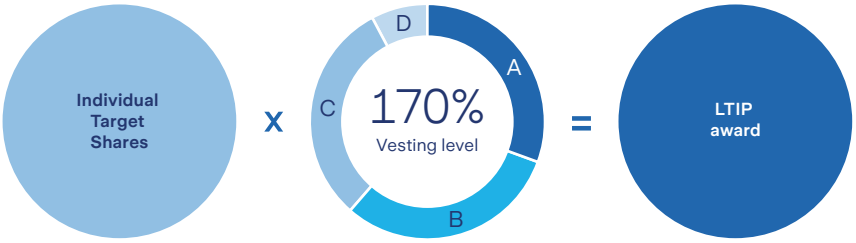
Read more on the Group CEO target card: Page 108

Read more on the Group's STIP: Page 93

Read more on the performance assessment process: Pages 97–99

2023–2025 LTIP vesting level

The LTIP vesting level for the performance period ending in 2025 is 170 percent of target (2024: 167 percent of target), within a possible range of 0 to 200 percent, for all participants in the plan, including the Group CEO and all other ExCo members. Vesting will take place on April 3, 2026. The vesting level is based on the performance achievements measured against the vesting grid for the 2023–2025 performance period. The Board did not exercise any discretion when determining the final vesting level.



		Weighting	Achievement
A	Relative TSR position	30%	9th position
B	Average core ROE[1]	30%	24.9% p.a.
C	Cumulative net cash remittances	30%	USD 19.3bn
D	Operational CO2e emissions	10%	52,059 mt
	2023–2025 LTIP vesting		
	2022–2024 LTIP vesting level[2]		

Vesting grid for the performance period 2023–2025

	0% vesting	50% vesting	100% vesting	150% vesting	200% vesting
A	18th – 13th	12th – 10th	9th – 7th	6th – 4th	3rd – 1st
			A: 100%		
B	<15.00% p.a.	15.00% p.a.	20.00% p.a.	21.00% p.a.	≥22.00% p.a.
					B: 200%
C	<USD 11.5bn	USD 11.5bn	USD 13.5bn	USD 14.0bn	≥USD 14.5bn
					C: 200%
D	>68,250 mt	68,250 mt	65,000 mt	58,500 mt	≤52,000 mt
					D: 199.5%
				170%	
				167%	

1 Previously referred to as BOPAT ROE.
2 Vesting grid for the 2022–2024 performance period applies.

Read more on the Group's LTIP: Pages 94–96

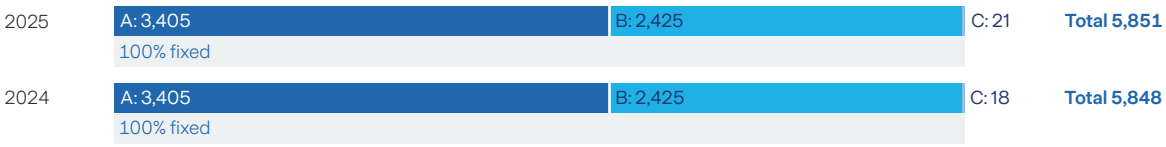
Board remuneration

Board members receive fixed remuneration as an annual fee consisting of a basic fee, committee fees and where applicable, committee chair fees. The basic fee is paid half in cash and half in five-year sales-restricted shares which are not subject to the achievement of any specific performance conditions. The total aggregate fees also include legally required employer contributions to pension systems.

In both 2025 and 2024, 11 members served for the full year and two members served for part of the year.

Fixed fees

in CHF thousands



A Total fees in cash B 50% of basic fee in five-year sales restricted shares C Pension costs

Share ownership guidelines

Board and ExCo members are required to hold a significant amount of Zurich shares, aligning their financial interests with the long-term success and stability of Zurich and its shareholders. This requirement fosters a culture of ownership and accountability and demonstrates personal commitment to Zurich.

Board members	Group CEO	Other ExCo members
1 x basic annual fee	5 x annual base salary	2.5 x annual base salary

Board members achieve this requirement by obtaining part of their fee in five-year sales-restricted shares and market purchases. ExCo members achieve this through their participation in the LTIP and market purchases. Board members, the Group CEO and other ExCo members have a period of five years, starting from the date of appointment to a Board or ExCo role, to meet their ownership requirements. The Remuneration Committee monitors compliance with the share ownership guidelines on an annual basis.

At the end of 2025, all Board and ExCo members who had served at least five years on the Board or the ExCo, respectively, met the requirements.

Remuneration framework

Philosophy

Zurich's employees are helping shape the organization for the future, one that delivers a positive customer experience, values and develops its people, and acts responsibly for society and the planet. Zurich's remuneration philosophy is an integral part of our overall offer to employees, supporting them in making a positive contribution to the success of the company and in achieving our goals. Based on established guiding remuneration principles, the Group strives to operate a balanced and effectively managed remuneration system providing competitive total remuneration opportunities to attract, retain, motivate and reward employees. The remuneration system and practices are embedded in the Group's Enterprise Risk Management framework and take into consideration legal and regulatory requirements, and market developments.

Guiding principles of the remuneration philosophy

The guiding principles of the remuneration philosophy, aligned to Zurich's remuneration rules, are as follows:

- The remuneration architecture is simple, transparent, applied effectively and considers the interests of key stakeholders such as customers, shareholders and employees.
- Reward decisions are made on the basis of merit – performance, skills, experience, qualifications and potential – and are free from discrimination. These principles ensure all employees have equal opportunities.
- The design, structure and level of total remuneration are aligned with the Group's risk policies and risk appetite.
- The elements of remuneration for each individual reflect appropriate internal and external factors and are tied to long-term results for individuals who have a material impact on the risk profile of the Group.
- A clearly defined performance and development approach guides employees throughout the year to achieve individual goals and exhibit behaviors in line with the Group's code of conduct, purpose and values, and this can be used to support remuneration decisions.
- Variable remuneration awards are linked to key performance factors which can include performance of the Group, countries, business units, functions, and individual achievements.
- The Group's STIP and LTIP, used for variable remuneration, are linked to appropriate performance criteria that are selected to support the execution of the Group's strategy. The total amount of variable remuneration is considered in connection with the Group's long-term economic performance and sustainability framework.
- The design of the LTIP links remuneration with the future development of performance and risk by including features for deferred remuneration, thereby encouraging participants to operate the business in a sustainable manner.
- Employees are provided with a range of benefits based on local market practices, aligned with our sustainability framework.

Pay equity

At Zurich we believe it is important for every employee to be treated in an inclusive and equitable way. The methodology we use to track our progress on achieving gender pay equity has been aligned with Equity, Diversity, and Gender Equality (EDGE) certification requirements. We conduct pay analyses on an annual basis in the majority of our businesses that have 100 or more employees. In addition, and subject to local laws and regulations, business units may choose to review remuneration across additional parameters such as ethnicity, LGBTQ+, disability, or full- and part-time work arrangements.

Read more on our approach to pay equity in the sustainability report:
Page 198

Elements of remuneration

Total remuneration

Total remuneration for all employees may comprise fixed remuneration such as base salaries, pension benefits and other remuneration including employee benefits, and variable remuneration. The composition of total remuneration may be influenced by factors such as the scope and complexity of the role, level of responsibility, risk exposure, business performance and affordability, individual performance, professional experience, internal relativities, external competitiveness, geographic location and legal requirements. Remuneration is benchmarked around the relevant market median in clearly defined markets which can be local, regional or global, and can reflect practices in insurance, financial services or general industry, depending on the role and the market.

Fixed remuneration

Fixed remuneration encompasses base salaries, pension benefits and other remuneration including employee benefits.

Base salary	**Description**	Fixed pay for the role performed, designed to attract and retain employees. Base salaries are typically reviewed annually to ensure ongoing competitiveness.
	Drivers	Based on factors such as scope and complexity of the role, level of responsibility, professional experience and geographical location, among other factors.
	Range of opportunity	Typically set within an 80–120 percent range around the relevant market median.
	Eligibility	Available to all employees
	Delivery	Provided as fixed cash

Pensions and employee benefits	**Description**	Employee benefits are designed to attract and retain employees. They align with market practices, support our sustainability framework, and are targeted around the market median.
	Benefits type	Can include pension plans (primarily defined contribution or cash balance type), life insurance, medical coverage and flexible benefits, and Zurich-specific programs.
	Drivers	Market practice, sustainability framework and regulatory requirements.
	Eligibility	Generally available to all employees, subject to local market provisions and requirements.
	Delivery	Tailored to local market practices and regulatory requirements, with several global mobility programs supporting cross-border assignments.

The Group Pensions Committee provides oversight and a point of focus and coordination at the Group level in relation to the long-term financial and reputational risks relating to the Group's pension arrangements.

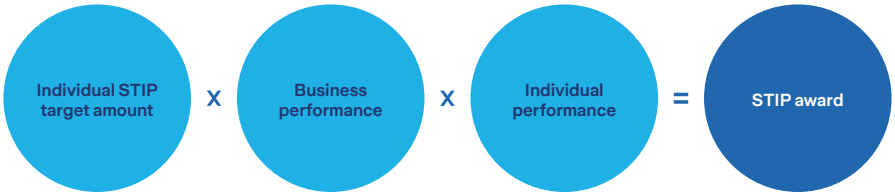
Variable remuneration

The Group's incentive plans (STIP and LTIP) are designed to provide a range of target award opportunities linked to levels of performance. Business and individual performance may result in remuneration levels above target for superior performance, and reduced levels that are below target for performance below expectations. Variable remuneration opportunities are provided to motivate employees to achieve key short-term and long-term business goals that support the execution of the Group's strategy. The incentive plans are discretionary and are regularly reviewed by the Remuneration Committee and the Board.

Short-term incentives

Short-term cash incentives enable employees to focus their performance on the achievement of key financial, customer and individual goals set at the beginning of the performance year. This is managed primarily through the Group's STIP where each participant is allocated to a relevant STIP pool, although there are also local short-term incentive plans in some countries. As a general rule, employees are only allowed to participate in one short-term incentive plan.

The Group's STIP is utilized across the organization and in many countries covers all employees. In some countries, based on market practice in that location, only the most senior individuals participate. For employees below a certain job level, markets also have the option to base the short-term incentive award solely on an individual's STIP target amount and the business performance of the relevant pool to which they have been allocated, provided minimum standards of individual performance and expected behaviors have been demonstrated.

Topic	Details
Description	Performance-based cash award plan, rewarding participants achieving annual targets.
Plan duration	1 year
Business performance	The business performance is assessed using business-relevant profitability and customer metrics – primarily BOP and TNPS[1] – as approved by the Board each year. At year-end, results are measured against these targets, including a qualitative and a risk-based evaluation (page 97–99). The STIP pool metrics are as follows: – ExCo: Group BOP (100%) – Other Group pools[2]: Group BOP (80%) and the overall customer TNPS (20%) – Investment management: investment results – Countries: respective local BOP (80–100%) and customer TNPS as applicable (0–20%) – Farmers[3]: growth, profitability and customer metrics – Joint ventures: relevant profitability metrics
Individual performance[4]	Performance against individual goals, as well as the expected behaviors set out in the Group's code of conduct, purpose and values determine the individual performance outcome which is assessed on a continuum along three core performance categories. Ranges for individual performance are pre-defined for each performance category as outlined below.
Range of opportunity	Each eligible participant has an individual target amount established for the performance year, calculated as: annual base salary x individual STIP target percentage = STIP target amount (up to a maximum of 100 percent of annual base salary). The final individual STIP award (within a possible range of 0–200 percent) at the end of the performance period is determined by:  No STIP award is paid if either business or individual performance is zero percent.
Eligibility	Set by country (approximately 46,500 Group STIP participants in 2025)
Clawback and malus	Clawback or malus conditions may apply for example, in cases of misconduct, violation of the Group's code of conduct or applicable laws, or where there has been a material financial restatement. – Clawback conditions apply for members of the ExCo and additional participants where required by local laws or regulations. – Malus conditions to reduce or eliminate awards are applicable to all STIP participants.

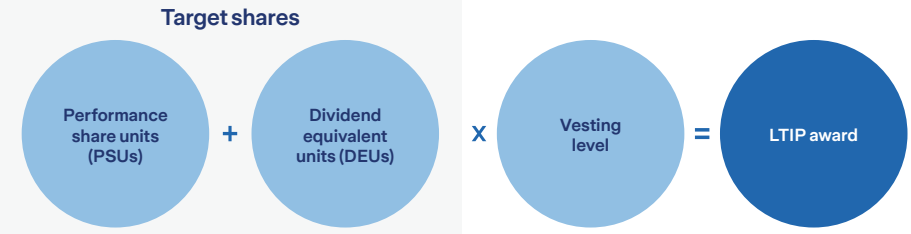
Performance category	Partially met	Fully met	Exceeded
Individual performance	0–85%	70–130%	115–185%

1 The transactional net promoter score (TNPS) is a global best-practice standard for measuring customer experience and one of the key measures used to determine the business performance in markets where there is sufficiently robust data. Over 90 percent of Group STIP participants are in a pool where funding is impacted by customer satisfaction achievements.
2 Other Group pools include the wider leadership team, employees in control functions, and employees in Group and regional roles.
3 Includes a separate pool for Farmers New World Life. Farmers Group, Inc., a wholly owned subsidiary of Zurich Insurance Group, and certain of its subsidiaries, provide certain non-claims services and ancillary services to the Farmers Exchanges as attorney-in-fact and receive fees for its services. The Farmers Exchanges are owned by their policyholders.
4 In general, all employees participate in the Group's performance and development cycle of goal setting, regular career and progress conversations and a year-end review, even if they do not participate in the Group's STIP. Certain employees might not participate in STIP or the performance and development cycle, such as those holding temporary positions.

Long-term incentives

To support the achievement of the Group's longer-term goals, long-term incentives are utilized for a defined group of Zurich's most senior positions, those that have a significant influence on the risk profile of the Group, and individuals considered suitable for participation, for example, due to market competitiveness given their skills and areas of expertise. This group generally includes the individuals with the highest levels of total remuneration. The LTIP aligns the incentives and behaviors of participants with the long-term interests of the Group and its shareholders. To further support this purpose, individual hedging of any shares of Zurich Insurance Group Ltd is prohibited.

In alignment with the Group's business strategy and risk profile, and considering established best practices and regulatory requirements, long-term incentives are provided with a deferral element that considers material risks and their time horizon. Such deferred remuneration is structured to promote the risk awareness of participants and to encourage participants to operate the business in a sustainable manner.

Topic	Details
Description	Performance-based share plan, rewarding participants achieving Zurich's long-term goals.
Plan duration	3 to 6 years[1] – Target shares are subject to cliff vesting following the three-year performance period. – For ExCo members, half of the vested shares are sales-restricted for an additional three years.
Performance criteria	The Board sets specific performance criteria for each three-year performance period, aligned with Zurich's strategic priorities. These criteria are designed to encourage sustainable value creation. Details of the LTIP criteria and vesting grid for the 2025–2027 performance period are provided on the following page.
Range of opportunity	Each eligible participant is allocated a number of performance share units (PSUs) for the three-year performance period, calculated as: – Annual base salary x individual LTIP target percentage = LTIP target amount (225 percent of annual base salary for Group CEO and ranging between 125–225 percent of annual base salary across all ExCo members). – LTIP target amount / closing share price on the second working day in April = number of PSUs allocated. Final individual LTIP award is determined at the end of the respective three-year performance period and is based on:  **Alignment with shareholders' interests** DEUs accrue during the vesting period and are assessed for vesting together with the PSUs. In this way, participants are only entitled to DEUs accrued on the PSUs eligible for vesting. No DEUs are credited in the year of allocation if the allocation is made after the ex-dividend date. No dividends accrue on DEUs. **Performance assessment** The vesting level is determined by achievements against the predefined performance criteria for the respective three-year performance period, subject to Board approval. This determines the percentage of target shares that may vest and could range between 0–200 percent. **Resulting LTIP award** Depending on the vesting level, participants may receive between 0–200 percent of their individual target shares. If the vesting level is zero percent, no shares vest.
Eligibility	ExCo members and a defined group of the most senior positions, including key risk-takers (1,336 plan participants as of December 31, 2025).
Clawback, malus and hedging	Clawback or malus conditions may apply, for example, in cases of misconduct, violation of the Group's code of conduct or applicable laws, or where there has been a material financial restatement. – Clawback conditions apply for members of the ExCo and additional participants where required by local laws or regulations. – Malus conditions to reduce or eliminate awards are applicable to all LTIP participants. – Individual hedging of share-based remuneration is prohibited.

1 For change of control clauses, see corporate governance report on page 68.

LTIP vesting grid for 2025–2027

The performance criteria are reviewed by the Board annually to ensure alignment with the strategic and financial targets and are approved before the start of the performance period. Outcomes against the predefined performance criteria following the three-year performance period determine the LTIP vesting level.

The LTIP performance criteria have been refreshed and rebalanced to strengthen alignment with shareholder interests. In particular, with the introduction of a financed emissions metric, the total weighting of sustainability-related performance criteria has increased from 10 to 20 percent. This supports our climate transition plan and underscores our role in enabling a low-carbon economy. The enhanced vesting grid is designed to drive long-term value creation while supporting Zurich's purpose.

Outlined below are the relevant performance criteria for the period 2025–2027, which determine the vesting level in 2028. Linear interpolation is used to determine the level of vesting for all performance criteria with the exception of the relative TSR position, where a league table approach is used.

Performance criteria	Weight	0% vesting	50% vesting	100% vesting	150% vesting	200% vesting
CAGR core EPS	**20%**	<6%	6%	**9%**	9.5%	≥10%
Average core ROE (per annum)	**20%**	<15%	15%	**23%**	24.5%	≥25.5%
Cumulative net cash remittances (in USD)	**20%**	<15bn	15bn	**19bn**	20bn	≥21bn
Relative TSR position (rank)	**20%**	18th–13th	12th–10th	**9th–7th**	6th–4th	3rd–1st
Operational CO2e emissions (in metric tons per FTE)	**10%**	>1.40	1.40	**1.33**[1]	1.26	≤1.20
Financed emissions (intensity per annum)	**10%**	>–50%	–50%	**–53%**[2]	–54%	≤–55%

1 The 100 percent vesting level is a linear projection of the trajectory to the 70 percent target reduction in total operational emissions for 2029.
2 The 100 percent vesting level is a linear projection of the trajectory to the 55 percent target reduction in financed emissions intensity for 2030.

Compound annual growth rate (CAGR) core earnings per share (EPS)

Measures the annual growth rate of Zurich's core earnings per share over the performance period. This metric reflects our ability to deliver steady, sustainable earnings growth and create long-term value for shareholders.

Average core return on equity (ROE)[1]

Measures Zurich's profitability by calculating the average return generated on core equity over the performance period. This metric reflects our ability to use shareholders' equity efficiently to deliver sustainable results.

Cumulative net cash remittances

Cash remittances is a metric that demonstrates the ability of the business to convert earnings into cash and therefore support cash deployment. Our priorities for deployed cash are unchanged and are dividend payments in line with our earnings and dividend policy, and acceleration of organic and inorganic growth.

Relative total shareholder return (TSR) position

Measures Zurich's total shareholder returns against a selected peer group of leading global insurers, reflecting our ability to deliver competitive returns to shareholders. The Remuneration Committee reviews the peer group regularly to ensure that peers exhibit a strong TSR correlation and reflect the Group's business profile and geographic spread. The peer group currently comprises: AIG, Allianz, Allstate, Aviva, AXA, Chubb, Generali, Legal & General, Manulife Financial Corp., MetLife, Munich Re, Progressive Ohio, Prudential Plc, QBE, Swiss Re, The Hartford, Travelers Companies. Inc.

1 Previously referred to as BOPAT ROE.

Operational CO2e emissions

Measures Zurich's progress in running an efficient, sustainable business by reducing our operational carbon footprint. Starting with the performance period 2025–2027, we introduced a normalized target approach, expressing the operational CO2e emissions[1] metric on a per full-time equivalent (FTE) basis. This means that for the purpose of the LTIP, operational emissions for the Group[2] are now measured as a CO2e efficiency measure in consideration of the size of our business. This new approach enables us to account for business growth and to align with post-pandemic business standards. This metric is based on approximately 80 percent[3] of scope 1, 2 and 3 (upstream) operational emissions; the remaining emissions are excluded due to time lags in the availability of data. Assurance on operational emissions is performed each year.[4]

Financed emissions

Measures Zurich's progress in the transition to a low-carbon economy through our investment portfolio and reflects our responsibility as an investor and commitment to net-zero. This metric represents the reduction in financed emissions intensity (scope 1 and 2) of the Group's listed equity and corporate bond holdings. Financed emissions intensity is defined as metric tons CO2e emissions per U.S. dollar million invested. Financed emissions are influenced by the decarbonization progress of investee companies, Zurich's portfolio decisions, and market conditions. The target for listed equities and corporate bond holdings is measured at year-end 2027, compared with a 2019 baseline. Assurance on financed emissions is performed each year.[4]

Details of the LTIP performance criteria relevant for the 2026 vesting decision following the performance period from 2023–2025 can be found in the remuneration report 2023 (www.zurich.com/investor-relations/results-and-reports) and the performance outcomes are detailed in the remuneration at a glance section of this report on page 89. Details of the LTIP for the performance period beginning in 2026 can be found in the outlook section on page 120.

1 CO2e emissions includes carbon dioxide and the carbon dioxide equivalent of other greenhouse gases, most commonly methane (CH4), nitrous oxide (N20), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF6) and nitrogen trifluoride (NF3).
2 We have included Cover-More Group, our joint ventures with Banco Sabadell and Banco Santander, smaller businesses like Real Garant and Orion, which were previously excluded as well as our acquisitions Zurich Kotak General Insurance and AIG's global personal travel insurance and assistance business. Farmers Group, Inc. and its subsidiaries remain excluded.
3 With the introduction of previously excluded businesses (see footnote 2), the portion of operational emissions excluded from the LTIP calculations due to time lags in the availability of data (electricity, heating and waste) has slightly increased to approximately 20 percent from previously 10 percent.
4 The independent assurance report can be found in the sustainability report on pages 219 to 222.

Performance assessment process

Strong governance on target-setting and assessing achievements

The Remuneration Committee is committed to setting robust and challenging targets to incentivize the delivery of exceptional business performance. At the end of the performance cycle, the Remuneration Committee undertakes a comprehensive process to assess achievements versus targets, and to determine STIP pool funding, individual STIP awards for the ExCo members, and the LTIP vesting level in the context of Zurich's overarching performance, as described below.

Qualitative and risk-based assessment of performance for both STIP and LTIP

The Board, in its sole discretion, approves the funding of the STIP pools and the LTIP vesting level, both of which link business performance to the final level of awards. In addition to the actual business performance achieved versus the targets set, the Board considers factors such as the quality of earnings, unusual or one-off items affecting results, market conditions, performance relative to peers, as well as a review of risk considerations and input from other assurance functions, provided by the Group Chief Risk Officer.

The qualitative assessment ensures that award levels are consistent with the guiding principles of Zurich's remuneration philosophy, including supporting the execution of the Group's strategy, consideration of the interests of key stakeholders and alignment with risk policies.

Determining the funding of STIP pools

1. Review and approve STIP pool metrics	Prior to the beginning of the performance year, the business plan is recommended to the Board for approval, giving consideration to the Group's financial and strategic targets as well as the information provided by management. The defined STIP measures primarily include Group, country, or business unit BOP and may include other relevant measures such as customer metrics. The TNPS is the predominant customer metric used to understand the experience of our customers. TNPS targets are proposed by the Group Customer Office as an absolute increase in the score, based on the previous year's score outcome.
2. Business performance assessment	After the performance year concludes, the business performance outcome for each STIP pool, as a percentage of target, is determined. BOP is assessed against the approved business plan and the TNPS outcome is compared with the initial targets set. In assessing the business results, a review of risk considerations from the Group Chief Risk Officer is taken into account.
3. Board assessment and business performance achievement	The Board, based on the Remuneration Committee's recommendation, and considering actual performance achieved against plan, the quality of earnings, unusual or one-off items, market conditions and risk assessments, approves the funding of the STIP pools, as a percentage of target (within the range of 0–175 percent of target). The final business performance outcome for each STIP pool links performance outcomes to the level of funding and also takes into account the overall Group results and a qualitative assessment of performance.

Determining the individual STIP awards for ExCo members

1. Review and approve individual targets	The individual targets for the Group CEO are recommended by the Remuneration Committee to the Board for approval at the beginning of the new performance year. For all other ExCo members, sufficiently challenging targets are set by the Group CEO following an extensive process considering the strategic goals of the company. Individual target cards include a balanced mix of financial, business, customer, people, planet, and strategic measures, all aimed at supporting the Group's long-term business strategy and fostering sustainable performance.
2. Individual performance assessment	At the end of the performance period, in assessing individual performance, the Group CEO and all other ExCo members, conduct a self-assessment to reflect on their performance. This is complemented by insights from Group Risk Management, together with other control and assurance functions, who provide risk, compliance and audit information on each member. The assessment process takes into account quantitative achievements, qualitative factors and the perspectives of the assurance functions. Each member of the ExCo then discusses the assessment with the Group CEO, who then discusses the assessment with the Remuneration Committee.
3. Remuneration Committee assessment and individual STIP award determination	In a rigorous process, the Group CEO and the Remuneration Committee review the individual performance achievements of the ExCo, including risk and behavioral aspects. The performance of the Group CEO is assessed by the Remuneration Committee without his presence. In determining the final individual target card outcomes for ExCo members, the Remuneration Committee also considers factors such as overall business performance, significant events and achievements made during the year which are not captured by the targets established at the beginning of the performance year. This process ensures the outcome is aligned with shareholders' experience and reflects the individual's role in contributing to this broader performance context. The Board, based on the Remuneration Committee's recommendation, approves the final STIP awards.

Determining the LTIP vesting level

1. Review and approve performance criteria	The Board establishes relevant performance criteria ahead of each performance period. The Remuneration Committee regularly reviews the LTIP design and the performance criteria, ensuring they remain appropriately aligned with the long-term interests of the Group and its shareholders, and effectively drive performance in line with Zurich's strategic priorities and evolving market conditions. The Remuneration Committee proposes any updates to the LTIP design and/or performance criteria to the Board for approval.
2. Business performance assessment	At the conclusion of the three-year performance period, the Remuneration Committee assesses the achievement of each predefined criterion against the vesting grid. The Remuneration Committee reviews the performance outcomes and conducts an overall qualitative assessment. Based on these evaluations, the Remuneration Committee proposes the overall vesting level to the Board for approval.
3. Board assessment and approval of vesting level	Following the Remuneration Committee's recommendation, the Board reviews and approves the final vesting level, which can range from 0 to 200 percent of target. This determines the percentage of individual target shares that may vest on the vesting date.

Exceptional adjustments for LTIP vesting

Zurich recognizes the importance of maintaining a transparent and well-defined process for the calculation of the incentive outcomes, while allowing the Board, and in specific cases the Group CEO, to address exceptional circumstances, and to apply consequences for conduct issues and mitigate excessive risk-taking. This is aligned with our responsible approach to determining incentive award levels, and enables the consideration of any additional factors that are in the interests of shareholders, which may not be fully reflected when the performance metrics were initially established ahead of the performance period.

On this basis, the Board retains the right to exercise discretion when determining the overall vesting level to prevent unreasonable outcomes, reflect the financial impact of decisions taken to implement the strategy, or to deal with exceptional circumstances. In the case of LTIP, this includes adjusting the calculated vesting level by a maximum of +/–25 percentage points. No discretionary adjustment was made to the calculated vesting level for the 2023–2025 performance period.

The Group CEO holds the authority to modify individual awards by a maximum of +/–25 percentage points to the calculated vesting level based on individual circumstances, excluding adjustments for ExCo members which are determined by the Board upon the Remuneration Committee's recommendation. In exceptional cases, such as a significant breach of external rules, the Board holds the authority to adjust individual awards beyond +/–25 percentage points, including adjusting the vesting level for an individual to 0 percent.

Remuneration governance

Remuneration approval framework

The Board is responsible for the design, implementation and monitoring of the remuneration framework of the Group and its remuneration rules, which include the remuneration governance framework, philosophy, principles, system and practices. The Remuneration Committee supports the Board in these duties. On an annual basis, the Remuneration Committee reviews Zurich's remuneration rules and the remuneration architecture, including the incentive plans which are discretionary and can be terminated or modified at any time. Where changes are required, the Remuneration Committee proposes amendments to the Board.

Read more in the 'Remuneration Committee' section of the corporate governance report:
Pages 61–62

To ensure objectivity and industry best practices, in 2025, the Remuneration Committee and the Board received independent advice from an appointed lead adviser at Willis Towers Watson, who did not provide any other services to the Group.

To maintain robust governance, the Board and ExCo members (including the Group CEO) are not present in the Remuneration Committee or Board meetings where decisions are made on their individual remuneration.

The remuneration approval framework is set out as follows and is an effective governance framework to align interests with shareholders:

Topic	Recommended by Board Committee	Board approval	AGM approval
Remuneration architecture	Remuneration Committee and Risk & Investment Committee	●	
Relevant chapters within the organizational rules	Remuneration Committee	●	
Zurich's remuneration rules	Remuneration Committee	●	
Total variable remuneration	Remuneration Committee	●	
STIP pool funding	Remuneration Committee[1]	●	
LTIP vesting level	Remuneration Committee[1]	●	
Remuneration report	Remuneration Committee	●	Advisory vote
Board of Directors' remuneration	Remuneration Committee	●	Binding vote
ExCo remuneration	Remuneration Committee	●	Binding vote[2]

1 Based on the performance achievements of the predefined metrics and an overall qualitative assessment.
2 The Group CEO's remuneration is approved by shareholders in aggregate with the ExCo remuneration.

AGM remuneration votes

Shareholders approve, in prospective votes, the maximum total amount of remuneration for the Board for the next one-year period from AGM to AGM and the maximum total amount of remuneration for the ExCo for the subsequent financial year (art. 18 para. 1 Articles of Association: www.zurich.com/investor-relations/our-shares/articles-of-association). In addition, shareholders are invited to express their opinion on the remuneration report through an advisory vote. Details on the votes can be found in the AGM invitation 2026 (www.zurich.com/agm) and in the respective sections of the remuneration report for the Board (page 104) and for the ExCo (page 111). The approach regarding the votes on pay, supplementary amounts for any new members of the ExCo during a period for which the remuneration for the ExCo has already been approved, performance-related remuneration for the ExCo, allocation of shares, contracts with Board and ExCo members, and loans is outlined in art. 18, 28, 32 and 34 of the Articles of Association.

Remuneration and risk

The Remuneration and the Risk and Investment Committees meet jointly once a year to discuss a risk review of the remuneration architecture and the remuneration governance framework. The assessment of risk in making reward decisions, and the ability to apply risk adjustments and exercise malus and clawback, if required, are features of Zurich's remuneration framework. Group Risk Management evaluated the remuneration architecture in 2025 and reported that the remuneration architecture does not encourage inappropriate risk-taking that exceeds the Group's risk appetite and tolerance.

To help align remuneration with the Group's risk appetite and tolerance, Group Risk Management consults with other control, governance and assurance functions to provide the Group CEO with a review of risk factors to consider when assessing overall performance for the annual funding of incentive awards. The Group CEO considers Group Risk Management's assessment, among other factors, when proposing the funding for the STIP pools to the Remuneration Committee, which in turn makes its recommendation to the Board for final approval. The Group Chief Risk Officer is available to discuss these findings with the Remuneration Committee and the Board.

All Group leadership team roles, which include ExCo roles, are considered key risk-taker positions. The remuneration for key risk-taker positions has a greater emphasis toward long-term incentives and therefore, deferred remuneration. Group Risk Management, together with other control and assurance functions, provide risk, compliance, and audit information about each key risk-taker as part of the annual individual performance assessment of the Group leadership team, including the ExCo. This is considered when assessing performance and making reward decisions.

The variable remuneration of employees in control and assurance functions is structured to avoid conflicts of interest by linking their awards to Group profitability metrics rather than the profitability of the business where such functions execute control and assurance activities.

At reasonable intervals, Group Audit assesses the operational implementation of Zurich's remuneration rules to verify that the remuneration architecture is adhered to across the Group.

Remuneration safeguards

Zurich's remuneration system and practices are embedded in the Group's Enterprise Risk Management framework and include key safeguards, in particular:

- Emphasis on longer-term, deferred remuneration for the most senior positions and Group key risk-takers.
- Risk-based performance assessment for the ExCo, members of the Group leadership team and Group key risk-takers.
- Variable remuneration of employees in control and assurance functions is structured to avoid conflicts of interest by linking their awards to Group metrics, rather than the metrics of the businesses they oversee.
- Ability to apply risk adjustments and exercise malus (all participants) and clawback (ExCo and some additional participants) for variable remuneration.
- Minimum share ownership requirements for the Board, Group CEO and other members of the ExCo.

Remuneration and shareholdings

Audited

The information provided according to art. 734a–734f of the Swiss Code of Obligations contained in the remuneration report needs to be externally audited following the audit requirements of art. 728a of the Swiss Code of Obligations. All audited sections have been highlighted accordingly.

The following section sets out the remuneration and shareholdings of members of the Board and of the ExCo, and the remuneration of all employees.

Board of Directors

Board member fees

As Zurich is a global insurance provider, its Board member fees need to be established at a level which enables the Group to attract and retain high-caliber individuals with a long-term interest in Zurich's success and reflecting the diversity of the Group's customer and employee base. To assist in determining Board remuneration, an independent adviser carries out benchmarking studies on a regular basis. Zurich aims to set the remuneration of its Board members at the relevant median levels using the Swiss Market Index (SMI) as a basis. Based on the role and the fee structure set out in the table below, fee levels are established for each member of the Board. Fees are paid in cash and shares, with half of the basic fee provided in five-year sales-restricted shares. The fees paid to Board members (including the portion provided in sales-restricted shares) are not subject to the achievement of any specific performance conditions.

All Board members of Zurich Insurance Group Ltd are also Board members of Zurich Insurance Company Ltd, and the fees cover duties and responsibilities under both boards.

Fee structure for Board members[1]

	Fee elements in cash (CHF 000)	Fee elements in sales-restricted shares (CHF 000)	Total fee structure 2025 (CHF 000)	Total fee structure 2024 (CHF 000)
Basic fee for the Chairman of the Board[2]	1,000	1,000	2,000	2,000
Basic fee for the Vice-Chairman of the Board[2]	225	225	450	450
Basic fee for a member of the Board	120	120	240	240
Committee fee[3]	80	–	80	80
Chair fee for the Audit Committee	100	–	100	100
Chair fee for the Remuneration Committee	80	–	80	80
Chair fee for the Risk and Investment Committee	80	–	80	80
Chair fee for the Governance, Nominations and Sustainability Committee	80	–	80	80

1 These amounts are for the period from AGM to AGM. The table excludes other fees for board memberships of Zurich subsidiaries.
2 Neither the Chairman nor the Vice-Chairman receive additional fees for their committee work on the Boards of Zurich Insurance Group Ltd and Zurich Insurance Company Ltd.
3 Amount remains the same irrespective of the number of committees on which a Board member serves.

The committees on which the Board members serve are set out in the corporate governance report on page 50. In 2025, the Board consisted entirely of non-executive directors independent from management.

Where a Board member is also a member of one or more subsidiary boards of Zurich Insurance Group Ltd (other than Zurich Insurance Company Ltd), the Board member is entitled to an additional fee of CHF 50,000 per annum, plus CHF 10,000 per annum if they also chair an audit committee of such a board. The fee structure for subsidiary boards can be modified in certain circumstances, for example, if the additional time commitment to discharge the duties of a Board member warrants it. None of the Board members had an additional mandate in a subsidiary board of Zurich in 2025 or 2024 (other than Zurich Insurance Company Ltd).

The following tables set out the actual fees paid to Board members for 2025 and 2024. In both 2025 and in 2024, 11 members served for the full year and two members served for part of the year. The total aggregate fees, including legally required employer contributions to pension systems, amounted to CHF 5,851,015 for the calendar year 2025, which is higher due to slightly increased pension costs compared with the corresponding amount for 2024 of CHF 5,848,443.

Audited

Board member fees 2025

in CHF

	2025[1]						
	Fee elements in cash						
	Basic fee	Committee fee[2]	Chair fee[3]	Total cash	Basic fee in sales-restricted shares[4,5]	Pension costs[6]	Total fees
M. Liès, Chairman[7]	1,000,000	n.a.	n.a.	1,000,000	1,000,000	–	2,000,000
C. Franz, Vice-Chairman[7]	225,000	n.a.	n.a.	225,000	225,000	2,639	452,639
J. Amble, member	120,000	80,000	–	200,000	120,000	–	320,000
C. Bessant, member	120,000	80,000	100,000	300,000	120,000	–	420,000
M. Halbherr, member	120,000	80,000	–	200,000	120,000	6,779	326,779
T. Jordan, member[8]	90,000	60,000	–	150,000	120,000	4,782	274,782
S. Keller-Busse, member	120,000	80,000	–	200,000	120,000	–	320,000
M. Mächler, member[8]	30,000	20,000	–	50,000	–	–	50,000
K. Mahbubani, member	120,000	80,000	–	200,000	120,000	–	320,000
P. Maurer, member	120,000	80,000	–	200,000	120,000	–	320,000
J. Rafter, member	120,000	80,000	–	200,000	120,000	–	320,000
J. Staiblin, member	120,000	80,000	80,000	280,000	120,000	6,815	406,815
B. Stowe, member	120,000	80,000	–	200,000	120,000	–	320,000
Total in CHF[9]	**2,425,000**	**800,000**	**180,000**	**3,405,000**	**2,425,000**	**21,015**	**5,851,015**

Board member fees 2024

in CHF

	2024[1]						
	Fee elements in cash						
	Basic fee	Committee fee[2]	Chair fee[3]	Total cash	Basic fee in sales-restricted shares[4,11]	Pension costs[6]	Total fees
M. Liès, Chairman[7]	1,000,000	n.a.	n.a.	1,000,000	1,000,000	–	2,000,000
C. Franz, Vice-Chairman[7]	225,000	n.a.	n.a.	225,000	225,000	6,232	456,232
J. Amble, member	120,000	80,000	–	200,000	120,000	–	320,000
C. Bessant, member	120,000	80,000	100,000	300,000	120,000	–	420,000
A. Carnwath, member[10]	30,000	20,000	–	50,000	–	–	50,000
M. Halbherr, member	120,000	80,000	–	200,000	120,000	6,577	326,577
S. Keller-Busse, member	120,000	80,000	–	200,000	120,000	–	320,000
M. Mächler, member	120,000	80,000	–	200,000	120,000	–	320,000
K. Mahbubani, member	120,000	80,000	–	200,000	120,000	–	320,000
P. Maurer, member	120,000	80,000	–	200,000	120,000	–	320,000
J. Rafter, member[10]	90,000	60,000	–	150,000	120,000	–	270,000
J. Staiblin, member	120,000	80,000	80,000	280,000	120,000	5,634	405,634
B. Stowe, member	120,000	80,000	–	200,000	120,000	–	320,000
Total in CHF[9]	**2,425,000**	**800,000**	**180,000**	**3,405,000**	**2,425,000**	**18,443**	**5,848,443**

1 Amounts are gross and do not include any business-related expenses incurred in the performance of the members' services.
2 Members of a committee receive a cash fee of CHF 80,000 for all committees on which they serve, irrespective of the number. The committees on which the members of the Board serve are set out in the corporate governance report.
3 Committee chairs receive an annual fee of CHF 80,000 and the chair of the Audit Committee receives an additional CHF 20,000.
4 The shares allocated to Board members are not dependent on the achievement of performance criteria and are sales-restricted for five years.
5 As of June 16, 2025, Michel M. Liès was allocated 1,781 shares, Christoph Franz was allocated 400 shares and the other Board members were allocated 213 shares each. The last closing share price available on June 13, 2025 (CHF 561.20) was adopted to calculate the number of shares on half of the basic fee amount. Where the value of shares allocated did not equal exactly half the member's basic fee amount, the difference was paid in cash.
6 Legally required employer contributions to pension systems in line with the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG) were paid in accordance with the minimum required benefit for eligible members. Any personal contributions by Board members to pension systems are included in the fee amounts shown in the table.
7 Neither the Chairman nor the Vice-Chairman received additional fees for the Governance, Nominations and Sustainability Committee or the Remuneration Committee work on the Boards of Zurich Insurance Group Ltd and Zurich Insurance Company Ltd.
8 At the AGM on April 9, 2025, Thomas Jordan was elected as a new member of the Board and Monica Mächler did not stand for re-election as she has reached the tenure limit of 12 years.
9 In addition, Zurich also paid legally required employer contributions to social security systems which amounted to CHF 213,227 in 2025 and CHF 215,208 in 2024. Any personal contributions by Board members to social security systems are included in the amounts shown in the table. Swiss-based Board members are eligible for selected employee benefits.
10 At the AGM on April 10, 2024, John Rafter was elected as a new member of the Board and Alison Carnwath did not stand for re-election as she has reached the tenure limit of 12 years.
11 As of June 16, 2024, Michel M. Liès was allocated 2,121 shares, Christoph Franz was allocated 477 shares and the other Board members were allocated 254 shares each. The last closing share price available on June 15, 2024 (CHF 471.40) was adopted to calculate the number of shares on half of the basic fee amount. Where the value of shares allocated did not equal exactly half the member's basic fee amount, the difference was paid in cash.

Audited

Remuneration and loans for current Board members

No additional remuneration was provided to current Board members during 2025 and 2024 other than what is set out earlier in this report. In 2025 and 2024, no replacement payments were made to Board members.
As of December 31, 2025 and 2024, no current Board members had any outstanding loans or credit facilities.

Remuneration and loans for former Board members

No remuneration was provided to former Board members in connection with their former role during 2025 and 2024.
As of December 31, 2025 and 2024, no former Board member had any outstanding loans or credit facilities that were granted on conditions other than the customary market conditions.

Payments and loans for parties related to Board members

No payments (or waivers of claims) outside of market practice were provided in 2025 or 2024 to parties related to current or former Board members. As of December 31, 2025 and 2024, no party related to current or former Board members had any outstanding loans or credit facilities that were granted on conditions other than the customary market conditions.

Board remuneration voting at the AGM

A summary of the total amount of remuneration paid to the Board for a one-year period from AGM to AGM, along with the respective maximum total amount of remuneration approved by shareholders, is outlined in the table below for the past two periods. The amounts provided earlier in this report relate to a calendar year whereas the amounts in the table below are for a one-year period from AGM to AGM.

Summary of fees paid to the Board over the last two periods[1]

		Fees					
Period AGM to AGM	Number of members	in cash (CHF 000)	in shares (CHF 000)	Pension costs[2] (CHF 000)	Total (CHF 000)	Maximum amount approved at the AGM (CHF 000)	Percent of votes in favor
2025–2026[3]	12	3,405	2,425	21	5,851	6'000	96.7%
2024–2025	12	3,405	2,425	19	5,849	6,000	96.0%

1 In addition to the amounts shown in this table, Zurich also pays the employer contributions to social security systems as required by law. For reference, Zurich paid an amount of CHF 213,227 and CHF 215,208 for the calendar years 2025 and 2024 respectively.
2 Legally required employer contributions to pension systems in line with the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG) are paid in accordance with the minimum required benefit for eligible members.
3 Includes an estimate of the employer pension costs for the first quarter in 2026 and assumes the amount of fees to be paid for the first quarter in 2026 remains unchanged.

Information on the proposed maximum total amount of remuneration for the Board for the one-year period from the AGM 2026 to the AGM 2027 can be found in the AGM invitation 2026 (www.zurich.com/agm).

Audited

Shareholdings of Board members

The shareholdings of Board members who held office in 2025 are shown in the following table for the past two years. All interests shown include the portion of shares allocated to Board members as part of their fees, shares acquired in the market and shares held by parties related to the Board members.

Board member shareholdings[1]

Number of Zurich Insurance Group Ltd shares as of December 31	Ownership of shares	
	2025	2024
M. Liès, Chairman	19,035	17,254
C. Franz, Vice-Chairman	9,048	8,648
J. Amble, member	3,844	3,631
C. Bessant, member	2,889	2,676
M. Halbherr, member	2,066	1,853
T. Jordan, member[2]	331	n.a.
S. Keller-Busse, member	1,348	1,135
M. Mächler, member[3]	n.a.	4,179
K. Mahbubani, member	3,844	3,631
P. Maurer, member	1,662	1,449
J. Rafter, member[4]	467	254
J. Staiblin, member	2,936	2,723
B. Stowe, member	2,066	1,853
Total	**49,536**	**49,286**

1 None of the Board members, including parties related to them, held more than 0.5 percent of the voting rights of Zurich Insurance Group Ltd shares as of December 31, 2025 or 2024, respectively.
2 Thomas Jordan was elected as a new member of the Board at the AGM 2025.
3 Monica Mächler did not stand for re-election at the AGM 2025.
4 In addition to the amount of shares noted in this table, John Rafter holds 420 American Depository Receipts (ADRs).

Executive Committee

ExCo remuneration

For 2025, the total remuneration for ExCo members includes base salaries, pension benefits, other remuneration including employee benefits, short-term cash incentives awarded and the LTIP target allocations made for 2025.

To assist in making informed decisions regarding the remuneration structure and mix of the individual remuneration elements for ExCo members, the Board regularly conducts benchmarking studies. These studies consider relevant market practices within peer groups and internal relativities, helping to keep remuneration competitive, aligned with industry standards and balanced from an internal equity perspective.

The core peer group is regularly reviewed by the Remuneration Committee to ensure its relevance, and the analysis is further supplemented by additional benchmarking studies as appropriate, for example, reviewing practices of large SMI companies in Switzerland or companies of a similar size in relevant local markets. This approach helps Zurich compete effectively for talent worldwide.

The core peer group in 2025 was:

AIG, Allianz, Allstate, Aviva, AXA, Chubb, Generali, Legal & General, Manulife Financial Corp., MetLife, Munich Re, Progressive Ohio, Prudential Plc, QBE, Swiss Re, The Hartford and Travelers Companies, Inc.

This peer group comprises companies that share significant similarities with Zurich in terms of industry, market presence, size, and global reach. Primarily, the companies included in our peer group operate within the insurance and reinsurance sectors. Additionally, the peer group includes companies that have a significant presence in key markets across the globe.

Over half of Zurich's Group BOP is currently generated in the U.S., making U.S. peers a critical benchmark for Zurich. This perspective is vital for Zurich in recruiting the right talent for the Group, as Zurich operates and competes with companies for talent in diverse regions.

Total remuneration for ExCo members

The following table shows the total remuneration in 2025 and 2024 for the highest-paid individual, who was Mario Greco, Group CEO, along with the total remuneration for all ExCo members (which includes the amounts for the Group CEO). The variable performance-related remuneration is based on STIP awarded for 2025 and LTIP target allocation of performance share units (PSUs) made in 2025.

One-off remuneration amounts, such as replacement payments and share allocations for new ExCo hires, and the amounts of contractually agreed remuneration after stepping down from the ExCo and during the notice period, are shown in their separate categories below the total amounts.

As disclosed in the remuneration report 2024, the annual base salary of the Group CEO increased to CHF 1.90 million effective from April 1, 2025. This increase is aligned with our commitment to retain top talent and to ensure our compensation package remains attractive within the highly competitive industry. The Group CEO's visionary approach and successful execution of strategic priorities have significantly contributed to the company's robust financial health and long-term growth prospects. These skills are essential for delivering on the new business plan. For the 2025 financial year, the Group CEO's base salary was calculated pro rata from January to March based on an annual base salary of CHF 1.78 million, and from April to December, based on an annual base salary of CHF 1.90 million. The annual STIP and LTIP targets, as a percentage of the annual base salary, remained unchanged.

Total remuneration for all ExCo members in 2025 increased compared with the prior year. There was no change to the overall remuneration structure of the ExCo, although specific remuneration components were adjusted for certain members to reflect performance and to support the execution of strategic objectives. The level of short-term incentive awards corresponds to performance outcomes against the targets set. The difference in other remuneration in 2025 compared with 2024 considers costs relating to international moves.

Audited

Remuneration of the highest-paid individual and all ExCo members (including the highest-paid)[1]

in CHF millions, for the years ended December 31		Highest-paid individual (Group CEO)		ExCo	
		2025[2]	2024[2]	**2025[2,3]**	2024[2,4]
Fixed remuneration	Base salaries	1.87	1.78	11.78	11.52
	Pension benefits[5]	0.39	0.51	3.05	3.55
	Other remuneration[6]	0.06	0.05	4.23	3.95
Variable remuneration	Short-term incentives	3.80	3.55	18.84	18.56
	Long-term incentives[7]	4.27	3.99	19.77	17.83
Total in CHF[8]		**10.39**	**9.88**	**57.67**	**55.41**

in CHF million, for the years ended December 31	**2025[9]**	2024[9]	**2025[3,9]**	2024[4,9]
Other payments and share allocations[10]	–	–	–	2.34
Contractual remuneration after stepping down from ExCo until termination[11]	–	–	–	2.52

1 In addition, Zurich also paid employer contributions to social security systems for current and former members of the ExCo as required by the applicable laws where the executives are employed. These amounted to CHF 2.49 million in 2025 and CHF 2.62 million in 2024. Employer contributions to social security systems relate to the remuneration paid or allocated in the respective year based on best estimates. Since the contributions are based on full earnings, whereas benefits are capped, there is no direct correlation between the costs paid to social security systems and the benefits received by the executives.
2 Amounts are gross for the time employees are members of the ExCo during the year and do not include any business-related expenses incurred in the performance of the members' services.
3 On the basis of 12 members of the ExCo, all of whom served in the ExCo during the full year in 2025. See the corporate governance report for details on the ExCo members in 2025.
4 On the basis of 14 members of the ExCo, of whom 10 served in the ExCo during the full year in 2024.
5 The total value of pension benefits accruing to ExCo members during the year is calculated on the basis of company contributions. This reflects a change in methodology from prior years, where actuarially assessed company costs were included.
6 ExCo members receive other remuneration in relation to employee benefits, perquisites, benefits-in-kind, expatriate allowances and associated costs including tax equalization in line with the Group's global mobility guidance, and any other payments due under each member's employment contract. Benefits-in-kind have been valued using market rates and certain amounts, including tax equalization, relate to the remuneration paid or allocated in the respective year, and are based on best estimates.
7 The target allocation of PSUs made in 2025 using the closing share price of CHF 619.80 (second working day in April).
8 Fixed remuneration amounts were converted using the average exchange rate for the full year. Cash incentives to be paid in 2026 were converted at the year-end exchange rate. Long-term incentives were converted using the exchange rate of the second working day in April.
9 Amounts are gross and do not include any business-related expenses incurred in the performance of the members' or former members' services.
10 These are extraordinary and include payments and share allocations to compensate incentive plan forfeitures with previous employers. The amounts relate to what was committed during the respective year, regardless of when the payments are due.
11 Relates to contractually agreed remuneration for leavers for the period of employment in 2025 or 2024 as applicable, after stepping down from the ExCo and during the notice period. Such remuneration may include pro rata base salaries, short-term incentives, LTIP target allocations, pension costs, employee benefits, expatriate allowances and associated costs, including tax equalization, and may be based on best estimates. Severance payments are not paid to ExCo members.

Variable remuneration outcomes for all ExCo members

Group CEO 2025 target card assessment and STIP award

Mario Greco's target card is subject to a rigorous governance process that ensures performance targets are appropriately ambitious. This process – explained on pages 97 to 99 – includes methodologies used for determining STIP pool funding and for establishing individual STIP awards for ExCo members.

A summary of the Group CEO target card measures – approved as part of the target-setting process – and the respective levels of achievement is provided below.

While the formulaic outcomes derived from the financial, customer, and people metrics are important, they are not the sole factors considered by the Board when determining the STIP award. The Board also evaluates critical elements reflecting the broader business context and shareholder experience. These may include the ability to prioritize and drive the company's long-term strategic goals, contributions to sustainable growth, and leadership in navigating key business challenges. In assessing the STIP award, the Board considers how actions and decisions align with the Group's overarching vision and objectives, ensuring that the outcome reflects not only measurable performance but also the strategic value delivered to the organization.

Individual assessment

			Achievement (Minimum / Target / Maximum)
Overall strategic achievements	The Board highly values Mr. Greco's effective leadership and strategic focus. In the first year of the 2025–2027 business plan, Zurich exceeded its targets, delivered record results across all core segments, and prepared the ground for future strategic initiatives. Under Mr. Greco's leadership, the Group delivered outstanding results, driving profitability and growth. His decisive execution of strategic priorities has further strengthened Zurich's competitive position and established a solid foundation for long-term success beyond 2027. These accomplishments reinforce Zurich's future prospects and support long-term value creation for shareholders.		
Category and weight	**Measures**	**Description of achievement**	**Achievement (Minimum / Target / Maximum)**
Financial measures supporting strategy execution **60%**	– Core ROE – Core EPS – Cash remittances	The Group delivered a record business operating profit for the full year 2025 of USD 8.9 billion, up 14% on the prior year. Core ROE improved to 26.9%, up 2.2 percentage points, while core earnings per share rose to USD 45.1 reflecting 13% growth. Cash remittances to the Group exceeded expectations, reaching USD 7.4 billion and surpassing targeted levels. This strong cash generation further underlines Zurich's financial strength and disciplined capital management. This outstanding financial performance demonstrates the Group's continued ability to deliver above-target results and create long-term value for shareholders.	
Customers **30%**	– TNPS – Brand consideration	The Group achieved a 3.6 point increase in customer TNPS, demonstrating a strong commitment in delivering outstanding customer experience and driving loyalty. Brand consideration also improved, with 15 out of 19 markets meeting their targets and showing continued progress versus the prior year. This reflects the Group's customer-focused strategy and targeted investments aimed at driving GWP growth.	
People **10%**	– Engagement scores	The engagement score surpasses that of high-performing companies by one percentage point and outperformed other global finance and insurance peers using the same provider, by four percentage points.	

Individual performance outcome	Overall individual performance outcome (within the range of 0–185%) is based on all achievements and the Remuneration Committee's overall assessment and recommendation, approved by the Board.	185%
Final STIP award	Final STIP award as approved by the Board is outlined on page 89.	

The Remuneration Committee recognizes that Core ROE is also included in the LTIP. After careful consideration, the Remuneration Committee has concluded that this approach is appropriate as the targets under the LTIP represent more challenging long-term goals than those included in the STIP. This measure is strategically important in delivering the Group's business plan today and in the future.

2025 ExCo target card framework and STIP awards

ExCo members' target cards are established through a comprehensive process to ensure the targets are sufficiently challenging. This process is outlined in more detail on pages 97 to 99, including the methods for determining the STIP pool funding and individual STIP awards for ExCo members. The Board approves the final STIP award for each ExCo member.

Based on the business and individual performance achievements, the STIP awards for all ExCo members (including the Group CEO) for 2025 range between 120–200 percent of the individual STIP target amount (within the possible range of 0–200 percent).

ExCo member target card categories	Weight
Financial and business growth measures supporting strategy execution	60–100%
Customers	up to 30%
People	up to 10%
Planet (previously referred to as Sustainability)	up to 10%

2025–2027 Long-term incentives for all ExCo members

Aspects of the 2025 LTIP	Details
Three-year performance period	2025 to 2027
Vesting assessment year	2028
Total number of performance share units (PSUs) allocated	31,898
Value of PSUs (closing share price on day prior to allocation)	CHF 619.80
Total value of the long-term incentive target allocation	CHF 19.77 million
Vesting criteria and targets	Refer to vesting grid on page 95
Dividend equivalent units (DEUs)	May accrue during the vesting period
Individual LTIP target amount for ExCo members	125–225% of annual base salary
Range of vesting opportunity	0–200% of an individual's target shares (PSUs and DEUs)

Replacement payments

Replacement payments are only made to new ExCo hires to compensate a financial disadvantage in accordance with Swiss law. Where payments are made to new hires to replace forfeitures under the incentive plans of the previous employer, the payments aim to mirror the type and timing of the forfeited payments and can include cash payments and/or awards of restricted share units (RSUs) or PSUs. Where payments are made in cash, there is typically a clawback period if the employee leaves the company voluntarily during the first two years of employment. RSUs typically vest over three to five years following the date of allocation and are also credited with DEUs during the vesting period to compensate for any dividends paid. RSUs, PSUs and associated DEUs are typically forfeited if the holder of these allocations leaves the company before the vesting date and the employment relationship terminates.

In 2025, no replacement payments were made. In 2024, replacement payments amounted to CHF 2.34 million for a new ExCo member who joined the Group during the year. The replacement payments comprised cash payments in 2024, 2025, 2026 and 2027, as well as RSUs vesting in 2024, 2025 and 2026.

Audited

Remuneration and loans for current ExCo members

No additional remuneration was provided to current ExCo members during 2025 and 2024 other than what is set out in this report. As of December 31, 2025 and 2024, no current ExCo members had any outstanding loans or credit facilities.

Remuneration and loans for former ExCo members

In 2025, no remuneration was provided to former ExCo members in connection with their former role other than what is set out in this report. In 2024, one former ExCo member received contractually agreed remuneration (tax return services cost-related benefit of less than CHF 3,000), plus the legally required employer social security contributions applicable to this amount, related to this former member's prior period of employment with Zurich. As of December 31, 2025 and 2024, no former ExCo member had any outstanding loans or credit facilities.

Payments and loans for parties related to ExCo members

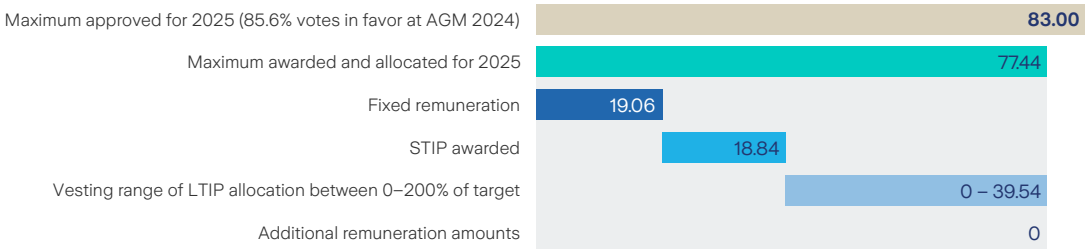
No payments (or waivers of claims) outside of market practice were provided in 2025 or 2024 to parties related to current or former ExCo members. As of December 31, 2025 and 2024, no party related to current or former ExCo members had any outstanding loans or credit facilities that were granted on conditions other than the customary market conditions.

ExCo remuneration voting at the AGM

The following chart provides an overview of the maximum total amount of remuneration for the ExCo approved by shareholders at the AGM 2024 for the financial year 2025, along with the maximum awarded and allocated remuneration for 2025 considering the following amounts disclosed in the table on page 107:

- Actual fixed remuneration: Includes base salaries, pension benefits and other remuneration (including employee benefits).
- Short-term incentives: The amount shown reflects the actual STIP awarded for 2025 under the Group's STIP.
- Long-term incentives: The amount shown represents the maximum possible vesting outcome – up to 200 percent of the target amount. The final LTIP amount will be determined in 2028, subject to the achievement of the performance criteria over the three-year performance period.
- Additional remuneration: These are extraordinary payments, such as replacement payments and share allocations for new ExCo hires, as well as contractual remuneration for former members after stepping down and until termination.

Maximum total amount of remuneration approved and the awarded and allocated amounts for 2025[1]
in CHF millions



1 LTIP amounts do not consider shareholder returns including dividend equivalents from the date of the target share allocation until the date of vesting, as well as the impact of share price and foreign exchange rate fluctuations. Zurich also pays the legally required employer contributions to social security systems which amounted to CHF 2.49 million for 2025.

The total amount awarded and allocated for 2025, including the maximum possible LTIP vesting to be determined in 2028, remains within the maximum total amount of remuneration approved by shareholders at the AGM in 2024.

Based on art. 18 para. 4 of the Articles of Association (www.zurich.com/investor-relations/our-shares/articles-of-association), Zurich is authorized to make payments to any member who joins the ExCo during a period for which the AGM has already approved the remuneration of the ExCo, of a supplementary amount for the period(s) in question, where the total amount already approved for such remuneration is not sufficient. The sum of all supplementary amounts may not exceed, during any one remuneration period, 30 percent of the respective total amount of approved maximum total remuneration for the ExCo.

Information on the proposed maximum total amount of remuneration for the ExCo for the financial year 2027 can be found in the AGM invitation 2026 (www.zurich.com/agm).

Unvested share allocations of the ExCo

As of December 31, 2025, the total number of unvested target shares (PSUs and DEUs) under the LTIP was 116,441 (116,868 as of December 31, 2024) and the number of unvested RSUs was 2,845 (3,247 as of December 31, 2024). RSUs are typically used for replacement payments which are explained in more detail on page 110.

For the regular LTIP allocations made each year, the PSUs will be considered for vesting three years after the allocation, along with any DEUs that have accrued during the vesting period. For allocations made to ExCo members, half of the resulting vested shares are sales-restricted for an additional three-year period. The actual level of vesting is determined in accordance with the remuneration principles and vesting criteria set out in the remuneration report for the year of allocation.

A summary of the unvested share allocations of ExCo members as of December 31, 2025, is set out in the following table:

Summary of unvested share allocations of the ExCo as of December 31[1]

Year of allocation		Year of vesting			
		2026	2027	2028	Total
Target shares under the LTIP[2]	2023	41,477			41,477
	2024		41,411		41,411
	2025			33,553	33,553
RSUs[3]	2020	1,841			1,841
	2021				–
	2022				–
	2023				–
	2024	1,004			1,004

1 DEUs are credited during the vesting period and included in these amounts where they have already accrued. No further dividend equivalent shares will accrue on the DEUs.
2 At the vesting date, the original number of PSUs allocated, plus the DEUs, will be assessed for vesting in aggregate based on the performance achievements against the predefined vesting grid.
3 No performance conditions are applicable for vesting.

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Shareholdings of the ExCo members

The shareholdings of ExCo members in 2025 are shown in the following table for the past two years. All interests shown include the number of vested shares, whether sales-restricted or not, received under the LTIP, shares acquired in the market and shares held by parties related to the members of the ExCo. The table does not include the potential share interests of ExCo members that are currently unvested.

Shareholdings of ExCo members[1]

Number of shares, as of December 31	Shares	
	2025	2024
M. Greco, Group CEO	114,080	111,436
E. Chan, Group Chief Information and Digital Officer	12,444	7,691
C. Cordioli, Group Chief Financial Officer	2,365	1,870
P. Giger, Group Chief Risk Officer	13,705	11,616
A. Martin, CEO EMEA and Bank Distribution	25,942	24,422
L. Maurice, CEO Latin America	5,997	3,767
C. Morton, CEO Zurich Global Ventures	2,367	1,280
T. Naidu, CEO Asia Pacific	7,086	4,577
S. Signorelli, CEO Commercial Insurance	10,301	7,655
K. Terryn, CEO North America	22,962	16,765
S. van Vliet, Group Chief Investment Officer	3,066	365
R. Vargas, CEO of Farmers Group, Inc.	11,880	10,328
Total	**232,195**	**201,772**

1 None of the ExCo members, including parties related to them, held more than 0.5 percent of the voting rights of Zurich Insurance Group Ltd shares as of December 31, 2025 or 2024, respectively.

Trading plans

ExCo members may sell shares under predefined trading plans which require prior approval from the Chairman of the Board. The terms and conditions of the transactions under the trading plans must be defined and cannot be changed. Trading plans are reported to the SIX Swiss Exchange according to the rules on disclosure of management transactions. As of December 31, 2025, there were no trading plans in place. Furthermore, no trading plans were entered into in 2025 or 2024.

All employees

Remuneration of all employees

Please refer to the remuneration framework section on pages 92 to 96 which describes the key elements of remuneration and the benchmarking approach for all employees. The benchmarking analysis is mainly carried out and approved at a local level. The Group had 63,965 full-time equivalent (FTE) employees as of December 31, 2025 (62,393 in 2024).

The following section shows the total remuneration of employees across the Group (including ExCo members) for 2025 and 2024. The amount of short-term incentives includes, among others, the awards across all pools in the Group's STIP. The performance achievements against the predefined metrics for the STIP pools resulted in an overall funding level of 127 percent of the target amount for 2025 across the Group (121 percent for 2024). The value of long-term incentives includes the target shares allocated under the LTIP in 2025, which will be assessed for vesting in 2028, as well as other deferred remuneration allocated during the year.

Total remuneration for all employees

in CHF millions, for the years ended December 31		2025	2024
Fixed remuneration	Base salaries, pension benefits and other remuneration[1]	5,629	5,455
Variable remuneration	Short-term incentives[2]	786	763
	Long-term incentives[3]	179	171
Total remuneration		**6,594**	**6,389**

1 Service costs for pension benefits represent the present value of the defined benefits from pension and post-retirement benefit plans plus employers' contributions to defined contribution plans arising from employee service over the accounting period. The amount included in this figure for defined benefit plans is calculated using actuarial factors and can vary year-on-year as economic conditions change. These numbers are explained in greater detail in note 19 of the consolidated financial statements. Other remuneration includes amounts for employee benefits and any other payments due under employment contracts.
2 Comprises cash incentives earned for the year, including the amounts under the Group's STIP and other local short-term incentive plans which may be subject to approval by the applicable local boards. Payments such as sign-on and severance payments in cash are also included.
3 Comprises deferred equity or cash-based allocations made during the year, as well as sign-on payments in shares and other equity-based remuneration. This includes performance share unit allocations made under the Group's LTIP which will be assessed for vesting in 2028. Of the total amount of long-term incentives, CHF 178.78 million were share allocations and CHF 0.34 million were cash allocations made in 2025. The value of equity-based long-term incentives considers the share price used to determine the number of share units that were allocated.

Value of outstanding deferred remuneration

The Group's remuneration system includes instruments for the deferral of remuneration. The following table provides an overview of the overall value of outstanding deferred remuneration as of December 31, 2025 and 2024.

Value of outstanding deferred remuneration for all employees

in CHF millions, for the years ended December 31	2025	2024
Deferred cash[1, 3]	13	8
Unvested target shares under the LTIP[2, 4]	578	569
Unvested RSUs[2]	46	40
Vested but sales-restricted shares	76	79
Overall value of outstanding deferred remuneration	**713**	**696**

1 Outstanding deferred cash allocations under long-term incentives or to meet local short-term incentive deferral requirements for selected roles in some jurisdictions, are valued at the relevant year-end exchange rates.
2 The deferred and unvested remuneration is valued considering the year-end share price for the relevant year. DEUs are credited during the vesting period and included in these amounts where they have already accrued. No further dividend equivalent share units will accrue on the DEUs.
3 Value for 2024 has been corrected from CHF 7 million as previously reported. The change reflects a correction in the year-end share price for the deferred cash allocations under long-term incentives, using the 2024 value instead of 2023.
4 Value for 2024 has been corrected from CHF 464 million as previously reported. The change reflects a correction in the year-end share price, using the 2024 value instead of 2023.

Share dilution

Zurich did not issue any new shares in 2025 or 2024.

Share dilution as of December 31

		2025	2024
Share dilution	Shares issued during the year[1]	–	–
	Capital reduction under the capital band	–	–
	Registered shares as of December 31	146,355,754	146,355,754
LTIP	Total number of unvested target shares[2]	1,213,172	1,275,026
	– as a percentage of the registered shares	0.83%	0.87%

1 During 2025 and 2024, share-based compensation awards were funded with own shares repurchased on the market.
2 Given the vesting level of 170 percent of target for the share allocations vesting in 2026 and assuming 100 percent vesting in 2027 and 2028. For 2024 the amount represents vesting of 167 percent in 2025 with assumed vesting of 100 percent for 2026 and 2027.

Total variable remuneration

The total variable remuneration for 60,903 employees across the Group in 2025 amounted to CHF 965 million (CHF 934 million in 2024 for 58,798 employees) and included the following elements:

- The total expenditure on cash incentives to be paid for the performance year 2025 comprising the amount of the aggregated funding pools under the Group's STIP, and the amounts to be paid under local short-term incentive plans.
- The amount of share allocations and other deferred remuneration, including performance share unit (PSU) allocations under the LTIP, made in 2025.
- The total amount of sign-on payments committed in 2025, regardless of when the payments are due, for people taking up their employment in 2025.
- The total amount of severance payments committed in 2025, regardless of when the payments are due.

Commission payments made to employed sales agents are not included in the total variable remuneration amount. The sales commission plans of employed agents are not considered part of the profitability-based incentive plans. Sales commissions, like the commissions paid to a broker or other external distributors, represent a distribution cost. The employed sales agents do not generate financial risks as they are not involved in establishing the price levels for the products they sell. With regards to operational and reputational risks, in particular due to potential mis-selling, the control of these risks is addressed by the mandatory Group-wide adherence to the Zurich Enterprise Risk Management framework and the Group's code of conduct.

In determining the amount of total variable remuneration awarded and/or allocated, the Board considers the long-term economic performance of the Group and other relevant factors. The average economic profit is calculated by subtracting the required return on economic capital, based on the weighted average cost of capital, from the adjusted BOP (the amount before interest and variable remuneration) after tax. In this respect, the Group has continued to generate economic profit over the long term which exceeds the amount of variable remuneration awarded and/or allocated.

Sign-on and severance payments

The following definitions and principles for sign-on and severance payments apply:

- *Sign-on payments* are payments that are agreed upon the execution of an employment contract (whether paid immediately or over time). Sign-on payments may include compensation made prior to a person joining the company and providing any services (payments in advance) or compensation for benefits foregone with a previous employer (replacement payments). Payments in advance are not paid to members of the Board or the ExCo. Any replacement payments for members of the ExCo, including the Group CEO, must be approved by the Board based on a proposal by the Remuneration Committee, and within the limits approved by the AGM and set out in the Articles of Association.
- *Severance payments* are provided in connection with the termination of an employment relationship. Zurich does not include under the term severance payments, garden leave or similar payments for employees in jurisdictions where such payments are required by applicable law, or where they are based on contractual notice periods which conform to recognized market practice, or where they are non-contractual, but in line with recognized market practice. However, Zurich does include garden leave or similar payments that go beyond recognized market practice, irrespective of whether these are provided pursuant to an agreement or are ex gratia. Severance payments are not paid to members of the Board or the ExCo.

As a principle, the Group does not make any sign-on or severance payments. If circumstances in the Group's interest warrant such payments, these can be approved through a clear governance process. Any such payment with a value of CHF 1 million or more must be approved by the Chair of the Remuneration Committee prior to the time the employment offer is made or prior to the time the severance payment is committed to.

Sign-on and severance payments committed to key risk-takers

The following table discloses sign-on and severance payments committed to key risk-takers. Key risk-takers are incumbents of Zurich's most senior positions, and positions that have a significant influence on the risk profile of Zurich. All Group leadership team roles, which include ExCo roles, are considered key risk-taker positions. For key risk-taker roles where the incumbent is a member of the ExCo, no payments in advance and/or severance payments have been made. Replacement payments for the ExCo in 2025 and 2024 are included where such payments were made.

Sign-on and severance payments for key risk-takers

in CHF millions, for the years ended December 31	2025		2024	
	Amount (CHF m)	**Number of beneficiaries**	Amount (CHF m)	Number of beneficiaries
Sign-on payments	2.45	5	4.52	4
Severance payments	0.29	2	0.01	1

Impact on net income in 2025 and 2024 from remuneration made in prior years

The LTIP vesting level determines the actual number of shares to be awarded to participants relative to the target shares initially allocated. Differences in value between the initial estimated amount expensed in the income statement for the LTIP and the actual shares vesting are reflected in the consolidated income statement in line with accounting principles. For the 2023 plan with shares vesting in 2026, an increase of USD 43 million was recognized in the 2025 income statement to reflect adjustments based on actual performance. For the 2022 plan, there was no impact in the 2024 income statement as actual performance was in line with the original estimates.

Board and ExCo external mandates

In line with art. 734e of the Swiss Code of Obligations and art. 33 of the Articles of Association (www.zurich.com/investor-relations/our-shares/articles-of-association), the table below contains any membership held by Board members and ExCo members as of December 31, 2025 in any comparable function in other companies with an economic purpose. Mandates in different legal entities of the same group and mandates in legal entities closely associated with the group are deemed one mandate (see art. 33 para. 3 of the Articles of Association) and marked with '*'. New mandates in 2025 compared with 2024 are marked with '**'.

In addition, the corporate governance report contains the CVs of the Board members (pages 54 to 57) and the ExCo members (pages 70 to 73). These CVs take into account the rules set forth in the SIX Exchange Regulation Directive on Information relating to Corporate Governance and may include other engagements not disclosed in the tables below.

Audited

Board of Directors[1]	**Art. 33 para. 1 of the Articles of Association** **Maximum 8**		**Art. 33 para. 2 of the Articles of Association** **Separate mandate limitations as noted below apply**		
	Mandates in unlisted companies	Mandates in listed companies	Mandates exercised on behalf of Zurich Insurance Group Ltd or a Group company in legal entities not affiliated with the Group	Mandates in associations, professional or trade organizations, foundations, pension foundations, educational institutions and similar organizations	Mandates in structures managing the personal or family's assets of Board members and/or their related persons
	Maximum 5–8 depending on number of mandates in listed companies	**Maximum 3**	**Maximum 5**	**Maximum 5**	**Maximum 5**
Christoph Franz	– Advisory board member/industrial partner, Rantum Equity Participation GmbH & Co. KG – Vice-Chairman of the Board of Directors, Artemis Holding AG	– Board member, chair of the nomination and compensation committee, Stadler Rail Ltd.		– Foundation board member, Ernst Göhner Foundation	
Joan Amble		– Board member, member of the audit committee, Booz Allen Hamilton Holding Corporation – Board member, member of the audit committee, Spire Global, Inc.			– Founder and president, JCA consulting, LLC
Michael Halbherr	– CEO, ABB e-mobility Holding AG				– Chair of the board, Bergfuchs AG
Thomas Jordan					– Sole proprietor, Thomas J. Jordan, Advisory & Consulting
Sabine Keller-Busse	– President of the executive board, UBS Switzerland AG*	– Group executive board member, president personal & corporate banking and president UBS Switzerland, UBS Group AG*		– Chair of the foundation board, Pensionskasse der UBS	
Kishore Mahbubani	– Chair of the board, Aggregate Asset Management Pte Ltd.				
John Rafter					– Sole member of East Columbia RE LLC
Jasmin Staiblin	– Chair of the supervisory board, chair of the personnel committee and mediation committee, Rolls-Royce Solutions GmbH* – Chair of the supervisory board, chair of the audit committee, presidential committee and mediation committee, Rolls-Royce Power Systems AG*	– Board member, member of the audit committee, NXP Semiconductors N.V.			– Board member and managing director, condir AG

1 As of December 31, 2025, Michel M. Liès, Catherine Bessant, Peter Maurer and Barry Stowe did not hold any mandates which fall under the disclosure requirement of art. 734e of the Swiss Code of Obligations.

Audited

Executive Committee[1]	Art. 33 para. 1 of the Articles of Association Maximum 4		Art. 33 para. 2 of the Articles of Association Separate mandate limitations as noted below apply		
	Mandates in unlisted companies	Mandates in listed companies	Mandates exercised on behalf of Zurich Insurance Group Ltd or a Group company in legal entities not affiliated with the Group	Mandates in associations, professional or trade organizations, foundations, pension foundations, educational institutions and similar organizations	Mandates in structures managing the personal or family's assets of ExCo members and/or their related persons
	Maximum 3–4 depending on number of mandates in listed companies	**Maximum 1**	**Maximum 5**	**Maximum 5**	**Maximum 5**
Alison Martin					– Board member, Martin Family Property Holdings Ltd**
Tulsi Naidu		– Board member, member of the audit, risk and compliance committee and chair of the nomination and remuneration committee/corporate social responsibility committee, Wipro Limited			
Kristof Terryn					– Director (sole proprietor), Terryn Investments B.V.

1 As of December 31, 2025, Mario Greco, Ericson Chan, Claudia Cordioli, Peter Giger, Laurence Maurice, Cara Morton, Sierra Signorelli, Stephan van Vliet and Raul Vargas did not hold any mandates which fall under the disclosure requirement of art. 734e of the Swiss Code of Obligations.

Outlook

The Remuneration Committee reviews the Group's remuneration framework, system and practices annually to support the execution of the Group strategy. Stakeholder feedback, market practices, as well as risk, legal and regulatory considerations form part of the review process.

The following table outlines key topics discussed during 2025 and the decisions made by the Board for enhancements effective as of 2026.

Topic	Details
Board	No changes are proposed to Board fees for 2026.
Group CEO	The base salary and the annual STIP target for the Group CEO remain unchanged. The LTIP target, set as a percentage of the annual base salary, will increase from 225 percent to 250 percent, effective from the LTIP performance period 2026–2028.
ExCo	No changes are proposed to the overall structure of ExCo remuneration in 2026. However, specific remuneration components may be adjusted for certain members. Relevant individual performance targets for 2026 are set up to support the execution of the strategy, while also considering risk and behavioral aspects.
STIP 2026	Group BOP remains a key measure for Zurich and will continue to be used as the main driver for the funding of STIP pools.

Topic	Details
LTIP 2026–2028	As outlined by the Remuneration Committee Chair at the start of this report, the financial targets established for our 2025–2027 business plan remain central to our long-term strategy and will continue to guide our LTIP 2026–2028 performance cycle. Only the non-financial, sustainability-related targets have been updated for this cycle, reflecting Zurich's continued progress in reducing emissions and advancing on our climate transition plan. The six key performance criteria provide a holistic view of Zurich's performance, balancing key strategic financial and sustainability objectives. This approach continues to reflect our priorities for long-term value creation and supports our ambition to deliver sustainable growth. We have maintained an overall weighting of 60 percent for financial performance, supporting strong alignment with our shareholders' interests as we pursue our business ambitions. The Board-approved LTIP vesting grid for the performance period 2026–2028 is outlined below. Each of the performance criterion is assessed independently. For a detailed explanation of each criterion, please refer to the pages 95 to 96 of this report.

The LTIP vesting grid for the 2026–2028 performance period:

Performance criteria	Weight	0% vesting	50% vesting	100% vesting	150% vesting	200% vesting
CAGR core EPS	20%	<6%	6%	**9%**	9.5%	≥10%
Average core ROE (per annum)	20%	<15%	15%	**23%**	24.5%	≥25.5%
Cumulative net cash remittances (in USD)	20%	<15bn	15bn	**19bn**	20bn	≥21bn
Relative TSR position (rank)	20%	18th–13th	12th–10th	**9th–7th**	6th–4th	3rd–1st
Operational CO2e emissions (in metric tons per FTE)	10%	>1.30	1.30	**1.24**[1]	1.17	≤1.11
Financed emissions (intensity per annum)	10%	>–51%	–51%	**–54%**[2]	–55%	≤–56%

1 The 100 percent vesting level is a linear projection of the trajectory to the 70 percent target reduction in total operational emissions for 2029.
2 The 100 percent vesting level is a linear projection of the trajectory to the 55 percent target reduction in financed emissions intensity for 2030.

In 2026, the Remuneration Committee will continue to engage in dialogue with investors, proxy advisers and other stakeholders on the matters of remuneration and disclosure.

In addition, shareholders are invited to express their opinion on the remuneration report 2025 through an advisory vote at the AGM 2026. They also have the opportunity to approve the maximum total amount of remuneration for the Board for the one-year period from the AGM 2026 to the AGM 2027 and for the ExCo for the financial year 2027, in binding prospective votes. More information on these votes can be found in the AGM invitation 2026 (www.zurich.com/agm) and in the relevant sections of this report.

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Report of the statutory auditor

Shape the future with confidence

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To the General Meeting of
Zurich Insurance Group Ltd, Zurich

Zurich, February 18, 2026

Report of the statutory auditor on the audit of the remuneration report

Opinion

We have audited the remuneration report of Zurich Insurance Group Ltd (the Company) for the year ended December 31, 2025. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables marked “audited” of the remuneration report.

In our opinion, the information pursuant to Art. 734a-734f CO in the attached remuneration report complies with Swiss law and the Company’s articles of association.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s responsibilities for the audit of the remuneration report” section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked “audited” in the remuneration report, the consolidated financial statements, the financial statements and our auditor’s reports thereon.

Our opinion on the remuneration report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Board of Directors' responsibilities for the remuneration report
The Board of Directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the Company's articles of association, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibilities for the audit of the remuneration report
Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Ernst & Young Ltd

Guillaume Fontaine
Licensed audit expert
(Auditor in charge)

Yana Töngi
Licensed audit expert



By embedding sustainability into how we operate, we build long-term resilience for our stakeholders and ourselves, laying the foundation for lasting business success.

Sustainability report

Sustainability report 129

Message from our CEO on sustainability

Maintaining progress in an age of uncertainty



> **“We support our customers to be more resilient by helping to prevent risks before they materialize.”**

Mario Greco
Group Chief Executive Officer

In 2025, we made significant progress against our climate transition plan. From September 2024 to September 2025, we engaged with 77 large insurance customers, exceeding our initial target of 65 engagements within the first year of publication of our plan. Meanwhile, in our role as investor, we invested more than USD 12 billion in climate solutions and generated over USD 2 billion in revenue from sustainable offerings. Compared with our 2019 baseline, we reduced our operational emissions by 69 percent, overachieving on our interim target of 60 percent reduction by 2025.

The development of new energy sources, the construction of power plants and factories to cater for them, and their technological advancement, offer opportunities for us to innovate with insurance solutions. In 2025, we continued to provide customers with products and advisory services that cover a broad range of risks including renewable energy, green buildings, and climate-resilient infrastructure. In doing so, we support the transition of the real-world economy to innovate new technologies and to reduce climate risks.

Another key priority of the climate transition plan is to help our customers be more resilient by helping to prevent risks before they materialize. As the focus shifts from building back better after disasters to building better before they strike, we work with customers to minimize the impact of natural hazards on their operations. In 2025, we further integrated resilience insights into our insurance business and continued to grow Zurich Resilience Solutions (ZRS), our specialized risk advisory business.

More widely, Zurich is also partnering with local governments and NGOs in communities around the world to build resilience against extreme weather events. We are supporting vulnerable communities through two Z Zurich Foundation programs: the Zurich Climate Resilience Alliance in 15 countries and the Urban Climate Resilience Program in 13 cities.

Innovation is key to our strategy. We are partnering with startups, universities, and technology leaders to develop new solutions – from parametric insurance for climate events to data-driven tools for sustainability reporting. We are also pioneering new ways to measure and report on climate risks.

Our own transition is dependent on the transition of the real-world economy and an effective public policy framework. Through active engagement at COP30, New York Climate Week, and London Climate Action Week, and the publication of the Safeguarding our Energy Future white paper, we shaped and advocated for policies that can help achieve a just, resilient and economically successful transition.

To achieve our aims, we need the best people in the market equipped with the right skills. In 2025, we continued to build the talent pipeline in our global energy underwriting business. Attracting, developing and retaining talent in our core business will become even more important in the future. We continue to focus on long-term employability, fostering a culture of training and knowledge sharing.

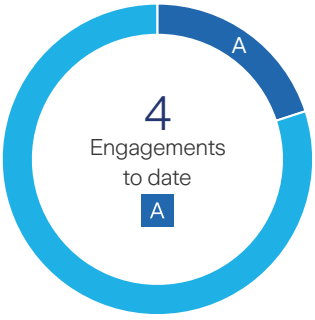
Supporting a successful transition and building societal resilience offers the prospect of a stronger, more prosperous future that will ultimately benefit our customers, the companies we invest in, and our own business.



Mario Greco
Group Chief Executive Officer

Sustainability Highlights 2025

Engagements with our investees



Target: Until 2030, we will engage with 20 high-emitting investee companies currently lacking credible science-based targets, focusing on those with the greatest potential to reduce real-world emissions.

Engagements with our customers

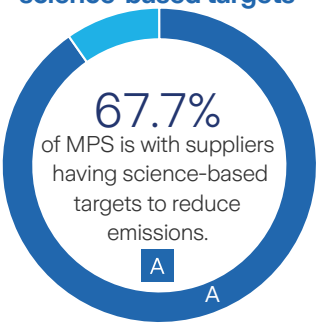
√ **Interim target achieved**

Sept 24 – Sept 25 target of 65 engagements with 77 achieved.



Target: By 2030, we will engage with 450 of our large insurance customers who contribute most heavily to our portfolio emissions, and where our direct relationship means we have a greater degree of interaction, on their transition.[1]

Suppliers with science-based targets



Target: By 2025, we will allocate 75 percent of our Management Procurement Spend to suppliers with science-based targets to reduce emissions.[2]

Financed emissions

(59)%

Reduction emissions intensity of listed equity & corporate bonds[3]

in terms of metric tons CO2e per USD million invested, compared with 2019 baseline year.



(36)%

(FY 2024)

Reduction emissions intensity of direct real estate[4,5]

in terms of kilograms of CO2e per square meter, compared with 2019 baseline year.



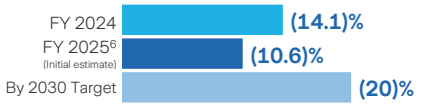
Insurance-associated emissions

(10.6)%

(FY 2025 - Initial estimate[6])

Reduction of insurance-associated emissions intensity[1]

in terms of metric tons CO2e per USD million, compared with 2022 baseline year.



Operational emissions

(68.8)%

Absolute reduction in all operational emissions[7,8]

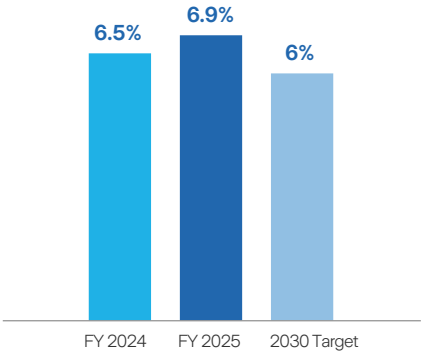
in terms of metric tons of CO2e, compared with 2019 baseline year.



Climate solutions[9]

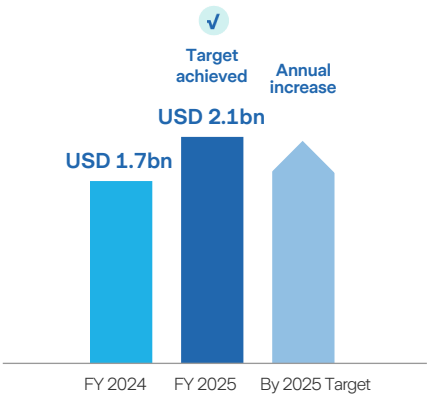
6.9%

of proprietary portfolio



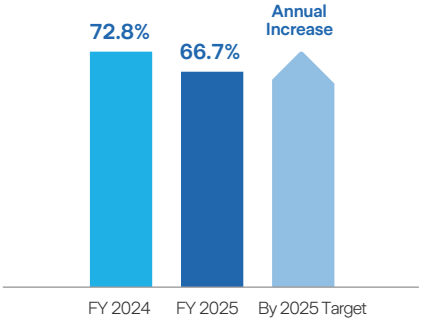
Revenues from sustainable solutions

USD 2.1 billions



Internal hiring

66.7%



1 Determined by scope 1 and 2 for our customers' emissions using the Partnership for Carbon Accounting Financials (PCAF) insurance-associated emissions methodology for commercial lines, covering customers with revenues greater than USD 1 billion.
2 We consider a supplier to have science-based targets when their emission reduction targets are approved by a scientifically accredited body or otherwise require a reduction of at least 42 percent in scope 1 and 2 emissions by 2030.
3 Reduction of emissions intensity (scope 1 and scope 2). Emissions intensity is defined as metric tons CO2 equivalent per USD million invested.
4 Reduction of emissions intensity (scope 1 and scope 2). Emissions intensity is defined as kilograms CO2 equivalent per square meter.
5 2024 represents the latest year with final data. The 2025 dataset relies on a developing estimation methodology and is therefore not yet compared with the 2019 baseline.
6 2025 data is based on an initial estimation for our 2025 portfolio emissions based on the relevant 2025 in-scope portfolio premium, however relying on previous years' reported customer emission data.
7 Zurich Cover-More, Farmers Group, Inc. and its subsidiaries, our joint ventures with Banco Sabadell and Banco Santander, smaller businesses like Real Garant and Orion, as well as our acquisition Zurich Kotak General Insurance are excluded since they were not reflected in the CO2e emissions baseline in 2019. Zurich Cover-More is the global corporate brand created in 2024 that combines AIG's global personal travel insurance and assistance business (including the Travel Guard brand) (AIG travel) and Cover-More Group. Cover-More Group refers to Zurich's legacy travel insurance and assistance business that includes the following entities and brands: Cover More, Travelex, Universal Assistance, World Travel Protection, and Freely.
8 Resulting from air, rental and rail business travel, employee commuting, strategic data centers, printed paper and waste, as well as indirect energy impact.
9 FY2030 is estimated based on assets under management (AuM) 2023, equivalent to approximately USD 10 billion. Any portfolio activity will be subject to market conditions and potential other constraints.

Sustainability report

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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. Other numbers, e.g., full-time equivalent employees are shown with absolute values. All ratios are calculated using the underlying amounts rather than the rounded amounts.

1. Introduction and strategy

Sustainability is about the long-term success of our business.



We are continuously strengthening our approach to sustainability to help enable our customers to succeed in the transition to a more resilient future."

Linda Freiner
Group Chief Sustainability Officer (Group CSO)

1.1 Our sustainability journey
1.2 Stakeholder overview

Our journey on sustainability reporting continues to evolve with our ambition to provide clear, comprehensive and decision-useful information on our progress along our key sustainability indicators on page 128. This year's report marks important progress in implementing our climate transition plan[1] towards our ambition to become a net-zero business by 2050, across insurance, investments and operations. It highlights both achievements and areas requiring continued attention.

As part of this progress update, we[2] report on our first interim milestone of our customer engagement where we conducted engagements with 77 of our large insurance customers[3] between the publication of our climate transition plan in September 2024 and September 2025, exceeding our target of 65.

In parallel, our double materiality assessment (DMA) has been reviewed, with all material topics reconfirmed. This enables our disclosures to continue to reflect the issues most relevant to our internal and external stakeholders and our business.

We continue to be guided by our Sustainability Framework,[4] focusing on our customers, our planet and its people as the cornerstones of a resilient organization and therefore, the report is clustered into those three main focus areas. This year's report represents a progress update toward our qualitative ambitions and quantitative targets, measuring how far we have come in one year since the launch of our climate transition plan, while keeping a clear line of sight on the work that lies ahead.

1 www.zurich.com/sustainability/strategy-and-reporting/climate-transition-plan
2 Comprising Zurich Insurance Group Ltd and its subsidiaries, the Group or Zurich.
3 Determined by scope 1 and 2 for our customers' emissions using the PCAF insurance-associated emissions methodology for commercial lines, covering customers with revenues greater than USD 1 billion.
4 www.zurich.com/sustainability/strategy-and-reporting/strategy

Figure 1

Our sustainability reporting journey

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Progress of our sustainability report (part of the Annual Report)	– **SASB & WEF**: first-time partial reporting. – **TCFD**: first performance of climate risk scenario assessment. – Reporting on Zurich's sustainability pillars. – New KPIs developed and measured: e.g., sustainable revenues. – **Limited assurance** received on most material KPIs.	– **SASB & WEF & TCFD**: enhancement across frameworks. – **Expansion** of scenario-based climate risk assessment and disclosure of additional asset classes. – Additional KPIs mainly capturing Investment management, claims, digital training, procurement. – **Reasonable assurance** received on **environmental KPIs**.	– Compliance with new requirements under the Swiss CO on non-financial reporting. – First shareholders' advisory vote on Sustainability Report at the AGM 2024.	– Compliance with the Swiss Ordinance on Climate Disclosures including **transition plan and TCFD (already reported)**.	– Focus on enhancing the sustainability report by streamlining and improving its content providing progress update on our climate transition plan. – Compliance with the Swiss Ordinance on Climate Disclosures with the publication of our climate-related disclosures in a machine-readable format.
Relevant regulatory developments	– FINMA disclosure requirements on climate risk apply.	– FINMA guidance on climate risk disclosures applies.	– New requirements under the Swiss CO on non-financial reporting apply.	– TCFD and transition plan – mandatory under the Swiss Ordinance on Climate Disclosures.	– TCFD disclosures to be published in a machine-readable format under the Swiss Ordinance on Climate Disclosures.

SR: Sustainability Report
SASB: Sustainability Accounting Standards Board - standard for the insurance industry
WEF: 21 core metrics World Economic Forum - Stakeholder Capitalism Metrics
Swiss CO: Swiss Code of Obligations
TCFD: Task Force on Climate-related Financial Disclosures
AGM: Annual General Meeting

Basis of presentation

This sustainability report is based on applicable Swiss legal requirements, including under Article 964a-964c of the Swiss Code of Obligations and the Swiss Ordinance on Climate Disclosures, mandating compliance with TCFD requirements. It is also based on internationally recognized standards and frameworks, including the Sustainability Accounting Standards Board (SASB). It also provides interoperability with global standards while recognizing the continued challenges of diverging jurisdictional reporting requirements.

Our reporting covers the period from January 1 to December 31, 2025, unless otherwise indicated. The structure of this report is guided by our double materiality assessment, conducted in line with the Corporate Sustainability Reporting Directive (CSRD).

We continue to apply a 'disclose or explain' approach. All indicators are presented within the report and labeled by their relevant sustainability focus area and reporting framework. Where data is extrapolated to present an annualized view, this is clearly indicated in footnotes of the respective tables. In addition, we provide detailed index tables mapping our disclosures to SASB, and our position on the Bloomberg Gender Equality Index.[1]

In 2025, we refined the set of external frameworks to focus on those most directly relevant to our regulatory requirements and our reviewed DMA. As part of this streamlining, we no longer report against the World Economic Forum's International Business Council (WEF / IBC) and discontinued disclosing the GRI index table. This change recognizes that the information previously aligned with WEF / IBC is fully embedded within our core reporting approach, including our Sustainability Framework.

Legend of icons used

External frameworks and our standards				Impact area		
TCFD	SASB	Zurich Sustainability Framework	Double Materiality Assessment	Environmental impact	Social impact	Governance impact

1 www.zurich.com/sustainability/strategy-and-reporting/reporting/sustainability-report

1.1 Our sustainability journey

Insurance acts as a societal safety net for us all. We use our expertise as a risk manager to enhance resilience to natural, societal, economic and financial risks. For us, sustainability is a business opportunity as well as an urgent global imperative. That is why we have **integrated sustainability across our business**, both globally and locally.[1] As a global insurer we work with our stakeholders in compliance with applicable laws and regulations, to support a more sustainable future for our customers and set up our business for success in a rapidly changing world.

1.1.1 Our Sustainability Framework

We have been working to integrate sustainability across our business strategy for many years through our Sustainability Framework, using technology, innovation, learning, partnerships and governance as key enablers of implementation.

In 2025, we continued to execute on our Sustainability Framework, especially in relation to enabling our commercial customers' resilience and supporting their transition journey, as outlined in our climate transition plan. As a risk manager, risk carrier and institutional investor, we want to support individuals and organizations to succeed in the transition to a more resilient future.

Figure 2
Sustainability Framework – Our qualitative ambitions and quantitative targets in 2025[1]



Customer: Support transformation towards a more sustainable future

- Grow sustainable revenue and risk advisory business.
- Increase climate solutions investments to 6 percent of assets under management until year-end 2029.[2]
- Deliver on our data and responsible AI commitment.



Planet: Mitigate and adapt to climate change

- Execute on our climate transition plan.
- Interim 2030 target set for operations, investments and underwriting.
- 75 percent of managed procurement spend (MPS) with suppliers with net-zero targets by 2030.[3,4]



People: Future proof our people and enable more to thrive

- Increase share of internal hires.
- Sustain inclusive and equitable workplaces for everyone.
- Support people to protect their physical, mental, financial and social wellbeing.

1 www.zurich.com/-/media/Project/Zurich/Dotcom/investor-relations/docs/investors/Chairmans-Roadshow-2025.pdf
2 Equivalent to approximately USD 10 billion. Estimated based on AuM 2023. Any portfolio activity will be subject to market conditions and potential other constraints.
3 MPS means the spend of approximately USD 2 billion annually managed centrally by Zurich's Procurement and Supply Chain Management function on goods and services that are required to enable Zurich to maintain and develop its operations. In 2025, we successfully reduced the MPS reporting time lag thanks to a series of technical improvements. As a result, the reported MPS values now reflect the period from October 2024 through September 2025.
4 We consider a supplier to have science-based targets when their emission reduction targets are approved by a scientifically accredited body or otherwise require a reduction of at least 42 percent in scope 1 and 2 emissions by 2030.

1.1.2 Assessing materiality

In 2025, we reviewed our DMA to assess whether any updates were needed following the comprehensive, bottom-up evaluation conducted in 2024, that was aligned with CSRD standards. By bringing together insights from numerous internal subject matter experts and benchmarking our assessment against peers, we aligned our understanding of materiality with the most recent trends and developments over the past 12 months.

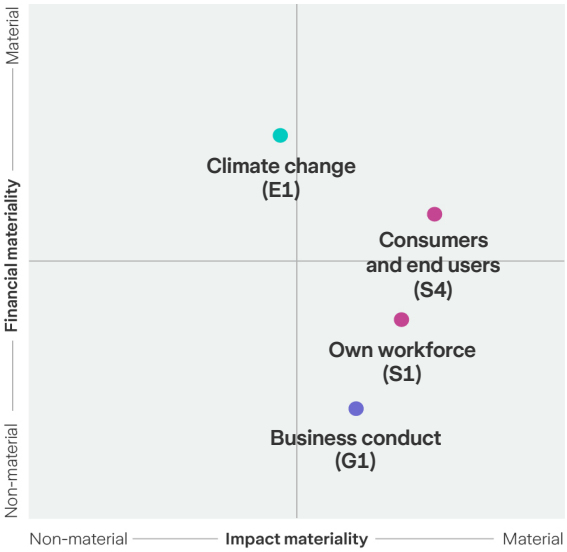
Overall, our 2025 review findings confirmed no significant changes to the overarching materiality established in 2024, despite the evolving external landscape. When considering the developments over the past 12 months, our 2025 review has **reinforced the importance of three key material subtopics**:

- Climate change mitigation (E1) – Diverging global transition trajectories and varying national climate commitments present challenges to customer engagement on climate action, potentially impacting progress toward our emissions reduction targets. Escalating projected economic losses arising from the impacts of climate change reinforce the critical importance of proactive mitigation measures across our business.
- Climate change adaptation (E1) – Increased public focus on climate adaptation and resilience building in the face of physical climate risks intensifying, has reinforced this topic's materiality. Stakeholder expectations for insurers to actively contribute to adaptation planning continue to grow alongside projections of increasing climate volatility and impact severity.
- Training & skills development (S1) – Workforce development needs are emerging from our digital transformation priorities and AI integration initiatives. The critical importance of data literacy, responsible AI practices, and agile methodologies requires comprehensive upskilling programs to maintain competitive advantage and operational excellence.

1 For more information on our business model, please refer to the Group overview on pages 15 to 18.

Figure 3

Double materiality matrix



Material

Topic	Subtopic
Climate change (E1)	**– Climate change mitigation[1]** **– Climate change adaptation[1]**
Own workforce (S1)	– Equal treatment and opportunities for all – Working conditions **– Training and skills development[1]**
Consumers and end users (S4)	– Information-related impacts for consumers and/or end users – Access to (quality) information
Business conduct (G1)	– Corporate culture – Protection of whistleblowers

1 Reinforced topic through our 2025 DMA review.

These most material topics and subtopics are covered as follows: We elaborate on climate change in chapter 3. Our planet (see pages 141 to 175), on consumers and end users in chapter 4. Our customers (see pages 176 to 189), on our own workforce in chapter 5. People (see pages 190 to 204), and on business conduct in section 5.2 Prevention of bribery & corruption (see pages 199 to 200).[1] Moving forward, we will continue to monitor ongoing and emerging trends that likely influence the risks, opportunities and impacts associated with the specific subtopics that affect our business and stakeholders.

1 For an overview of the topics and subtopics in our Sustainability report, see Appendix 6.2 Material topics and subtopics reference table on page 207.

1.2 Stakeholder overview

Taking into account our **stakeholders' needs** is crucial in the identification of our sustainability priorities. This is why we **actively engage** with them in **different ways**. Stakeholder engagement allows us to get valuable insights, which we include in our decision-making processes. The feedback we collect helps us anticipate and mitigate potential risks and align our sustainability strategy with both internal and external expectations, thus strengthening the foundation of our Sustainability Framework[1] and fostering the transparency and trustworthiness of our reporting.

Figure 4
Our key stakeholder groups



1 The Foundation is a Swiss-based charitable foundation established by members of the Group. It is the main vehicle by which we deliver on our global community investment strategy.
2 Our Group and employees contribute through fundraising, volunteering and cash contributions whereas the Foundation carries out community investment activities. Excluded are employees of Zurich Cover-More and of Farmers Group, Inc. (FGI). FGI, a wholly owned subsidiary of the Group, and certain of its subsidiaries provide certain non-claims services and ancillary services to the Farmers Exchanges in the U.S. as their attorney-in-fact and receive fees for their services. The Group has no ownership interest in the Farmers Exchanges.

1 For more information on our Sustainability Framework, see section 1.1.1 Our Sustainability Framework on page 132.

Engagement	
1 **Customers**	– Listening to retail customers through Transactional Net Promoter Score (TNPS) and brand consideration surveys. – Leveraging data to better understand our customers and their needs. – Relationship Net Promoter Score (RNPS) studies and surveys with brokers. – Actively engaging with our commercial customers who materially contribute to our portfolio emissions. – Addressing the empathy gap by actively listening, understanding and responding to our customers' needs at every stage of their journey.
2 **Shareholders**	– Chairman annual roadshow.[1] – Meetings between shareholders and proxy advisors with Group CSO and Group Chief Underwriting Officer. – 'Sustainability Guide to Zurich' presentation[2] updated annually.
3 **Employees**	– Regular personal development conversations. – Online and work-based skill development. – Inclusion networks, Employee Resource Groups (ERGs) and volunteering opportunities. – Employment relations and occupational health & safety representation. – Employee events, including leadership forums, webcasts, townhalls and off-sites. – Annual Zurich Experience Survey (ZES).
4 **Suppliers**	– Integration of environmental, social and ethical business factors into procurement decisions. – Supplier due diligence, training and events. – Meetings with key suppliers to emphasize our net-zero ambitions and how they can play their part by engaging in their own net-zero aligned climate action.
5 **Asset managers**	– Collaborating with asset managers in highlighting best practice for climate conscious active ownership. – Have a strong asset manager engagement process to systematically address climate related stewardship.
6 **Governments, regulators and standard setting bodies**	– Direct dialogue with regulators and policymakers across our key markets and on topics where we have relevant insight and expertise. – Participation in industry dialogues through trade associations. – Responses to consultations in order to help inform supportive policy. – Thought leadership activity, including production of reports and participation in events. – Actively participating in sector initiatives and standard setting bodies, such as the PRI, NZAOA, ICMA and OPIM.[3]
7 **Local communities**	– We share our resources and expertise to help build more resilient communities, adding value beyond our core business activity, including through volunteering, fundraising and other initiatives.

1 www.zurich.com/-/media/project/zurich/dotcom/investor-relations/docs/investors/chairmans-roadshow-2025.pdf
2 www.zurich.com/-/media/project/zurich/dotcom/investor-relations/docs/investors/2024-a-guide-to-esg-at-zurich.pdf?v=1
3 Principle for Responsible Investor (PRI), Net-Zero Asset Owners Alliance (NZAOA), International Capital Market Association (ICMA), and Operating Principles for Impact Management (OPIM).

Impact	
1 **Customers**	– Improving customer communication through delivery of empathy training at service and claims centers. – Use of TNPS feedback to redesign customer journeys. – Greater understanding of customers' transitions and their emerging needs. – Supporting product and service innovation with a focus on resilience. – Further integrating resilience insights into our insurance business.
2 **Shareholders**	– Increasing understanding of our shareholders' expectations allows us to align our sustainability priorities. – Enhancing transparency in tracking progress towards targets.[1] – Further developing remuneration framework and reporting transparency. – Developing best practice in sustainability strategy and reporting.
3 **Employees**	– Increasing employee engagement – and thereby business performance – by listening to and including employees' perceptions and experiences. – Enabling employees to be at their best, and build skills for long-term employability.
4 **Suppliers**	– Effectively managing environmental, social, ethical, and human rights risks in our supply chain. – Increasing the percentage of our managed procurement spend (MPS) with suppliers that have science-based and net-zero targets.[2] – Working to decarbonize our supply chain by supporting small and mid-sized suppliers to transition in collaboration with the SME Climate Hub.[3]
5 **Asset managers**	– Drive stronger sustainability practices by engaging with our private debt asset managers on data collection, disclosure and reinforcement of their own engagement towards portfolio companies. – Mobilize our asset managers to engage with high-emitting investee companies, especially with those where strong geographic and cultural ties can amplify impact through these relationships.
6 **Governments, regulators and standard setting bodies**	– Shaping development of supportive policy frameworks. – Limiting risk of unintended consequences from new regulations. – Informing public policy debates and raising awareness of opportunities, e.g., through use of insurer risk insights to help improve resilience through timely investment in risk reduction. – Driving best practice in standard setting and market engagement to address systemic climate risk, through leadership roles in initiatives such as the NZAOA, ICMA and OPIM.
7 **Local communities**	– Helping communities disproportionately affected by the climate crisis adapt and thrive. – Collaborating to create sustainable development and positive impact in the communities where we are active.

1 For more information on our progress towards targets, see section 6.1 Our yearly progress on our targets and ambitions on pages 205 to 206.
2 MPS means the spend of approximately USD 2 billion annually managed centrally by Zurich's Procurement and Supply Chain Management function on goods and services that are required to enable Zurich to maintain and develop its operations. In 2025, we successfully reduced the MPS reporting time lag thanks to a series of technical improvements. As a result, the reported MPS values now reflect the period from October 2024 through September 2025. We consider a supplier to have science-based targets when their emission reduction targets are approved by a scientifically accredited body or otherwise require a reduction of at least 42 percent in scope 1 and 2 emissions by 2030. We consider a supplier to have net-zero targets when their net-zero target is approved by a scientifically accredited body or otherwise has a public target to neutralize any residual scope 1 and 2 emissions by 2050.
3 For more information on the SME Climate Hub, see www.zurich.com/sustainability/planet/sustainable-sourcing#helping-suppliers-reach-net-zero.

Our progress in 2025

We strengthened customer trust by improving TNPS scores, and increased retention in several customer segments. Our shareholders and leading ESG agencies recognized our continued effort. We earned a third place among insurers in Forbes' Best Employers and were recognized by CDP as Supply Chain Climate Change Engagement Leader for the third consecutive year. We advanced our sustainability engagement, influenced policy on climate resilience, and delivered impactful partnerships and volunteering initiatives that enhanced resilience.

1 **Customers**	– Improved TNPS scores across our business. – Improved Claims TNPS scores. – Solid brand consideration across markets. – Overall retention rates remained resilient, with variation across customer segments.[1]
2 **Shareholders**	– Clear and increased shareholders' support for the advisory vote of the Sustainability report 2024 at the AGM. – Recognition of our sustainability leader status by main ESG rating agencies.[2]
3 **Employees**	– Evolved strategic people priorities to focus on enhancement of core skills and upskilling in digital, AI, and data.[3] – Improved female representation in senior management.[4] – Improved rank and achieved third place among insurance companies in the Forbes World's Best Employers award.[5] – Global rollout of AI-enabled tools to augment employees' impact.[6]
4 **Suppliers**	– Suppliers improved their understanding of our Sustainability Framework, in particular our net-zero ambitions. – Recognized by CDP as Supply Chain Climate Change Engagement Leader for the third consecutive year.
5 **Asset managers**	– Engaged with asset managers who fell short of our expectations regarding the consistent integration of ESG and climate-related considerations into their investment progress, ensuring they take corrective action and align with our principles.
6 **Governments, regulators and standard setting bodies**	– Initiated engagement with regulators and standard setters on nature reporting. – Engaged proactively with policy makers on the issues of extreme weather, protection gaps, and resilience through discussion papers and policy discussions at local, regional and international level (EU, COP30, London and New York Climate Weeks). – Publication and engagement around research report 'Safeguarding our energy future' designed to highlight practical and policy solutions to reduce physical climate risks to renewable energy infrastructure in Europe.[7]
7 **Local communities**	– The Zurich Climate Resilience Alliance and the Urban Climate Resilience Program partnered with local and global organizations to implement tailored solutions in 24 countries, where community resilience is actively measured and improved. – In 2025, we supported 40+ volunteering initiatives by teaming up with the Foundation as part of the Customer and Distributor Community Engagement program, working together with our customers and distribution partners on joint community goals.[8]

1 For more information on our retention rates, see section 4.1.3 Customer-centricity in action on pages 177 to 178.
2 MSCI - "AAA" rating; ISS - "Prime status" (Decile rank: 1); Sustainalytics - 14.8 (low risk); FTSE4Good - 4.4 (out of 5.0).
3 For more information on learning and development, see www.zurich.com/about-us/our-people/skills as well as section 5.1.1 Careers and work on pages 193 to 195.
4 For more information on representation of all genders across the organization, see section 5.1.2 Inclusion and belonging on pages 196 to 198.
5 www.forbes.com/lists/worlds-best-employers/
6 For more information on learning and development, see www.zurich.com/about-us/our-people/skills as well as section 5.1.1 Careers and work on page 194.
7 For more information on how we help our commercial customers be more resilient, see section 4.2.3 Innovating for our commercial customers on page 183, or see the full report 'Safeguarding our energy future' online at www.zurichresilience.com/industries/energy.
8 www.zurich.foundation/engaging-with-us

2. Governance

Sustainability is embedded in our governance framework.



Our governance framework is grounded in trust and accountability, and enables us to deliver long-term value to our stakeholders."

Katja Roth Pellanda
Group General Counsel

2.1 Governance around climate-related risks and opportunities
2.2 Impact of climate-related performance on remuneration

The Board of Zurich Insurance Group Ltd has the ultimate responsibility for the Group's success, for delivering long-term sustainable value. It sets our values and standards, and establishes a framework of effective controls. As part of its strategic responsibility, the Board approves our sustainability strategy and objectives (including the Sustainability Framework), including non-financial targets with a material impact on the Group. It is supported by its Board Committees within their respective core mandates:

- The Governance, Nominations and Sustainability Committee (GNSC) recommends our sustainability strategy and objectives, reviews the climate transition plan and exercises oversight on sustainability-related matters.
- The Audit Committee exercises oversight of sustainability reporting.
- The Risk and Investment Committee exercises oversight of risks, including sustainability risks.
- The Remuneration Committee evaluates the remuneration architecture, including incentive plans which are linked to appropriate performance criteria supporting the strategy's execution.

At management level, accountability for different areas of expertise, including sustainability aspects related to each of these areas, is assigned to an Executive Committee (ExCo) member or a Group CEO direct report. By opting for an integrated approach, our existing governance bodies are responsible for sustainability-related topics that concern their field of expertise.

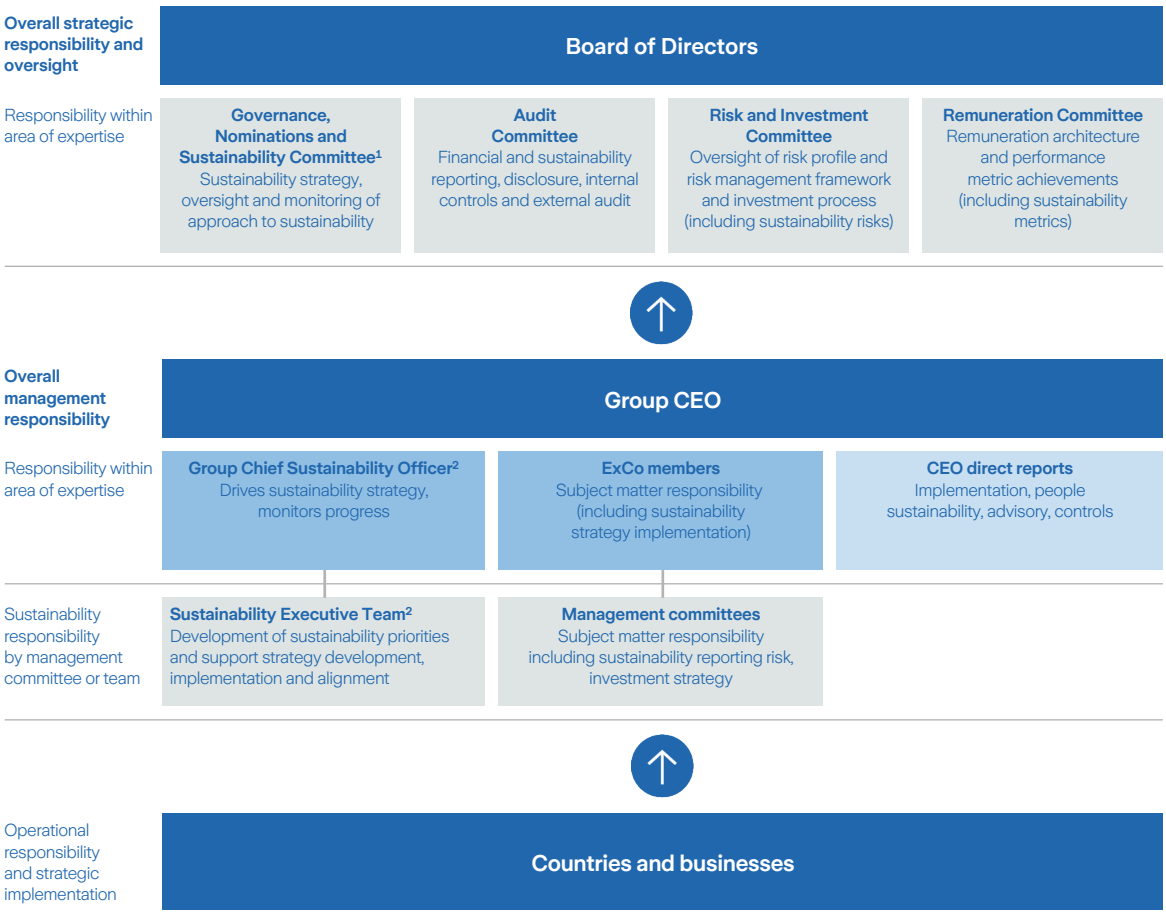
In addition, the Group Chief Sustainability Officer (Group CSO), who reports into the Group CEO, is responsible for driving our Sustainability Framework and acting as a sounding board for strategic alignment of global sustainability priorities to assure a consistent approach and to facilitate oversight. The Group CSO is also responsible for monitoring progress with respect to the sustainability priorities and targets, and reporting thereon to the GNSC, the Group CEO and the ExCo.

The Group Sustainability team, reporting to the Group CSO, drives the development of sustainability priorities across our businesses, and supports regions, countries and functions with implementation by providing centralized expertise, facilitating collaboration and knowledge sharing, and ensuring that action plans are in place.

Strategy development and its implementation is facilitated by the Sustainability Executive Team, which comprises sustainability heads of relevant functions, and which is chaired by the Group CSO.

Regions and countries are operationally responsible for implementing the sustainability strategy developed at Group level. The strategy implementation is reviewed and monitored through quarterly internal scorecards. Progress toward climate-related targets across regions and countries is discussed at least annually as part of regular business performance review meetings. This is in addition to regular monitoring performed at Group level across key business functions.

Figure 5
Sustainability is embedded in our governance framework



1 Specific sustainability responsibility.
2 Dedicated sustainability responsibility.

TCFD G

2.1 Governance around climate-related risks and opportunities

The organization's governance around climate-related risks and opportunities

As outlined above, the governance around sustainability-related topics – including climate and nature – is integrated into our governance structure.

The GNSC has been mandated by the Board to oversee our approach and conduct with regard to sustainability. The GNSC was engaged on several strategic topics throughout 2025, including a deep dive into the execution of our responsible investment targets and our climate transition plan following the first year of its release. This update focused on progress in the delivery of targeted growth in sustainable revenues, targeted reductions in operational emissions and delivery of our customer engagement plan. Outcomes of scenario-based climate risk assessments inform our assessment of strategic resilience, with the Group CSO reporting the consolidated set of material actions arising from the scenario-based climate risk analysis to the GNSC after confirming with the ExCo for Group CEO approval.

Oversight with respect to sustainability risks, including risks associated with environmental topics such as climate change and nature loss, is achieved through regular updates to the Risk and Investment Committee from the Group Head of Sustainability Risk.

The accountability for sustainability, including climate and nature-related risks and opportunities, within each area of the business rests with relevant ExCo members and Group CEO direct reports. Responsibilities for such a role include contributing to the development and implementation of our climate transition planning, assessing and managing climate-related risks and opportunities, managing progress against climate-related corporate targets and value chain engagement on climate-related issues. Furthermore, environmental topics, including climate change, are considered as part of mergers and acquisitions decision-making and due diligence processes.

Further information on sustainability risk and its governance is set out in the risk review (see pages 224 to 255). Further information on our metrics and targets is available in section 3.3 Our targets and metrics of this sustainability report (see pages 162 to 175).

TCFD G

2.2 Impact of climate-related performance on remuneration

Sustainability-related actions, including the support of the transition to net-zero, are reflected in the annual objectives for employees, including the ExCo members, where relevant. The corresponding achievements are considered in the individual performance assessment and in the determination of awards under the Group's short-term incentive plan (STIP).

In line with our climate transition plan, we continued to strengthen the link between climate-related performance and leadership accountability. Our long-term incentive plan (LTIP) includes a sustainability performance metric focused on operational CO_2e emissions, weighted at 10 percent. Starting with the 2025-2027 performance period, the LTIP also includes financed emissions intensity, weighted at 10 percent. This metric focuses on metric tons of CO_2e emissions (scope 1 and 2) per USD million invested of our listed equity and corporate bond holdings. This increased the total weighting of sustainability-related performance metrics within the LTIP from 10 to 20 percent, underscoring our role in facilitating a low-carbon economy. The LTIP is used for a defined group of our most senior positions, including all ExCo members.

Looking ahead, we will maintain this weighting for the sustainability-related performance metrics in the 2026-2028 performance period.

Both the STIP and LTIP are further described in our remuneration report (see pages 93 to 99 and page 120).

TCFD G

The members of the Board receive fixed remuneration as an annual fee, of which half of the basic fee is paid in cash and half in five-year sales-restricted shares which are not subject to the achievement of any specific performance conditions.

Read more on Board fees in the remuneration report:
Pages 102 to 105

3. Our planet

Taking action today to safeguard tomorrow.



"When it comes to a changing climate, the cost of inaction is far higher than the price of prevention and protection."

Linda Freiner
Group Chief Sustainability Officer

3.1 Strategy
3.2 Our view on climate risk
3.3 Our targets and metrics

DMA

Our review of the double materiality assessment confirmed climate change mitigation and adaptation as the most material environmental topics, underscoring their centrality to our strategy. These priorities guide our climate transition across insurance, investments and our operations.[1]

TCFD E

A stable climate and healthy, diverse natural environment are critical to continuing human and economic development. Environmental challenges, including climate change and nature loss, impact the real economy which we insure and invest in, and ultimately can impact on our long-term value. Understanding, measuring and managing these impacts – while seizing the opportunities that arise from the transition, is essential to creating sustainable value for our stakeholders.

We continue to see the effects of climate change around us. The record-breaking heatwaves, floods, droughts and wildfires we have witnessed in recent years are expected to become more frequent and severe in the coming years. Our climate transition plan outlines our approach and role in addressing these challenges, focusing on helping society become more resilient whilst enabling an economy-wide transition to net-zero.

As insurer and risk manager, we also understand that safeguarding nature is fundamental to sustaining a healthy, thriving world and to enable sustainable growth and prosperity. Ongoing ecosystem loss weakens nature's ability to absorb carbon, intensifying climate change and triggering further environmental degradation. This creates a harmful cycle that undermines the resilience of our physical environment. These interconnected risks impact our business and our customers who rely on a strong and stable economy.

That is why we aim to further deepen our understanding of nature-related risk and help customers to better manage and prevent these risks, especially where they amplify climate-related perils.

While environmental topics beyond climate are considered as part of our approach to sustainability,[2] understanding and managing **climate change impacts remains a particular focus**.[3] This section presents our disclosure in line with the recommendations of the **TCFD** and represents our assessment of the resilience of our strategy to climate change risk.[4] For our climate risk management activities, refer to section 3.2 Our view on climate risk on pages 143 to 161.

TCFD E

3.1 Strategy

The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning

3.1.1 Our progress on our climate transition plan

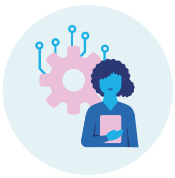
Climate change presents a dual imperative. The world must rapidly reach net-zero emissions to avoid the most damaging impacts and simultaneously build greater resilience against the physical hazards which will continue to grow even as we transition. As a risk manager, risk carrier and institutional investor, we play our role in helping to mitigate climate-related risks and financing the transition.

1 For further details on how we assessed materiality and what is relevant to us, please refer to section 1.1.2 Assessing materiality on pages 132 to 133.
2 E.g., revenues resulting from sustainable solutions, see section 4.2.1 Revenues from sustainable solutions on pages 179 to 182.
3 Climate change has been identified as one of our most material topics. For more information, see section 1.1.2 Assessing materiality on pages 132 to 133.
4 In order to simplify the structure, we embedded governance around climate change in Chapter 2. Governance on pages 138 to 140.

Our climate transition plan is built around four pillars and outlines how we are executing on our net-zero commitment:

Table 2
Our climate transition plan

How we delivered on the four pillars of our climate transition plan in 2025



Enabling an economy-wide net-zero transition

For more than 150 years, we have protected individuals and organizations against risk so they can invest in the future with confidence. Today, this includes supporting our customers and investee companies to succeed in the transition to net-zero. We believe a successful transition will support our business.

In 2025, we did so by:

- Conducting engagements with 76 large corporate customers and by engaging with 4 investee companies on their transitions.
- Scaling climate solutions to 6.9 percent of AUM in our proprietary investment portfolio.
- Reducing the intensity of insurance-associated emissions in our large corporate customer portfolio by 10.6 percent[1] compared with the 2022 baseline.
- Reducing the emissions intensity of our listed equity and corporate bond investments by 59 percent, and the emissions intensity of our direct real estate investments by 36 percent in 2024 compared with the 2019 baseline.[2]

For more details, see section 3.3 Our targets and metrics on pages 162 to 175.



Making Society more resilient

Climate hazards are likely to intensify for decades to come, even if the world reaches net-zero by 2050. We are using our expertise to help more companies, cities and communities better understand, prevent and reduce risks before they materialize, while also supporting them to build back better after loss and damage.

In 2025, we did so by:

- Launching the Climate Spotlight in ZRS, an interactive digital platform to help customers with climate risk modelling across their physical locations and global site portfolio.
- Demonstrating continued thought leadership; publication of Safeguarding our Energy Future white paper.
- Supporting vulnerable communities through two Z Zurich Foundation programs: Zurich Climate Resilience Alliance in 15 countries and the Urban Climate Resilience Program in 13 cities.



Advocating for supportive policies

Our net-zero ambition is dependent on the transition of the real-world economy and an effective public policy framework. That's why we want to put our data, expertise and global network to use in shaping and advocating for policies that can help achieve a just, resilient and economically successful transition.

In 2025, we did so by:

- Active engagement at COP30, New York Climate Week, and London dialogues. We consistently positioned resilience at the heart of climate policy debates, highlighting the critical role of insurance and the need to build long-term resilience.
- Contributing to policy consultations, such as GFANZ[3] nature transition planning, to ensure that our expertise informs the development of robust, forward-looking climate policies.



Evolving how we operate

We are continuing to decarbonize our own operations and supply chain. We are investing in our people and fostering a culture of learning and knowledge sharing so that our organization evolves with our ambition. This enables our employees to engage with customers, suppliers and the companies we invest in on their transition journey.

In 2025, we did so by:

- Continuing to decarbonize our own operations, delivering a 68.8 percent reduction since 2019 (see section 3.3.2 Our performance metrics on page 173).
- Ongoing engagement to decarbonize our supply chain - 67.7 percent of managed procurement spend[4] with suppliers that have set science-based targets[5] (see section 3.3.2 Our performance metrics on page 175).
- Promoting our internal Sustainability Academy and evolving the offer of functional training.
- Building the talent pipeline in our global energy underwriting business, see also section 4.1.4 Sustaining our commitment on page 178.

1 2025 data is based on an initial estimation for our 2025 portfolio emissions based on the relevant 2025 in-scope portfolio premium, however relying on previous years' reported customer emission data.
2 2024 represents the latest year with final data. The 2025 dataset relies on a developing estimation methodology and is therefore not yet compared with the 2019 baseline.
3 The Glasgow Financial Alliance for Net Zero (GFANZ) is an independent, private-sector-led initiative focused on mobilizing capital and removing barriers to investment in the global transition.
4 MPS means the spend of approximately USD 2 billion annually managed centrally by Zurich's Procurement and Supply Chain Management function on goods and services that are required to enable Zurich to maintain and develop its operations. In 2025, we successfully reduced the MPS reporting time lag thanks to a series of technical improvements. As a result, the reported MPS values now reflect the period from October 2024 through September 2025.
5 We consider a supplier to have science-based targets when their emission reduction targets are approved by a scientifically accredited body or otherwise require a reduction of at least 42 percent in scope 1 and 2 emissions by 2030.

Supporting a successful transition and building societal resilience offers the prospect of a stronger, more prosperous future that will ultimately benefit our customers, the companies we invest in, and our own business. There will be setbacks and challenges, but the price for inaction is far higher than the price of prevention and protection.

TCFD E

3.2 Our view on climate risk

The processes used by the organization to identify, assess and manage climate-related risks

3.2.1 Integration of climate risk within the overall risk management framework

Physical and transition risk will play out over coming decades with pervasive impacts to the global economy and potentially our business, if they are not adequately managed. Understanding and managing potential impacts is an important aspect of maintaining our short- and longer-term profitability. Over the **medium to long term**, **physical risk** is expected to **increasingly impact economic growth**. The new technologies, energy generation and construction methods expected to evolve as part of the transition to a net-zero economy will serve to influence the size and composition of the global economy.

The long time horizons over which climate change will play out, introduce uncertainty around the degree to which physical or transition risk shapes the future global economy. This further depends on the nature of public policy frameworks introduced over the coming decades. As the global economy evolves in response to the changing climate, our business will be impacted, most notably through **shifts in demand** for our products, **evolving loss patterns** associated with those products and **changes to the value of our assets and liabilities**.

Our approach to climate risk

We consider impacts from climate change to be drivers for other risks, such as market or natural catastrophe risks. Our approach to managing climate risk is embedded in our multi-disciplinary, Group-wide risk management framework, with the objective of informed and disciplined risk taking. The risk management framework is based on a governance process starting from our Board that sets forth clear responsibilities for taking, managing, monitoring and reporting risks.

Our risk management framework allows us to manage near-term impacts and navigate highly uncertain outcomes over the medium to long term. Assessments of the evolving physical and transition risk landscape are integrated into our underwriting and investment strategies.

- Over the **short term**, we use **sophisticated natural catastrophe modeling, with a focus on underwriting activities,** to support profitability and management of accumulation risk. The models account for changes in frequency and severity of perils. The modelled outcomes inform our capital and solvency assessment, as well as our financial planning and reinsurance strategy. This approach is supplemented by our proprietary Total Risk Profiling™ methodology, which allows us to assess risks in terms of severity and likelihood. This creates a relative rating for all risks, including specific aspects of climate risk (e.g., physical and transition risks), and supports the definition and implementation of mitigating actions.
- For the medium to long term, we complement our short-term management of climate-related risks through the use of **scenario-based climate risk analysis**, which allows us to **assess the strategic implications of climate change** over time horizons extending **beyond the financial cycle** and **assess the resilience of our strategy to potential climate risks**. We employ a static balance sheet approach, fully recognizing that the analysis is a theoretical 'what if' exercise, which is useful to stretch management thinking about the medium-to-long-term outlook.

Figure 6

Managing and understanding climate-related impacts is integral to our business

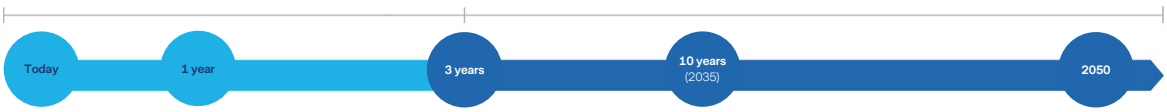


Figure 7
Time horizons considered

Short term 0 – 3 years (until 2027)	This is **aligned** with our **financial cycle**, in which we place a particular focus on managing the changing frequency and severity of perils, which is critical to ensuring profitability and management of accumulation risk. Over this horizon, insight derived from our natural catastrophe modeling (see section 3.2.2 Our short-term approach to climate risk: natural catastrophe modeling on pages 144 to 147) informs our capital and solvency calculations. Our view of natural catastrophe risk also underpins profitability assessments and strategic capacity allocation and guides the type and quantity of reinsurance we buy. Drivers of transition risk that could have an impact on the achievement of our short-term strategic objectives are in scope for consideration as part of our annual process by applying our Total Risk Profiling™ methodology.
Medium term 3 – 10 years (until 2035)	While we operate with a three-year financial cycle horizon, a consideration of longer time horizons allows us to reflect potential risks and opportunities associated with climate change in the formulation of appropriate responses. A 10-year horizon allows us to **balance the need for strategic insight** with the growing uncertainty associated with longer time horizons. Our view on the resilience of our business strategy over the medium term is informed through the use of scenario analysis.
Long term 10+ years	Our net-zero commitment requires that we extend our time horizons beyond 10 years to consider more fully the **potential risks and opportunities associated with aligning our business with a net-zero future**. Such time horizons are well suited to certain long-term assets such as real estate investments and life insurance risks. Our view on the resilience of our business strategy over the long term is informed through the use of scenario analysis.

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3.2.2 Our short-term approach to climate risk: natural catastrophe modeling[1]

To manage short-term climate risks more effectively, we are investing in a deeper understanding of their impact – particularly on our Property & Casualty (P&C) portfolios. Modeling the effects of physical risk is a key focus, as the changing frequency and severity of perils over time need to be understood for managing accumulation risk.

We have developed advanced natural catastrophe modeling capabilities to guide underwriting decisions and keep accumulations within defined exposure limits. This risk view supports profitability assessments, strategic capacity allocation, and reinsurance purchasing. To achieve global consistency, catastrophe exposures are modeled centrally.

Third-party models provide a baseline but are refined by expert teams to reflect our proprietary 'Zurich View' – a structured, quantitative approach we have applied since 2005. This includes adjustments for frequency, severity and uncertainty, incorporating observed climate change impacts. We also account for non-modeled exposures and secondary perils, continuously enhancing model scope and data quality through technology.

Each catastrophe event informs model refinement through claims insights. We supplement internal expertise with external collaborations, including the Advisory Council for Catastrophes, PERILS AG, Oasis LMF, and the Global Earthquake Model Foundation. While traditional models rely on historical data, we are integrating general circulation models (GCMs) to assess future climate risks.

1 Results from the Q4 2025 Group Catastrophe Model are presented in the analysis shown below. There are timing differences in the underlying exposures considered in this analysis (underlying exposures by peril region are generally as of June or September 2025, and, in exceptional cases, as of September or December 2024).

We focus on P&C exposures and monitor the following:

Approach

Current exposures to physical climate risk are expressed through annual expected loss (AEL) and probable maximum loss (PML). Modeled exposures comprising the peril regions are as follows:

- Central Europe hail: Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Great Britain, Hungary, Ireland, Italy, Latvia, Lichtenstein, Lithuania, Luxembourg, Norway, the Netherlands, Poland, Slovakia, Slovenia, Sweden and Switzerland.
- Europe wind: Austria, Belgium, Czech Republic, Denmark, France, Germany, Guernsey, Ireland, Isle of Man, Jersey, Luxembourg, the Netherlands, Norway, Poland, Sweden, Switzerland and the UK.
- Europe flood: Austria, Belgium, Denmark, Finland, France, Germany, Italy, Ireland, Luxembourg, Netherlands, Norway, Poland, Portugal, Sweden, Switzerland and the UK, including others like Guernsey, Isle of Man, Jersey, San Marino and Vatican.
- Caribbean, Mexico and U.S. hurricane: Caribbean, Mexico and the U.S.

Scope

The climate risk assessment is applied to our portfolios, namely the exposure of our P&C business to natural catastrophe perils, impacted by climate change that could materially impact us over the medium to long term.

Quantification

AEL
AEL provides a view on the expected loss due to natural catastrophes per year, averaged over many years.

PML
PML is a tail metric that looks at severe, unexpected but still possible outcomes of natural catastrophes at a defined probability of occurrence.

Monetary losses
Amount of monetary losses attributable to insurance payouts from natural catastrophes.

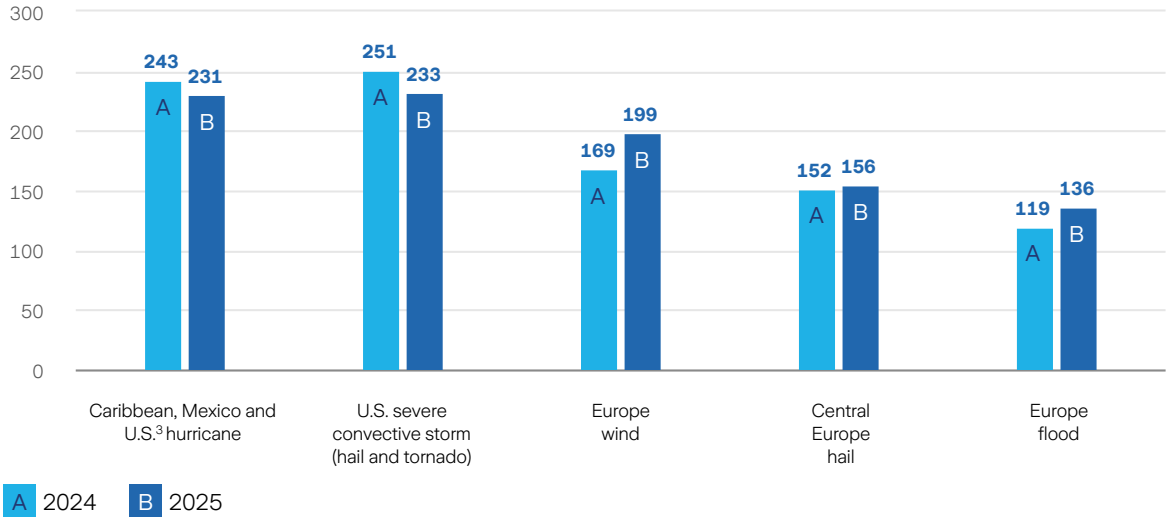
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Annual expected loss

Figure 8

Annual expected loss for top five peril regions[1,2]

in USD millions



1 AEL excludes Farmers Re's participation in the Farmers Exchanges' all lines quota share treaty of 5.8 percent as of December 31, 2025. This treaty contributes to Zurich Group's AEL for U.S. severe convective storm with USD 61 million and for U.S. hurricane with USD 9 million.
2 The 2024 numbers displayed are updated for the Caribbean, Mexico and U.S. hurricane and U.S. severe convective storm perils due to model updates. The impact of the model update gross of catastrophe reinsurance is 15.3 percent for Caribbean, Mexico and U.S. hurricane and 18.1 percent for U.S. severe convective storm.
3 The geographic scope includes correlated exposure in the Caribbean and in Mexico. The AEL for U.S. hurricane only is USD 198 million in 2025.

Our modeled AEL from climate-related natural catastrophes provides an indicator of our current exposure to perils that might be affected by climate change. The AEL analysis above reflects our current top five peril regions, net of reinsurance, before tax and excluding unallocated loss adjustment expenses. This analysis helps us manage risks related to insuring these perils, such as accumulation risk. Risk appetite limits by peril region are in place and exposure is currently within appetite.

In 2025, we completed significant updates of our models for Caribbean, Mexico and U.S. hurricane, as well as for U.S. severe convective storm, leveraging the newest claims data. Prior year data in Figure 8 reflects the updated model. This allows us to show exposure, reinsurance and exchange rate impact only. Net positions in 2025 benefitted from enhanced external reinsurance cover. The increases for the European peril regions are mainly driven by exchange rate changes.

Probable maximum loss

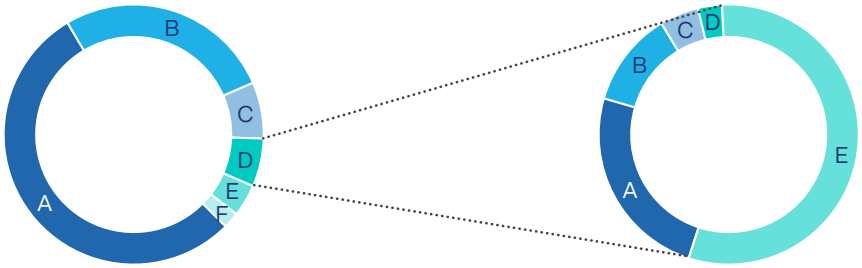
The graphs below show the materiality of natural catastrophe risk relative to other risk types and the materiality of our climate-related perils to overall catastrophe risk. Natural catastrophe risk accounts for only 6 percent of our Swiss Solvency Test (SST) total risk capital. Of those 6 percent, only 44 percent relates to climate-related perils, with Caribbean, Mexico and U.S. hurricane being the largest contributor.

Figure 9

SST by risk type and climate-related perils as proportion of natural catastrophe SST risk capital

SST total risk capital contribution by risk type[1]

Climate-related perils as a fraction of natural catastrophe SST total risk capital[2]



A	Market risk	54%
B	Premium & reserve risk	27%
C	Business risk	7%
D	Natural catastrophe risk[3]	6%
E	Life insurance risk	4%
F	Other credit risk	2%

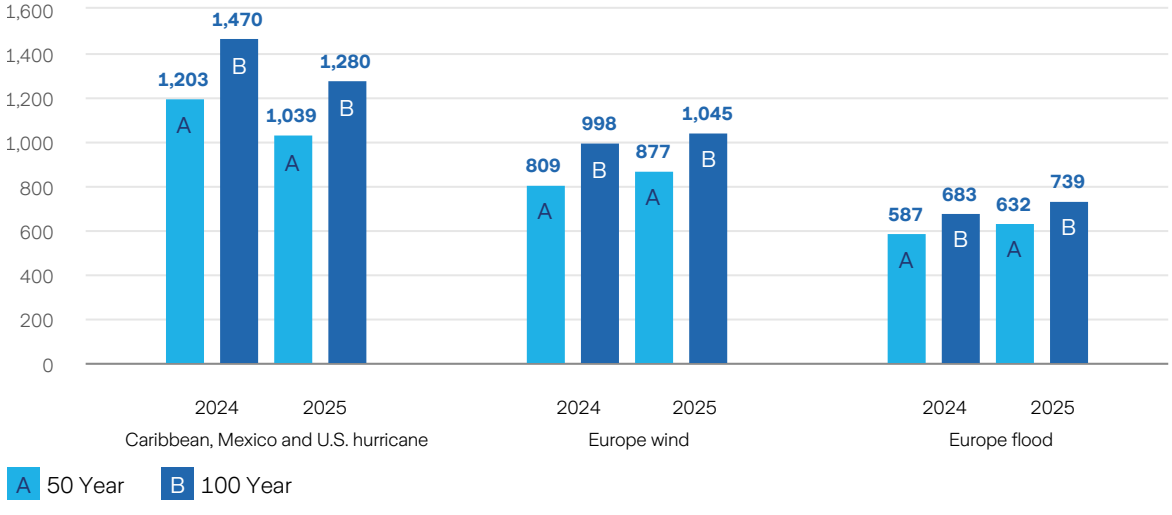
A	Caribbean, Mexico and U.S. hurricane	25%
B	Europe wind	12%
C	Europe flood	5%
D	Other climate-related	3%
E	Non-climate-related	56%

1 Based on year-end 2025 SST ratio estimates.
2 The natural catastrophe SST total risk capital is defined by the 1 percent worst annual losses. These are driven by peril regions with large potential losses beyond 100-year return period (e.g., Caribbean, Mexico and U.S. hurricane).
3 Estimated SST capital calculated based on the Group's internal model, including a change to some natural catastrophe model components with a low materiality impact under review by the Swiss Financial Market Supervisory Authority FINMA.

Figure 10

Probable maximum loss by top three peril regions[1,2]

in USD millions



1 PML excludes Farmers Re's participation in the Farmers Exchanges' all lines quota share treaty of 5.8 percent as of December 31, 2025. This treaty increased our PML for U.S. hurricane by USD 48 million for the 50-year PML and by USD 54 million for the 100-year PML.
2 The 2024 numbers displayed are updated for the Caribbean, Mexico and U.S. hurricane peril due to model updates. This allows us to show exposure, reinsurance and exchange rate impact only.

The net annual aggregate 50- and 100-year PML numbers reflect the potential annual loss caused by severe events that we expect to be exceeded once every 50 or 100 years, respectively. We rely on advanced natural catastrophe modelling capabilities for a reliable quantification of such rare losses. These capabilities allow us to consider not only severe historic events, but also a variety of possible scenarios that are even more extreme but have not happened yet. The 50- and 100-year PML are shown above for the top three climate-related peril regions measured by SST total

capital contribution.[1] The most significant climate-related contributions to 50- and 100-year PMLs are posed by Caribbean, Mexico and U.S. hurricane, followed by Europe wind and Europe flood. The change of the 50- and 100-year PML from 2024 to 2025 is directionally aligned with the change in AEL.

P&C monetary losses from natural catastrophes

Our loss ratio for 2025 was 62.7 percentage with 0 percentage points attributable to natural catastrophe experienced in 2025 under the following definition. We follow the Group's Catastrophe Response Group (CRG) governance for natural catastrophe identification. The events and figures have been reviewed by the CRG, a cross-functional committee which oversees and recommends to the ExCo the best-estimate ultimate loss for material catastrophes. The term 'catastrophe' in the context of the CRG covers natural catastrophe peril events that are relatively infrequent or are phenomena that produce unusually large aggregate losses. We report events where the total net loss is above USD 200 million.

No natural catastrophe in 2025 resulted in net losses above USD 200 million.

In estimating the total net losses of catastrophes, assumptions and models are applied. These assumptions and models do not only have inherent variability, but can also change over time as the catastrophe event develops. Hence the estimates can change over time as the event matures and the estimates become more stable.

An important aspect of our proprietary view on natural catastrophe risk is the evaluation of patterns and trends in catastrophe activity with time. Natural variability of event activity is an integral part of our view on natural catastrophe risk, as are statistically significant trends that may be detectable in our claims experience or credible, conclusive modeling of past, present and future climate as a driver of loss activity. We regularly revisit our risk views and underlying models on climate-related perils in order to reflect trends in the hazard, whereas exposure trends are naturally captured by exposure data updates. Natural variability is at the same time evaluated and kept up to date as part of the regular reviews of our natural catastrophe risk view, which underpins the structuring and purchase of reinsurance along with the profitability assessment and strategic capacity allocation for risk assumed from customers.

We follow a gross-line underwriting strategy and focus substantial time and resources on achieving risk-adequate underwriting and pricing of the business we assume upfront, including consideration of potential climate change-induced trends. Reinsurance is used as a means to maximize diversification of net retained risks and to protect shareholders against earnings volatility. We engage with a core panel of reinsurance partners to secure the required capacity at sustainable pricing. Given our financial strength, we have the option to weigh the benefits and cost of reinsurance against other forms of risk financing and thus adapt to supply-side changes in the reinsurance market as a potential consequence of the macroeconomic response to climate change adaptation.

3.2.3 Our medium- and long-term approach to climate risk: scenario-based climate risk analysis

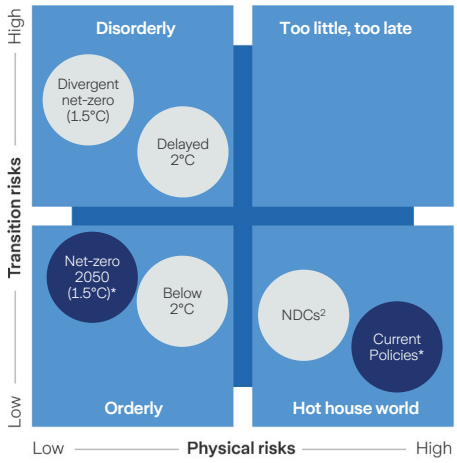
We perform an annual scenario-based climate risk analysis to assess the resilience of our business model in relation to longer-term (medium and long term) impacts of climate change, considering our underwriting and investment activities as well as our own operations. An integrated modeling approach is adopted for the analysis of our underwriting and proprietary investment portfolios[2] to ensure a consistent approach to the climate risk assessment. To complete our analysis, we consider potential impacts to our own offices, strategic data centers, and supply chain. For more details on our integrated modeling approach, see section 3.2.3.6 Our integrated modeling approach on page 159).

Scenarios used

The scenarios used to assess our underwriting and investment activities are sourced from the Network for Greening the Financial System (NGFS) scenario suite, and are chosen to allow us to consider a broad range of risks and opportunities of varying degrees of physical and transition risk. This approach supports a robust assessment of our strategy's resilience under net-zero aligned pathways as well as high physical risk conditions. The emissions pathways of the selected scenarios correspond broadly to representative concentration pathways (RCP) 2.6 (net-zero 2050) and 6.0 (current policies). Our analyses are based on the latest update of the NGFS scenario suite (Phase 5). Compared with the prior Phase 4, this version is characterized by a significantly larger negative impact of physical risk. The changes stem from an enhanced approach to estimate economic damages resulting from changes in global temperatures (i.e., the damage function), thereby improving the accuracy of physical risk assessments.

1 Our disclosure shows our efforts to provide additional details. However it is acknowledged that full compliance is not envisaged e.g., due to our reporting standards (no disclosure of gross losses), or our industry's catastrophe modeling standards. There are generally no catastrophe models available, for example, for chronic diseases, droughts and extreme heat and therefore no PMLs can be provided. Tsunami risk is correlated (and modeled) with seismic risk and therefore cannot be reported on a stand-alone basis as part of insured products from weather-related natural catastrophes, which are the scope of SASB.
2 As per year end 2024.

Figure 11
NGFS scenario framework[1]



* Used scenarios.
1 Scenario used from NGFS: www.ngfs.net/ngfs-scenarios-portal
2 Nationally Determined Contributions.

Current policies

The current policies scenario assumes that no additional climate policies are introduced beyond those already implemented. Carbon emissions are projected to grow until 2080, leading to about 3°C of warming and severe physical risks. These include extreme weather events and irreversible changes like sea level rise. The assumed levels of physical risk impact productivity, suppress economic activity and ultimately result in weaker GDP developments. Transition risks in this scenario are minimal. While the short-to medium-term disruption of macroeconomic impact is relatively limited, the longer-term accumulation of the negative effects on economic activity makes this scenario the most damaging for economic growth among the climate scenarios considered in our analysis.

Net-zero 2050

Net-zero 2050 is an ambitious scenario in which global warming is limited to 1.5°C by 2100 through the immediate implementation of stringent climate policies – most notably carbon pricing – and technological innovation, with net emissions falling to zero by 2050. Physical risks remain, but are markedly lower than in the current policies scenario. This transition risk scenario is associated with a sharp, but relatively short-lived rise in inflation in the short term as carbon pricing is implemented. In the longer term, the economic impact is expected to be limited, as significant and transformative measures to reduce carbon emissions prove successful in decoupling economic activity from emissions. This, in turn, helps limit the rise in global average temperature and mitigates associated negative economic effects. Overall, the scenario is seen as more disruptive in the short term but leading to more limited long-term economic impacts as compared to the current policies scenario.

Our approach to understanding physical risk impacts to our own operations, supply chain and our real estate investment portfolio requires a more specific focus on physical risk than is facilitated by the NGFS scenarios, and is therefore performed using ZRS expertise (see section 3.2.3.6 Our integrated modeling approach on page 159). The scenarios used in this analysis, being RCP 2.6 ('low emissions scenario') and RCP 8.5 ('high emissions scenario') are broadly aligned with those used for our underwriting and investment analysis, meaning we consider similarly varying degrees of physical risk.



Sierra Signorelli
CEO Commercial Insurance

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3.2.3.1 Portfolio level scenario-based climate risk analysis: Underwriting

Approach

Premium analyzed by line of business (LoB), region, industry and sector respectively to identify areas with potentially high exposure to physical and transition risk. Each such area analyzed in depth to understand the potential relationship between key climate drivers, insurance demand and loss experience.

Scope

The scenario-based climate risk analysis covers:[1]

- Our full P&C portfolio, including personal lines and commercial business.
- Our full life protection portfolio (representing approximately 72 percent of our life portfolio).[2]

Quantification

Demand impact

Percentage change in demand is the estimated impact on size and composition of demand for insurance products due to the drivers of physical and transition climate risk, against a baseline scenario with no additional physical or transition risk.

Change in expected losses

Percentage change in expected losses is the estimated impact on claims due to the drivers of physical and transition climate risk, against a baseline scenario with no additional physical or transition risk.

Main risk drivers

P&C

- General suppression of economic growth may impact insurance demand (under both scenarios).
- Increased losses in our property and motor insurance books due to changes in severity and frequency of severe weather events (under both scenarios).
- Increased insurance losses due to rapid advancement of low-carbon technologies (under the net-zero 2050 scenario).

Life

- General suppression of economic growth may impact insurance demand (under both scenarios).

Main findings

P&C

While the new NGFS model (Phase 5) leads to increased physical risk impacts under both the current policy and net-zero scenario, the impacts are still considered to be below our materiality, with our established risk and portfolio management process suitable to respond to the potential developments.

Life

Moderate economic growth suppression may lead to a non-material decline in the demand growth for life protection insurance compared with baseline expectations.

1 As per year end 2024.
2 Based on insurance revenue.

The outcomes from our underwriting medium-to-long-term scenario-based climate risk analysis are presented below in detail.

Medium term

Figure 12

Potential climate change-related impacts to our underwriting portfolio under current policies and net-zero 2050 scenarios with strategically aligned responses

Industry / Sector[1]	Portfolio weight	Demand impacts		Loss impacts	
		Current policies	Net-zero 2050	Current policies	Net-zero 2050
Transportation	C	C	C	C	C
Agriculture	B	A	A	C	C
Heavy industry	C	C	C	C	C
Other manufacturing	B	B	A	C	C
Fossil fuel	C	C	B	C	C
Power (electric utilities)	C	C	C	C	C
Mining	C	C	C	C	C
Real estate	B	B	B	C	C
Construction	B	B	D	C	C
Other (low-carbon-intensity sectors)	A	A	A	C	C
P&C Retail	A	A	A	B	B
Life protection: all sectors[1]	A	B	C	C	C

Portfolio weight (% of GWP)

- A High (>10%)
- B Medium (5–10%)
- C Low (<5%)

Impact thresholds[2]

- A High risk (relevant for consideration Group response)
- B Medium risk
- C Low risk
- D Low growth
- E Medium growth
- F High growth

Definition of terms used:
- The colors represent demand/loss impacts in absolute terms. Sectors accounting for a higher portfolio share may experience a higher absolute impact despite low relative climate risk exposure.
- Sector: Industry group of the customer base except for transport, which was considered together with the total motor book, and property, which was considered across industry due to the overarching impact of physical risk associated with climate change.
- Weight in underwriting portfolio: Indicates how much the sector/geography/line of business being considered contributes to the overall underwriting portfolio.
- Demand impacts: High, medium and low risk relate to the potential decline in premium volume due to the various scenarios whereas high, medium and low growth indicate that there is a potential increase in premium due to the changing landscape driven by transition.
- Loss impacts: High, medium and low as above relate to the potential increase in losses in each sector if no strategic or mitigating action is taken as part of the underwriting strategy.

1 For P&C, impact thresholds are applied per industry/sector. Impact thresholds for Life are applied at the protection portfolio level.
2 Note that high impacts do not necessarily equate to material impacts at Group level.

Results in Detail – P&C

Current policies:

Physical risk dominates impacts in the current policies scenario in the medium term, with no additional transition risks introduced. With the increased impacts from physical climate risks over time, a general suppression of economic growth is expected, which may reduce demand for insurance across our commercial and personal lines portfolios. Additionally, changes in severity and frequency of severe weather events can increase losses in our property books across all sectors. Increased losses are also anticipated for our motor insurance book, driven by the assumption of higher electric vehicle (EV) penetration consistent with recent sales trends. Despite the increase in physical risk, and associated impact on economic growth, portfolio impacts are expected to be moderate over the medium-term timeline.

In the long term, the severity and frequency of acute and chronic physical risks are expected to steadily increase, however with regional differences in speed and severity (e.g., coastal areas, wildfire zones). The agriculture sector is particularly sensitive to these evolving risks, as both chronic and acute risks can have a significant impact on the sector. Quantitative modeling of the P&C portfolio over this timeline is no longer sensible because future social, political and

technological changes will strongly affect insurance loss trends. These trends are hard to predict over longer time periods. Since we operate mostly in developed countries with a fairly high adaptive capacity, it is likely that for the 2050 time horizon, insurability will also depend on political and market developments rather than on physical risk alone.

Net-zero 2050:
The transition risks introduced by rapid decarbonization are expected to lead to additional economic impacts, compared to the baseline scenario, in carbon intensive industry sectors over the medium term. The investments required to transition existing infrastructure to net-zero readiness, e.g., in the power and real estate sectors, will create financial pressures for those sectors, restricting growth opportunities. Physical risks also continue to increase at a similar magnitude as the current policy scenario over the medium-term scenario horizon. This is driven by the historical emissions already affecting the frequency or severity of extreme weather events and chronic risks, including heat waves and droughts. These increased risks not only affect vulnerable sectors like agriculture, but also have broader economic repercussions, leading to financial strain across the wider economy and potentially reduced insurance demand. Even sectors such as construction, anticipated to benefit from additional investments into transition activities, may experience negative growth when both physical and transition risk effects are combined.

As our portfolio has limited exposure to carbon-intensive industries that face significant transition risk (e.g., fossil fuel and heavy industry), the overall negative portfolio impact on insurance demand under a net-zero scenario is expected to be slightly lower than under the current policy scenario. The net-zero scenario also suggests some growth areas, such as the construction industry, that benefit from increased investments into refurbishments and new infrastructure builds.

Insurance losses may increase as new low-carbon technologies are adopted and deployed quickly. The risks associated with these new technologies are difficult to price due to the lack of historical claims data. This could result in higher claims during the transition period. This applies to new technologies in renewables, carbon capture and storage for power and industry, hydrogen for industry, as well as new construction materials and alternative techniques in the construction sector, that are required to meet net-zero standards. A similar dynamic is evident in the automotive sector, where the increasing uptake of electric or alternatively fueled vehicles have resulted in a pronounced negative impact in our scenario modeling.

Looking ahead, transition risks under the net-zero scenario are expected to decline over the long term as the economy progressively aligns with a net-zero pathway. By 2050, most transition activities will likely be completed, resulting in a more stable economic environment with significantly reduced transition risks. At the same time, physical risks are projected to increase less significantly under the net-zero 2050 scenario than under the current policy scenario, making physical risks less relevant over the long term and resulting in a lower overall impact.

Results in Detail – Life

Current policies:
Physical climate risks are the primary driver of impact, with no additional transition risks considered.

The scenario assumption is that increasing physical risk will lead to a general modest suppression of economic growth and hence lower demand for life protection insurance compared with a scenario with no climate change, in the medium term. Climate change-driven changes in temperatures are assumed to increase claims losses based on their impact on specific causes of death or disability claims.

Our life protection portfolio which is largely driven by retail sales and supported by corporate business, is sensitive to these dynamics. Retail demand is anticipated to follow GDP trajectories across key markets, while corporate demand reflects differentiated industry-level impacts derived from scenario analysis. Although our modeling suggests continuously lower demand in corporate life insurance, it may not fully capture emerging opportunities in expanding sectors with evolving workforce protection needs.

From a claims perspective, our high-level assessment indicates minimal loss impacts by 2035. Given our geographic footprint – primarily in developed markets with high adaptive capacity – we do not expect significant additional claims from acute weather events.

In the long term, physical risks are expected to continue to moderately suppress economic growth and hence the demand impacts for life protection are further suppressed. From a claims perspective, even when extending the horizon to 2050, insurability is likely to be shaped more by political and market developments than by physical risk alone. In terms of physical risk, claims impacts from rising temperatures are expected to remain immaterial, although continuously increasing with rising temperature.

Net-zero 2050:
Given that our life protection portfolio is primarily driven by retail sales, retail demand is expected to mirror GDP trends influenced by transition risks across key markets. For our portfolio, there are immaterial adverse demand impacts from transition risk in the medium term, that eventually even turn into an immaterial benefit. Similar dynamics apply to our corporate business which is explained by a relatively low exposure to carbon-intensive sectors such as power and real estate.

Physical risks are rising due to past emissions driving extreme weather, leading to broader economic impacts and reduced insurance demand. The demand impacts are lower under the net-zero 2050 scenario compared with the

current policies scenario. From a claims perspective, projected loss impacts remain minimal through 2035 and are lower than under current policy scenarios, primarily due to a more moderate temperature increase.

Over the longer term, as the global economy aligns with net-zero objectives, physical risks are projected to decline, contributing to greater economic stability by 2050. Most climate-related risk mitigation activities are anticipated to be successfully implemented by then, resulting in a less pronounced increase in physical risks compared with the current policy pathway. Consequently, the relevance of physical risks diminishes over time, leading to a lower overall long-term impact on insurance demand. Equally, from a claims perspective, physical risk impacts will decline in the long term.

Responses

Under both scenarios, our existing portfolio management processes allow us to respond flexibly to potential climate trends and will enable us to address emerging climate-related risk drivers as effectively as other risk factors. Generally depressed economic growth and inflationary pressures predicted under both scenarios are risks we are equipped to deal with in line with general market and insurance cycles. Compared to the impact that is driven by static balance sheet assumptions, in practice, our portfolio would evolve with shifts in economic activity. This would allow us to capture growth from transition relevant activities and adopt our risk appetite to changes in both physical and transition risks our customers are facing.

P&C

In general, the **diversification** of our P&C business in terms of **geographic footprint, industry mix and line of business limits our potential exposure**. Our ability to annually re-underwrite and adapt our pricing and risk selection criteria to evolving trends allows us to respond to emerging climate trends and balance near-term market movement against mid-term strategic scenario possibilities.

The scenario analysis confirms the relevance of the following existing initiatives, which are key to position our business for long-term success:

- Our natural catastrophe modeling and accumulation management processes already consider the impacts of climate change on relevant peril regions, and we will continue to refine these tools as risk patterns evolve.
- By maintaining our careful approach to underwriting new technologies by collaborating closely with our customers, we also expect to be able to maintain adequate pricing and risk selection to retain profitability through a net-zero transition period.
- Through actions outlined in our climate transition plan, we deepen our understanding of the technologies, barriers and dependencies involved in the transition pathways of different industries, which will also prepare us for the potential risks and opportunities expected under a net-zero scenario.
- Where we see profitable opportunities arising, we will continue to develop new insurance solutions for nascent technologies which present new risks and therefore require innovative approaches to insurance. By engaging early, we collect crucial data to identify and mitigate technological risks.

Life

Although our Life protection portfolio includes some longer-term contracts, the **corporate segment is primarily short-term** and characterized by a **diverse geographic and industry footprint**. For longer-duration business, we remain attentive to evolving trends that may influence mortality and morbidity over time. To support sound pricing and underwriting decisions, we will continue enhancing our climate-related loss analyses and integrating these insights into our risk assessment framework.



Stephan van Vliet
Group Chief Investment Officer

TCFD E

3.2.3.2 Portfolio level scenario-based climate risk analysis: Investments

Approach

Understand impacts to projected returns of assets through exposures of countries, industries, and companies to physical and transition risk drivers. Analysis informed by data on relevant risk drivers, including CO2e emissions, abatement costs, exposure to physical risks, dependency on fossil fuels. Materiality metrics are defined on a net (asset minus liabilities) basis, thereby reflecting the relevant impacts on our assets and liabilities.[1]

Scope

Our analysis covers both the asset and the liability side of the balance sheet.

The following asset classes are covered explicitly:

- Corporate assets – corporate credit (USD 39.7bn) and listed equities (USD 6.9bn)
- Sovereign bonds (USD 54.7bn)
- Direct real estate (USD 11.8bn)

Quantification

Assets and liabilities impact[2]

Expected excess returns of assets over liabilities.

Asset only view

Impacts for listed equities, corporate credit and direct real estate on a stand-alone basis.

Main risk drivers

Climate risk drivers

- Temperature and carbon price.

Transmission risk drivers

- Economic growth and inflation.

Financial risk drivers

- Equity risk, credit spread risk, real estate risk, interest and currency risk.

Main findings

Our analysis shows that climate-related financial risk does not pose a major risk to our capital position. Our asset-liability management (ALM) approach, helps ensure we can meet our obligations and continue protecting customers, even as climate risks evolve.

Climate change-related risks can have meaningful impacts on the returns of certain asset classes such as equities. The geographic and industry composition of our portfolios help to limit these risks meaningfully.

1 As per year end 2024 market value exposure.
2 Net asset and liability view was not available for our scenario-based climate risk analysis in previous years. For liabilities, only interest rate risk drivers are considered in the climate scenario analysis. Other market and non-market risk factors that influence the value of liabilities are not considered. See section 3.2.3.6 Our integrated modeling approach on page 159 for more details.

Results in detail – portfolio impact (net asset-liability view)

In 2025, we enhanced our scenario-based climate risk analysis by integrating a net asset-liability model. The net asset-liability approach assesses the impact on both sides of the balance sheet, capturing the dynamic interplay between assets and liabilities, and highlights the offsetting effects of changes in interest rates. This offset is a direct result of our disciplined asset-liability management (ALM) investment approach and reflects our strong commitment to safeguarding the interests of our policyholders.

Our analysis indicates that climate change-related risk to projected financial returns does not pose a major risk to our capital position across all climate scenarios considered. A key insight is that our financial exposure to climate-related risks is smaller and more closely aligned with our investment approach when assessed on a net balance sheet basis, rather than by looking at individual asset classes in isolation.

The net view is supplemented by an asset-only view, which is relevant for equities, corporate credit, and direct real estate, which have risk drivers without liability offset. Although equities can be exposed to climate-related risks, their relatively small share in our investment portfolio limits their overall impact on the balance sheet. Comparable considerations apply to direct real estate. Similarly, credit spread volatility from climate-related risks is limited and not material, given that our corporate credit portfolio is primarily investment grade. For sovereign bonds, an asset-only view is not relevant due to offsetting effects on liabilities.

More generally, the geographical distribution of our investments, reflecting the geographic footprint of our business to less at-risk countries, helps mitigate the impact of climate-related risks. Similarly, our sector allocation characterized by a relatively low exposure to highly carbon-intensive sectors helps limit overall risks.

Current policies:
Short-term risks are relatively limited but increase in the medium to long term due to rising global average temperature and increased frequency of extreme weather events, both of which disrupt economic activity. Compared to the net-zero 2050 scenario, this scenario is characterized by larger adverse impacts on economic activity, but with more subdued inflationary pressures. This results in lower portfolio returns over the long run. The offsetting impact between assets and liabilities through their exposure to interest rate risk reduces the net overall exposure of the balance sheet, such that the impact on our balance sheet remains limited and does not pose a risk to our capital position.

Net-zero 2050:
A rise in inflation associated with carbon pricing policies and the transition of energy systems makes this scenario particularly disruptive for fixed income securities such as sovereign bonds. Over the near to medium term, these disruptions are reflected in rising interest rates and falling bond prices. Equities experience significant losses during the short and medium term, as climate policies, such as carbon pricing, are implemented. The impact is driven by both slower economic growth and a higher inflation and interest rate environment. Investment grade credit spreads widen, but in a more limited fashion than equities due to their lower risk profile.

The offsetting impact between assets and liabilities through their exposure to interest rate risk considerably reduces the net overall exposure of the balance sheet. The analysis shows that the investment portfolio composition, reflecting our geographical footprint with a concentration in developed countries which are less exposed to climate-related risks and which have a fairly high adaptive capacity, limits risk exposure compared with broad global benchmarks.

Results in detail – Corporate assets

Listed equities

Figure 13

Estimated impact on listed equity portfolio across net-zero 2050 and current policies scenarios in comparison with a well-diversified global equity benchmark[1]

Sector	Sector weights		Net-zero 2050		Current policies	
	Investment portfolio	Benchmark	Investment portfolio	Benchmark	Investment portfolio	Benchmark
Fossil fuel	C	C	A	A	C	C
Hard-to-abate manufacturing	C	C	D	C	C	C
Manufacturing and non-fossil fuel mining	A	A	D	D	C	C
Other services	A	A	D	D	D	D
Transportation	C	B	D	D	C	C
Financials	A	A	D	D	D	D
Electric utilities	C	C	C	C	C	C
Buildings	C	C	D	D	C	C

Sector weight (% of listed equity portfolio)

A	High (>10%)
B	Medium (5–10%)
C	Low (<5%)

Impact thresholds[2]

A	Very high risk
B	High risk
C	Moderately high risk
D	Moderate risk
E	Moderately low risk
F	Low risk
G	Opportunity

1 The sector heatmap is calibrated to highlight relative impact per industry sector. Aggregate scenario level impacts are assessed in relation to our definition of financial materiality.
2 High impacts do not necessarily equate to material impacts at Group level.

Overall, the impacts on our global equity portfolio are in line with those of the broad market benchmark under the current policies scenario, and relatively less severe under the net-zero 2050 scenario. Differences with the broad market benchmark result from several factors, including the geographic exposure, different sector weightings and specific security exposure of the portfolio.

Net-zero 2050:
We observe significant transition risk exposure in sectors such as fossil fuel, hard to abate manufacturing (e.g. steel, cement and chemicals), and electric utilities. The elevated carbon intensity in these sectors results in greater exposure to rising carbon prices. However, we note significant variation in impact within the electric utilities' sector, which includes both large carbon emitters, as well as potential enablers of the energy transition. The enablers of the energy transition are expected to benefit from the policy change under this scenario.

Services sectors including financials see significantly smaller exposure. This can be explained by the markedly lower carbon intensity of these sectors. However, for financials, we note that the indirect exposure through the financing of higher-emitting sectors is only partially accounted for through scope 3 emissions data, which can lead to an underestimation of the sector's exposure as a whole.[1]

Current policies:
Physical climate-related risks are estimated to have a meaningful negative impact on the projected returns of the equity portfolio. This is primarily driven by the significant impact on overall economic activity projected by the NGFS in the latest Phase 5 scenarios. Sector variation is more limited, compared with the net-zero 2050 scenario.

1 Scope 3 emissions data include capture emissions that occur along a company's value chain, including through investments. The scope 3 investment component only incorporates the financing of scope 1 and 2 emissions, excluding significant scope 3 emissions from higher-emitting sectors.

Corporate Credit

Figure 14

Estimated impact on corporate bond portfolio across net-zero 2050 and current policies scenarios in comparison to a well-diversified global benchmark[1]

Sector	Sector weights		Net-zero 2050		Current policies	
	Investment portfolio	Benchmark	Investment portfolio	Benchmark	Investment portfolio	Benchmark
Fossil fuel	C	B	E	E	E	E
Hard-to-abate manufacturing	C	C	F	F	E	E
Manufacturing and non-fossil fuel mining	A	A	F	F	E	E
Other services	A	A	F	E	E	E
Transportation	B	B	F	F	E	E
Financials	A	A	F	F	E	E
Electric utilities	B	B	F	E	E	E
Buildings	B	B	F	F	E	E

Sector weight (% of listed equity portfolio)

A	High (>10%)
B	Medium (5–10%)
C	Low (<5%)

Impact thresholds[2]

A	Very high risk
B	High risk
C	Moderately high risk
D	Moderate risk
E	Moderately low risk
F	Low risk
G	Opportunity

1 The sector heatmap is calibrated to highlight relative impact per industry sector. Aggregate scenario level impacts are assessed in relation to our definition of financial materiality.
2 High impacts do not necessarily equate to material impacts at Group level.

The impact on the corporate credit portfolio is in line with a broad market benchmark under the current policies scenario, and relatively less severe under the net-zero 2050 scenario.

We observe that the negative impact on the credit portfolio is an order of magnitude smaller than that on the equity portfolio under both scenarios. This largely reflects the lower-risk of the corporate credit portfolio due to the less volatile nature of the asset class and its focus on investment grade securities. Corporate credit is exposed to interest rate risk, but this exposure is mitigated through the offsetting impact on our liabilities. Credit spread driven impact is not being offset.

Net-zero 2050:
For our corporate credit portfolio, the impacts are directionally comparable to those of the equity portfolio, but more limited. Under this scenario, the fossil fuel sector is projected to experience larger impacts, as carbon prices rise and fossil fuel demand falls. We observe that the overall exposure of our portfolio is smaller than that of the benchmark. This result is driven by both a relatively smaller sector exposure to high carbon intensity sectors such as fossil fuel, and a higher sector exposure to financials which are projected to be relatively less exposed. It is also influenced by a relatively lower exposure to high risk firms within the fossil fuel sector, reflecting our long-standing ESG-integration approach.

Current policies:
We observe a moderately higher impact than under the net-zero 2050 scenario, with impacts broadly similar across sectors. The exposure of our credit portfolio is in line with that of the broad market benchmark.

Real estate

We assessed direct real estate assets across 16 countries. The analysis indicates that the real estate portfolio's exposure to climate-related risks is limited. Physical risk impacts remain stable under both the low- and high-emission scenario, as our real estate portfolio is predominantly located in areas with relatively low exposure to physical risks, particularly in Switzerland and Germany. Supplementary qualitative assessments show exposure to drought, hail, and wind events.

For the assessment of transition risks, the Carbon Risk Real Estate Monitor (CRREM) is used. Approximately 54 percent of the total real estate exposure is identified as CRREM misaligned, meaning these assets' carbon emissions exceed

the CRREM pathway thresholds for the year. Misaligned assets are more vulnerable to negative valuation trends driven by climate change related regulatory changes, evolving tenant preferences, and investor sentiment. CRREM misalignment therefore signals a potential risk. Consequently, these properties have been prioritized for detailed assessment and targeted action to support our climate objectives. This process enables us to identify and implement effective risk management measures, such as site-level assessments and adaptation investments.

Overall, the detailed assessment confirms that the financial impact of climate-related transition risks on our direct real estate portfolio remains limited.

Responses

Climate change-related risks do not pose a major risk to our capital position from a net balance sheet perspective. We note, however, that climate change-related risks can have meaningful impacts on the projected returns of certain asset classes such as equities. The country and industry composition of our portfolios helps to limit these risks, as compared to global representative benchmarks.

We believe that **our multi-faceted responsible investment strategy is adequately flexible to adapt to climate-related risks** highlighted by this analysis and we will continue to strengthen our practices to help us remain resilient to emerging risks. As part of our responsible investor approach and our understanding of climate risks, our security selection approach also takes into account the sustainability related risks and opportunities of our investee companies. For our direct real estate portfolio, the site level assessments helped identify adaptation investment opportunities, leading, for example, to the investment in rooftop solar panel installations and green building certifications.

Our structured and disciplined investment approach is carefully crafted to match liabilities, minimize unrewarded risks and remain stable throughout the macroeconomic cycle. The resulting portfolio is highly diversified across asset classes, sectors and geographies. On an issuer level, both transition risks and opportunities are managed through ESG integration.



Ericson Chan
Group Chief Information and Digital Officer

TCFD E

3.2.3.3 Portfolio level scenario-based climate risk analysis: Own operations and supply chain

Approach
The climate risk assessment for our own operations including suppliers utilizes the risk methodology and proprietary data from Zurich Resilience Solutions to identify and quantify current risks, and anticipate future exposures that could potentially disrupt business operations. This is combined with an assessment of resilience to transition risk drivers for our own operations and by applying an internally developed model to our supply chain to estimate potential changes in supplier financial stability.

Scope
- Owned offices and offices with greater than 10-year lease terms, with more than 100 employees.
- All strategic data centers.
- Suppliers providing critical services to the Group or multiple business units.[1]

Quantification
Residual exposure to physical and transition risks after consideration of implemented business resilience and risk management practices.

Main risk drivers
Physical risk
- Increased frequency and severity of hazards e.g., extreme precipitation, hail, drought that have potential to create interruptions to our operations and supply chain.

Transition risk
- Introduction of carbon pricing.
- Supplier country- and industry-specific risks.

Main findings
Based on the impacts observed, we believe that executing our sustainable operations strategy and in-force risk management process, which focuses on business resilience and monitoring the supply chain, are sufficient to mitigate climate change risk.

1 Zurich Kotak, BOXX Insurance and AIG travel are out of scope for supplier analysis due to ongoing integration activities.

Own Operations
High emissions scenario:
Our offices and data centers are increasingly exposed to very high levels of drought and extreme precipitation across both medium- and long-term horizons. These hazards, alongside wind, tornado, and hail, impact at least 20 percent of locations and are intensifying in the long run. Each hazard poses distinct risks to operations, potentially causing both acute disruptions and chronic impacts.

The transition risk assessment for operations applies internal expert judgment to evaluate climate-related risks identified in the TCFD recommendations, including policy, legal, technological, market, and reputational risks. While global carbon pricing is seen as relevant due to potential inflationary effects, its impact is not considered material given our low carbon intensity and proactive emissions reduction. Expense increases are expected to be lower than under the net-zero 2050 scenario, where carbon prices rise earlier and more sharply, with long-term impacts being more pronounced.

Low emissions scenario:
For the majority of the perils, the physical risk to our offices and data centers remain stable, or is reduced compared with the high emissions scenario.

From a transition risk perspective, inflation-driven expense increases are expected to be higher than under the high emissions scenario, where carbon prices rise more gradually and to a lower peak. However the impact is not deemed material.

Suppliers
High emissions scenario:
The most prominent physical risk perils for supplier locations are (extreme) precipitation, wind, hail, drought, hot days and frost days in both time horizons. The number of locations with very high hazard levels exposure increased the most for (extreme) precipitation. Previous analysis has shown that supplier locations in India are exposed to high hazard risk levels in the long term. This finding is reinforced by our 2025 analysis. This year's analysis also shows an increase in hazard risk levels in the longer term for suppliers in the U.S.

The outcomes of the transition risk assessment in 2025 show low climate-related transition risks for medium- and long-term time horizons. Our internally developed model ranks countries and sectors according to their exposure to climate risks and estimates potential changes in credit spread (cost of financing) and risk of default.

- Countries: The model shows that our suppliers of critical services face moderate to low climate risks. Our exposure to countries with the most significant climate risks is limited. The exception is India, where several critical suppliers are based and/or have significant in-country operations.

– Sectors: The model shows that our suppliers of critical services operate in industries with low exposure to climate risks. Most critical suppliers operate in the information and communication sector.
– Credit spread and risk of default: The model shows a minor increase in credit spread and risk of default due to transition risks for our suppliers of critical services, relative to a baseline of no climate change. This implies that transition risks are not considered to materially impact supplier financial stability, which therefore creates minimal additional risk of business interruptions in our supply chain.

Low emissions scenario:
The outcomes of the physical risk analysis remain largely consistent in this scenario compared with the high emission scenario. The risk for supplier locations remains stable, or is moderately lower for most perils compared with the high emission scenario. The exception is the risk of (extreme) precipitation in the 2050 time horizon, which increases under this scenario.

The overall outcomes of the transition risk analysis are consistent with the high emission scenario. However the potential impacts are even lower as climate mitigation measures are implemented earlier and gradually over time.

Responses

Each climate hazard presents specific operational risks for our business and supply chain. We respond to these risks by **implementing targeted adaptation measures** at our locations and maintaining strong business resilience plans. This integrated approach aims to ensure we not only identify and assess climate risks, but also **proactively manage** them through key measures **to protect our operations, to support our customers, and to safeguard critical business functions even under climate stress**.

Key measures include:

– Critical office processes are included in business continuity plans, reviewed and updated annually to address evolving risks.
– Backup and recovery capabilities for data centers are tested every year.
– Supplier resilience is assessed through due diligence, monitoring, and minimum standards, with plans tested as needed. Suppliers have shown high resilience when severe weather events occurred at their locations, with no material service outages recorded. Mobile technology and flexible supply chains, especially in IT and telecommunications, further reduce vulnerability to disruptions.

If any office location was identified with insufficient resilience measures, flexibilities in our real estate strategy would allow for a relocation. Further flexibility in our operating model is supported by ongoing support for remote and hybrid working models.

3.2.3.4 Portfolio level scenario-based climate risk analysis: Fee Income Farmers Group, Inc.

We performed a qualitative analysis of factors (e.g., change in transportation mode) which may influence fee income received from Farmers Group, Inc. (FGI). Our analysis sees no material impacts to fee income received from FGI.

3.2.3.5 Portfolio level scenario-based climate risk analysis: Conclusions

Modelled **impacts of climate change are noted to increase compared with previous years, though on aggregate remain below our materiality thresholds**. Developments to underlying scenarios are noted as the primary driver of change. Analysis shows that **our customer-focused approach and diversified portfolios, supported by strong risk management practices, continue to provide the resilience and flexibility necessary to be able to adapt to the climate change impacts observed**. Analysis outcomes do not suggest impacts to access to capital over the medium term.

3.2.3.6 Our integrated modeling approach

Overall approach
For the first time this year, the scenario-based climate risk analysis is based on an internally developed model, enabling a more robust and nuanced understanding of the risks and opportunities associated with climate change and the energy transition. The internal model further allows consistency between the various functions by providing a unified set of inputs for the respective climate risk assessment.

The analyses take as a starting point the global macroeconomic projections from the NGFS in terms of economic growth and inflation across climate scenarios. The global impact is then distributed across countries and industries, based on their estimated exposure to physical and transition risk. A data-driven approach is used to estimate exposures.

Underwriting:
Building on the NGFS macroeconomic projections, for our assessment of the P&C and Life protection portfolio, we model both impacts to insurance demand as well as potential changes to loss experience over the medium term. Our scope covers all P&C lines of business across our commercial and personal lines portfolio on an aggregated industry sector approach (as illustrated in Figure 12). For Life, the scope covers the entire Life protection portfolio. The macroeconomic factors are supplemented by industry statistics, claims information, expert judgment on potential claims

developments where we see the potential for significant impacts to underwriting demand or losses. For the modeling of P&C losses from acute physical risks, we align with our internal natural catastrophe model view of risk, creating consistency with our natural catastrophe view used for capital modeling. For Life, we focus on diseases that may be exacerbated by rising temperatures and assess their potential impact on future losses.

Investments:
We adopt a scenario-based approach to understand potential climate-related impacts to asset projected returns and to our capital position. This approach allows us to assess the strategic implications of climate change beyond the short-term financial cycle horizon. The approach considered is top down, drawing financial implications for our investment portfolios from expected changes in macroeconomic conditions driven by both transition and physical climate risks across various horizons and climate scenarios.

Country and industry-level macroeconomic effects are mapped to asset price impacts at the security level, based on empirical macro-finance relationships that hold across the business cycle. We also rely on geolocation data to capture the geographical footprint of a firm's operations and thus better assess firm-level exposure to physical risk.

In the Climate Risk Model, investments are categorized into sovereign bonds, corporate credit, listed equities, other duration assets (ODA) and other non-duration assets (including cash, private equity and hedge funds). Equities, corporate credit, and sovereign bonds have dedicated valuation models that account for their specifics. Liabilities and ODA (including private debt, mortgages and other fixed income) are modeled similarly to sovereign bonds, being exposed to interest rate risk. For liabilities, other market risk factors that influence the value of liabilities via policyholder participation (e.g., equity, credit and real estate) and non-market risk factors (e.g., increasing mortality trend or higher claims due to hailstorms) are not modeled within the investment climate risk assessment.

Investment vehicles and ETFs, unless they have a specific geographical exposure focus, are assigned the average world climate risk impacts and no look-through is applied. Additionally, no specific treatment for green bonds is applied.

Long-term climate risk exposures that go beyond the maturity of fixed income securities are assessed. We do this by adopting a going-concern approach with a rolling balance sheet which implicitly rebalances the portfolio annually to keep its composition constant over time. This assumption abstracts from potential management responses and corresponds to a risk exposure given the current balance sheet composition.

Real estate is modeled separately and aggregated in the final results. The climate physical risk assessment is carried out using the ZRS methodology and proprietary data, which enables a robust evaluation of both current and future hazard exposure of our investment properties. The analysis covers 11 key natural hazards and produces a multi-hazard ranking highlighting locations with the highest likelihood of being impacted by climate-related events in the near and medium term.

To quantify the potential economic impact of climate events, a financial analysis is conducted. Currently, this is only done for the flood peril – one of the most significant risks impacting real estate asset values for investors – by estimating losses for each asset from 100-year climate tail risk events. This includes estimating losses from property damage and business interruption due to flood events. The primary driver of damage is flood height, while key influencing factors include the number of stories below ground, stories above ground, building material, and building age. For all other perils (including flood), vulnerability quantifications are based on market values.

For transition risk assessment, we used the real estate industry benchmark Carbon Risk Real Estate Monitor (CRREM) version 2, 1.5°C scenario, aligned with the Science Based Targets Initiative's (SBTi) net-zero targets.The CRREM model allocates energy and carbon budgets (kg CO_2e/m^2) based on each asset's country and type. We apply a carbon cost to any excess emissions, and project these figures through to 2050. The analysis assumes a business-as-usual approach, with no further asset-level optimization to reduce carbon footprint. On the qualitative side, we identify each asset's CRREM misalignment year – the first year in which a building's carbon intensity is expected to exceed its allocated 1.5°C target. This science-based indicator serves as an early warning, helping us to proactively address potential transition risks.

Own operations and supply chain:
We consider potential physical risk impacts to our own offices, strategic data centers, and supply chain[1] by using Zurich Resilience Solutions' (ZRS) methodology and proprietary data, aligned with the approach for our real estate investment portfolio. Transition risk is assessed both qualitatively and quantitatively. Risk drivers are qualitatively evaluated for relevance, materiality and likelihood, with a focus on potential mitigation or adaptation costs impacting operating budgets. Our quantitative analysis adopts an approach consistent with that adopted for our investment analysis and assumes significant negative impacts to supplier financial position as an indicator of additional operating cost and/or critical service disruption risk.

1 Zurich Kotak, BOXX Insurance and AIG travel are out of scope for supplier analysis due to ongoing integration activities.

3.2.3.7 Assumptions and limitations

Climate change modeling is an evolving field, and changes to the model and scenarios should be anticipated. In addition, any model contains a certain level of simplification. In the case of climate risk, simplifications may be dictated, among others, by the lack of relevant and granular data, limited history of real-world response of the economy to climate change, and general uncertainty contained in the long-term developments of each scenario. Some of these model limitations may overstate while others may understate climate risk. Our analyses rely on a number of assumptions, including:

- We assume a static (and rolling) balance sheet approach to better isolate potential medium-to-long-term impacts of climate change, in both the underwriting and investment analysis. Static implies quantified impacts assume no strategic reaction to the risks identified, and no movements in pricing to adapt to changing conditions; broadly this can be described as the decision-makers not adapting the strategy to the evidence of climate change that happens as time passes in the model. While we recognize that this approach may overestimate longer-term impacts on our portfolio and limit the use of our model output for strategic implications, it provides an initial view of exposures before mitigation, serving as a foundation for evaluating potential risk reduction measures.
- We rely on externally sourced global macroeconomic projections from the NGFS in terms of economic growth and inflation across climate scenarios as a key input of the model. This is standard and constitutes a well-recognized source of data among the financial and insurance industry.
- The analysis of our investments considers cumulated impacts of climate change to investment returns by 2050, which are then discounted. This is a suitable way to compare and assess impacts, but it is important to stress that the actual impact on economic activity and returns will be realized in the future, and that timing differs across scenarios.
- As climate change progresses under a current policies scenario, adaptation at individual, company, and state level is expected to increase resilience to physical risks and reduce losses in our underwriting portfolio. Likewise under the net-zero scenario maturing transition technologies can reduce underwriting losses. The impact of macroeconomic and industry sector developments on insurance demand also may not follow the linear dynamics assumed in underwriting modeling, e.g. increasing the demand for natural catastrophe insurance despite increased physical risk leading to general economic contraction. These factors are not captured in the scenario analysis.

3.2.3.8 Other climate risk assessment outcomes: litigation risk and reputational consequences

Our management of climate risk considers both litigation risk and reputational consequences.

Litigation risk: We closely monitor developments potentially impacting litigation-related risks and take actions to address them proactively.

Reputational consequences: We recognize the heightened public scrutiny that accompanies our climate-related ambitions and that any failure (real or perceived) to deliver on our objectives and targets could have an impact on our reputation. We believe our approach and clearly defined supporting activities, as outlined in our transition plan, our strong internal focus on delivery, monitoring through the governance structures described in Chapter 2. Governance (see pages 138 to 140) and transparent public disclosure on progress, mitigate this risk.

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3.3 Our targets and metrics

We use numerous indicators across our underwriting and investment activities, as well as our own operations and supply chain, to monitor, assess and manage climate-related impacts to, and of, our business. This section outlines the main targets underpinning our climate transition plan and lists the key performance indicators (KPIs) we track.

The targets and metrics used to assess and manage relevant climate-related risks and opportunities

3.3.1 Our targets

Our commitment to net-zero focuses primarily on supporting emissions reduction in the real economy. We believe we can best achieve this by focusing on engagement with our customers and investee companies, and accompanying their transition. This reflects our principle, which holds that the financial service industry's most effective contribution to fighting climate change derives from assisting, incentivizing, and encouraging our investee companies, customers, suppliers and other stakeholders, keeping them at center stage as they determine and shape their own decarbonization pathways. We hold ourselves to the same standards, striving to lead by example with our own operations.

Outlined below are the targets we have set to align our business activities with the net-zero commitment, together with our 2025 performance against those targets.

Table 4
Our net-zero commitment and targets



Enabling an economy-wide net-zero transition

Area	Definition	Targets[1]	2025 performance
Reduction of financed emissions	Reduce the intensity of emissions (scope 1 and 2) of listed equity and corporate bond investments, in terms of metric tons of CO2e per USD million invested (base year 2019).[2]	2030: (55%)	(59)%
	Reduce the intensity of emissions of direct real estate investments, in terms of kilograms of CO2e per square meter (base year 2019).	2030: (45%)	2024: (36)%
Reduction of insurance-associated emissions intensity	Reduce the intensity of insurance-associated emissions (IAE)[3] in our large corporate customer portfolio (base year 2022).	By 2030: (20%)	2025 (initial estimate)[4]: (10.6)% 2024: (14.1)%
Engagements with our investees	Engagements with high-emitting companies which currently do not have credible science-based targets.	2030: 20	4
Engagements with our customers	Conduct engagements with our large insurance customers, who are amongst those contributing most heavily on to our portfolio emissions and where our direct relationship means we have a greater degree of interaction,[3] on their transition-related objectives, opportunities and challenges.	Sept. 24 - Sept. 25:[5] 65 By 2030: 450	76 Sept. 24 - Sept. 25: 77 engagements conducted √ **Interim target achieved**
Climate solutions	Allocation to climate solutions investments of proprietary portfolio	2030: 6% of AuM	6.9%
Sustainable revenues[6]	Profitably expanding our range of sustainable products and services.	Grow revenues	24.3%

1 A 2030 target is defined as using year-end 2029 values (e.g., reduction of financed emissions). By 2030 target (e.g., for reduction of IAE intensity) is defined as using year-end 2030 value, similarly by 2025 target (e.g., for operational emissions) is defined as using year-end 2025 value.
2 Attributed with enterprise value methodology and matched based on most recently available emission data.
3 Determined by scope 1 and 2 for our customers' emissions using the Partnership for Carbon Accounting Financials (PCAF) insurance-associated emissions methodology for commercial lines, covering customers with revenues greater than USD 1 billion. For further details, see section Insurance-associated emissions on page 164.
4 2025 data is based on an initial estimation for our 2025 portfolio emissions based on the relevant 2025 in-scope portfolio premium, however relying on previous years' reported customer emission data.
5 In the 12 months following the publication of our climate transition plan in September 2024.
6 Sustainable revenues include revenues from sustainable environmental, social and investment solutions. Further details can be found in section 4.2.1 Revenues from sustainable solutions on pages 179 to 182.



Evolving how we operate

Area	Definition	Targets	2025 performance
Reduction in operational emissions[1]	Total emissions: absolute reduction in all operational emissions (base year 2019)	By 2025: (60%) By 2029: (70%)	68.8% √ Target achieved
Suppliers with net-zero targets	Percentage of managed procurement spend (MPS) that is with suppliers having science-based targets to reduce emissions.[2,3]	By 2025: 75%	67.7%
	Percentage of managed procurement spend that is with suppliers having science-based targets to reach net-zero.[2,4]	By 2030: 75%	62%

1 Zurich Cover-More, Farmers Group, Inc. and its subsidiaries, our joint ventures with Banco Sabadell and Banco Santander, smaller businesses like Real Garant and Orion, as well as our acquisition Zurich Kotak are excluded since they were not reflected in the CO2e emissions baseline in 2019.
2 MPS means the spend of approximately USD 2 billion annually managed centrally by Zurich's Procurement and Supply Chain Management function on goods and services that are required to enable Zurich to maintain and develop its operations. In 2025, we successfully reduced the MPS reporting time lag thanks to a series of technical improvements. As a result, the reported MPS values now reflect the period from October 2024 through September 2025.
3 We consider a supplier to have science-based targets when their emission reduction targets are approved by a scientifically accredited body or otherwise require a reduction of at least 42 percent in scope 1 and 2 emissions by 2030.
4 We consider a supplier to have net-zero targets when their net-zero target is approved by a scientifically accredited body or otherwise has a public target to neutralize any residual scope 1 and 2 emissions by 2050.

3.3.2 Our performance metrics

This section highlights the key metrics we use to measure and manage climate-related risks and opportunities.

Underwriting

Table 5
Our underwriting key performance indicators

Area	Definition	2025	2024	By 2030 Targets[1]	Further details
Reduction of insurance-associated emissions intensity	Reduce the intensity of insurance-associated emissions (IAE) in our large corporate customer portfolio by 2030 (base year 2022).	Initial estimate: (10.6)%[2]	(14.1)%	(20)%	See section Insurance-associated emissions on page 164.
Engagements with our customers	Conduct engagements with our large insurance customers, who are amongst those contributing most heavily to our portfolio emissions[3] and where our direct relationship means we have a greater degree of interaction, on their transition-related objectives, opportunities and challenges.	76	7[4]	450	See section Engagement on page 165.
	Between September 2024 and September 2025, conduct engagements with 65 customers, who are amongst those contributing most heavily to our portfolio emissions[3] and where our direct relationship means we have a greater degree of interaction, on their transition-related objectives, opportunities and challenges.	77 √ Interim target achieved			

1 A 'by 2030 target' is defined as using year-end 2030 value.
2 2025 data is based on an initial estimation for our 2025 portfolio emissions based on the relevant 2025 in-scope portfolio premium, however relying on previous years' reported customer emission data.
3 Determined by scope 1 and 2 for our customers' emissions using the Partnership for Carbon Accounting Financials (PCAF) insurance-associated emissions methodology for commercial lines, covering customers with revenues greater than USD 1 billion. For further details, see section Insurance-associated emissions on page 164.
4 Includes five customer engagements conducted as a pilot of our engagement approach in 2024. These are not counted towards the target of engaging with 65 large insurance customers in the first year from publication of the climate transition plan (September 2024 to September 2025), as they happened before September 2024. These engagements do however count towards the 450 by 2030 target.

Insurance-associated emissions (IAE)

Supporting our commitment to align our insurance portfolio to net-zero by 2050 we have set an interim target to reduce the **IAE intensity** of our portfolio of large corporate customers, defined as customers with more than USD 1 billion in revenues, **by 20 percent by 2030**[1] from a 2022 baseline.

This scope has been chosen as our focus is on creating real-world impact and allows us to prioritize engagement with customers who can make the greatest contribution to emission reductions and where our direct relationship means we have a greater degree of interaction. The availability of reported emissions also tends to be higher for larger companies, allowing for greater certainty in target reporting and achievement.

Building on the experience gained in our baseline calculation, we further developed and strengthened our data quality assurance process to enhance the quality of external data feeding into both the baseline and subsequent annual emission calculations. Applying this process led to a re-baselining of our 2022 IAE intensity from 234 to 206 metric tons CO2e/USDm and of our absolute IAE from 1.7 to 1.5 million metric tons CO2e.

Limitations caused by the systematic lag in publication of customer emission and revenue data, as well as the non-linear nature of customer transition plans, and the impact of external market dynamics such as insurance cycles and inflation, impact IAE intensity and year-on-year progress against targets over time. Therefore, while we expect to achieve our 'by 2030 target', this will likely not follow a linear reduction path.

We provide annual emissions for 2023 and 2024 and our progress towards our IAE intensity reduction target in Table 6 below. By 2024, our emission intensity reduced 14 percent against our 2022 baseline. This reduction over the two reporting years was mainly driven by emission reductions of our customers, supported by customer revenue growth.

To provide an outlook for the potential IAE results in the next reporting period, we have run an initial estimation for our 2025 portfolio emissions based on the relevant 2025 in-scope portfolio premium, however relying on previous years' reported customer emission data.[2] This initial estimate brings our IAE intensity for 2025 to 185 metric tons CO2e/USDm, a 5 percent increase compared with 2024, and a 10.6 percent decrease compared with our 2022 baseline. The total IAE increased to 1.5 million metric tons of CO2e, an increase of 4 percent compared with 2024, and a 2 percent decrease compared with our 2022 baseline. The increase in this outlook can be mainly attributed to M&A activity by customers, requiring us to default to the use of industry average emissions.

Table 6
Insurance-associated emissions from large corporate customers[1]

	2025 (initial estimate)[2,3]	2024[4]	2023[4]	2022 (baseline)	% Reduction (against baseline) for 2025 (initial estimate)[2]	% Reduction (against baseline) for 2024	Target by 2030[5]
Absolute insurance-associated emissions[6] (Million metric tons CO2e)	1.5	1.4	1.4	1.5	(2.0)%	(6.3)%	
Insurance-associated emissions intensity[6] (Metric tons CO2e/USDm)	185	177	179	206	(10.6)%	(14.1)%	(20.0)%
PCAF weighted average data quality score (1 to 5)[7]	2.8	2.7	2.8	2.8			

1 In line with PCAF Standard Part C, Insurance-Associated Emissions (version 2022), except the exclusion of the trade credit portfolio. PCAF proposes that insurance-associated emissions are reported as a supplementary accounting note to scope 3 category 15 (Investments). Those emissions should not be aggregated with financed emissions.
2 This estimate is included as an outlook on the potential development of our 2025 IAE and IAE intensity for FY2025. This will be superseded by final results in our 2026 sustainability report.
3 Gross written premium (GWP) from our large corporate customers (revenues greater than USD 1 billion) used for the 2025 initial estimate amounted to 26 percent of total commercial insurance GWP.
4 GWP from our large corporate customers (revenues greater than USD 1 billion) amounted to 27 percent of our total commercial insurance GWP for both 2023 and 2024.
5 A 'by 2030 target' is defined as using year-end 2030 value.
6 Insurance-associated emissions cover scope 1 and 2 of insured companies. For more details, refer to appendix 6.3 Methodologies on pages 209 to 211.
7 For further details on the PCAF weighted average data quality score, refer to appendix 6.3 Methodologies on pages 209 to 211.

1 A 'by 2030 target' is defined as using year-end 2030 value.
2 An updated final result will be provided in the 2026 sustainability report.

Engagement

We engage our insurance customers to better understand where they are in their transition, their needs and priorities, and to deepen our understanding of the technologies, barriers and dependencies involved in their industries' transitions. The insights we gather inform where we need to further develop our capabilities so that we can offer appropriate insurance solutions and expertise to support our customers.

Our focus is on creating real-world impact, so we prioritize engagement with customers who can make the greatest contribution to emission reductions and where our direct relationship means we have a greater degree of interaction. In our climate transition plan, we set the target to engage **with 450 of our large insurance customers** who are amongst those contributing most heavily to our portfolio emissions by 2030[1] and where our direct relationship means we have a greater degree of interaction. For the purpose of progress reporting against our target, we consider an engagement to be conducted after the first content exchange with the customer has taken place.

From September 2024 to September 2025, we conducted engagements with **77 insurance customers, exceeding our target of 65 engagements within the first year of publication of our climate transition plan**. These engagements allow us to further strengthen our customer relationships and demonstrate our commitment to supporting their net-zero journeys. By taking the time to understand our customers' transition plans, strategies, and challenges, we conduct exchanges that are meaningful and tailored to their specific circumstances. These discussions have highlighted various common challenges that our clients face, for example, in managing the transition to sustainable energy, where grid constraints as well as delays in obtaining relevant permits can slow down progress, or in reducing emissions in their supply chain. These discussions help to inform where we need to strengthen our data capabilities, deepen expertise, and develop insurance solutions and services to support this transition. For further details, see 4.2.3 Innovating for our commercial customers on pages 183 to 185.

Table 7
Engagements with our customers

	Unit	Total to date	2025	2024	Target by 2030[1]
Engagements	Number of customers	83	76	7[2]	450
Engagements from September 2024 to September 2025	Number of customers		77 **Sept. 24 to Sept. 25**		65 √ **Interim target achieved**

1 A 'by 2030 target' is defined as using year-end 2030 value.
2 Includes five customer engagements conducted as a pilot of our engagement approach in 2024. These are not counted towards the target of engaging with 65 large insurance customers in the first year from publication of the climate transition plan (September 2024 to September 2025), as they happened before September 2024. These engagements do however count towards the 450 by 2030 target.

1 Determined by scope 1 and 2 for our customers' emissions using the PCAF insurance-associated emissions methodology for commercial lines, covering customers with revenues greater than USD 1 billion.

Investments

The following section shows the progress we have made with our responsible investment strategy in 2025 and prior to that. Our responsible investment strategy successfully manages our proprietary investment assets, focusing on improving the financial performance, transparency and positive impact of our portfolio. Our strategy comprises three pillars (1. ESG integration, 2. impact investing and 3. advancing together) while consistently integrating climate action, and following a group-wide approach on exclusions. These pillars are linked with our climate targets and selective exclusion screens.[1]

Table 8
Our investments' climate-related key performance indicators

Area	Definition	2025	2024	2030 Targets[1]	Further details
Climate solutions	Allocation of AuM of our proprietary investment portfolio to climate solutions investments.	6.9%	6.5%	6%	See section Climate solutions on page 166.
Engagements with our investees	Engagement with high-emitting companies which currently do not have credible science-based targets.	4		20	See section Engagement on page 167.
Reduction of financed emissions	Reduce the intensity of emissions (scope 1 and 2) of listed equity and corporate bond investments, in terms of metric tons of CO2e/USDm invested (base year 2019).	(59)%	(54)%	(55)%	See section Financed emissions on page 168.
	Reduce the intensity of emissions of direct real estate investments, in terms of kilograms of CO2e per square meter (base year 2019).		(36)%	(45)%	

1 A '2030 target' is defined as using year-end 2029 values.

Climate solutions investments

Environmental impact investments

In 2025, we further increased our climate solutions investments to a total of USD 12.2 billion. The increase in climate solutions investments was mainly driven by the increase of green bonds and targeted private equity investments focused on pioneering circularity. For further details on our impact investments, see section Impact investing on page 171.

Table 9
Climate solutions

	2025	2024	Target / Ambition
Climate solutions investments (in USD millions)	**12,202**	**10,442**	
of which environmental impact investments[1]	7,195	5,936	
of which green certified buildings[2]	5,007	4,506	
Climate solutions as percentage of proprietary portfolio	6.9%	6.5%	6%
Million metric tons CO2e avoided through environmental impact investments (ambition)	3.4	3.9	5

1 Values refer to the environmental share of our impact investments displayed in Table 18 Impact investing portfolio on page 171 and consists of green bonds, and the environmental share of impact private equity and impact infrastructure private debt.
2 Green certified buildings based on balance sheet investments, including buildings used by us. Values refer to the share of green certified buildings of our global real estate portfolio displayed in Table 10: % green certified buildings in total real estate on page 167.

In 2025, to break ground when it comes to resilient infrastructure investments, we, alongside other Insurance Development Forum (IDF) members, played a key role in developing the Infrastructure Resilience Development Fund (IRDF) blueprint, supporting its successful launch and first close at USD 340 million. The IRDF targets resilient infrastructure projects in emerging and developing economies, including clean water, energy, and healthcare facilities. The innovative fund structure is designed to meet insurance sector investment criteria, aiming to close natural catastrophe protection gaps while delivering positive social and environmental impacts. The first investment will provide financing for the company operating the power transmission system in Guatemala.

1 For the full details, refer to our Responsible Investment white paper.

Green certified buildings

Having reached our 30 percent target a year ahead of schedule, we now aim to maintain the share of green certified buildings at 30 percent. This year, our total certified buildings represent USD 5 billion in value, meaning that 36 percent of the real estate portfolio consists of green certified buildings.

Table 10

% green certified buildings in total real estate[1]

	% green certified buildings	
	2025	2024
Zurich Global Real Estate Portfolio	**36%**	**35%**
APAC	15%	17%
EMEA	35%	34%
Americas	46%	48%

1 Market-value weighted and based on balance sheet investments, including buildings used by Zurich.

Engagement

Stakeholder engagement

Our engagement is composed of multiple complementary approaches to drive progress on sustainability topics including climate action. To achieve systemic change and influence real economy emissions, we leverage stakeholder engagement to drive systemic change:

- **Asset manager engagement**: As an asset owner, our relationship with asset managers is one of the most impactful levers we use to drive market change. We express our responsible investing expectations to our asset managers and leverage on the strong relationships we already have.
- **Policy engagement:** We advocate for effective climate policies and we are working in expert groups to provide guidelines to the industry.
- **Industry engagement:** We support sector initiatives and member-led organizations to advance responsible investment practice.

For further details, see also section 1.2 Stakeholder overview on pages 134 to 137.

Company engagement

We recognize that achieving real-world emissions reductions requires more than just divesting from carbon-intensive companies; it means actively engaging with them to support their transition to sustainable practices. Our company engagement approach focuses on two main ways:

- **Multilateral engagement:** When an investee company is already covered by an investor-led initiative, we work with the broader market by supporting the investor-led engagement initiative.
- **Bilateral engagement:** We aim to initiate a direct dialogue geared towards gathering information, assessing their approaches to decarbonizing their business activities, as defined in a transition plan, and encouraging progress as part of our ESG integration strategy, while they shape their own decarbonization pathways.

Our engagement efforts are targeted where we can achieve the greatest impact. Based on our past engagement experience, we refined our efforts by prioritizing bilateral engagement with a selected group of 20 companies that offer significant potential to reduce real-world emissions and set targets aligned with the Paris Agreement. This is in addition to the multilateral engagements we participate in, where we focus on the world's largest corporate greenhouse gas emitters.

- We use a data-driven approach to assess companies' emissions profiles and transition strategies as the basis for our engagement.
- Where investee companies are also insurance clients, we coordinate closely with our underwriting sustainability team. We further collaborate with our asset managers to align perspectives and share insights, ensuring a holistic engagement approach.
- Where necessary, we may escalate our response, including exercising our voting rights at shareholder meetings. In rare instances, we may restrict investment activities with companies following unsuccessful engagement.

Bilateral engagement progress

In 2025, we initiated engagement with a targeted group of companies to support their transition planning and decarbonization strategies, underscoring the scope and ambition of our structured bilateral engagement campaign. The initial phase of the engagement process provided valuable insights into each company's unique journey and readiness for change. Companies vary widely in their readiness to decarbonize, with many facing structural challenges. In such cases, we aim to agree on clearer interim targets, capital expenditure plans, and business line transition details to properly assess progress.

Table 11

Engagements with our investees

	Unit	2025	Target 2030[1]
Engagements	Number of investee companies	4	20

1 A '2030 target' is defined as using year-end 2029 values.

Financed emissions

We measure and report absolute and intensity emissions for our proprietary corporate portfolio (listed equity and corporate bonds), sovereign bonds and direct real estate, covering approximately 60 percent of the total portfolio.

Corporate portfolio

In 2025, we entered a new interim target cycle for our 2030 emission intensity reduction targets. To capture factors such as local market considerations, sector diversification, and past and projected pathways of emissions, we have cascaded our global portfolio target into local objectives as in the previous cycle.

In 2025, we reduced our financed CO2e emission intensity by 59 percent against the 2019 baseline. The 2030 target is 55 percent reduction. Our absolute financed emissions declined over the same period by 62 percent against the 2019 baseline.

Table 12

Absolute emissions of the corporate portfolio

	In scope AuM (in USD billions)			Absolute financed emission (million metric tons CO2e)[2]			
	2025	2024	2019 (Baseline)	2025	2024	2019 (Baseline)	% Reduction (against baseline) for 2025
Corporate portfolio[1]	**54.8**	**46.6**	**58.5**	**3.1**	**2.9**	**7.9**	**(62)%**
Listed equity	9.1	6.9	10.6	0.4	0.4	1.0	(58)%
Corporate bonds	45.7	39.7	47.9	2.6	2.5	7.0	(62)%

1 In order to provide a comprehensive overview, details including prior year data are shown in the appendix 6.4 Investments – KPI yearly progress on pages 211 to 214.
2 Absolute financed emissions in million metric tons CO2e. Financed emissions cover scope 1 and 2 of underlying companies attributed with enterprise value methodology and matched based on most recently available emission data. For more details, refer to appendix 6.3 Methodologies on pages 209 to 210 .

Table 13

Emission intensity of the corporate portfolio

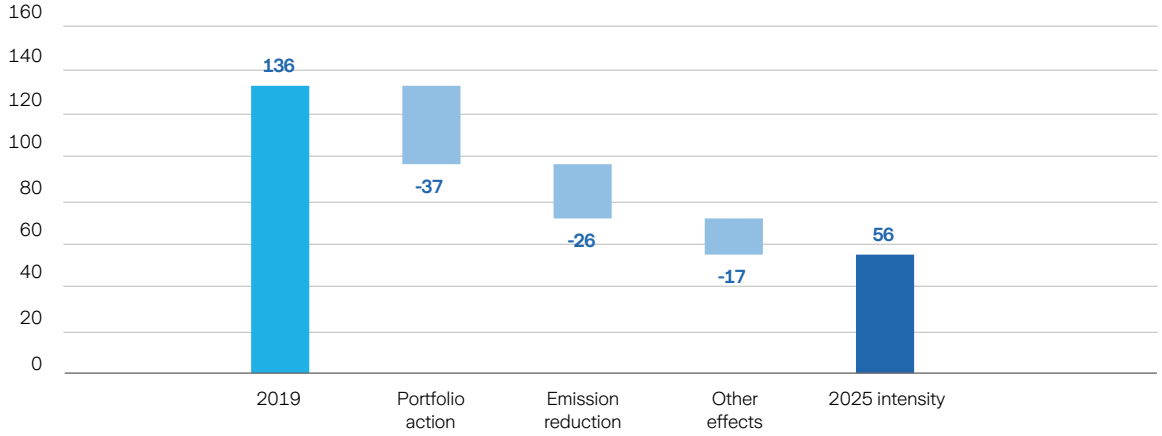
	Emission intensity (metric tons CO2e/USD millions market value)					% of financed emissions in run-off under coal/oil sand policy
	2025	2024	2019 (Baseline)	% Reduction (against baseline) for 2025	Target 2030	2025
Corporate portfolio[1,2]	**56**	**62**	**136**	**(59)%**	**(55)%**	**4.6%**
Listed equity	44	52	90	(51)%		
Corporate bonds	58	64	146	(60)%		

1 Emission intensity in metric tons CO2e/USDm market value. Financed emissions cover scope 1 and 2 of underlying companies attributed with enterprise value methodology and matched based on most recently available emission data.
2 A comprehensive overview, including prior year data is shown in appendix 6.4 Investments – KPI yearly progress on pages 211 to 214.

This reduction in financed emissions was mainly driven by **changes in portfolio composition** and **structural emission reductions** of our portfolio companies, but also benefited from higher equity valuations during 2025. Financed emissions in run-off increased marginally, reflecting higher emissions reported by a key contributor. This development underscores the importance of maintaining our approach to define the business activities for which we have limited investment appetite.[1]

1 For further details, see www.zurich.com/sustainability/governance-and-positions/our-positions.

Figure 17
Breakdown of reduction in financed emissions
Intensity change attribution (in metric tons CO2e/USD millions)



Portfolio activities are estimated to contribute the majority of the intensity reduction over the past six years. Portfolio activities are changes in our portfolio composition, when we allowed high-emitting positions to mature without reinvesting in the same issuer or by actively divesting from high-emitting positions and reinvested capital in new positions of lower-emitting companies. Real-world emission reduction reported by our portfolio companies are estimated to contribute one-third of our emission intensity reductions. Other effects mainly refer to currency effects and timing lags but can also include data updates.

Uncertainties and dependencies
Our experience demonstrated the need to consider both absolute and relative indicators when measuring the emission performance of portfolios. Relative indicators are sensitive to changes in company valuation, whereas absolute emissions are sensitive to strategic shifts in asset allocation. It is important to reiterate that capital market price changes have a significant impact on reported financed emissions based on the formula applied, resulting in the sensitivity of reported targets. In the long run, it remains our view that alignment with the NZAOA methodology will provide us with a stable and robust metric describing the trajectory of our emission reduction pathway, but we expect a high level of volatility of intensity and financed emissions numbers driven by the current political sentiment and potential for financial market volatility.

Further, it is important to note that the real economy is not moving at the pace at which we have reduced our financed emissions. In fact, the current Nationally Determined Contributions (NDC) under the Paris Agreement would still put the world at 2.1°C-2.4°C above pre-industrial levels, which is far above the ambition of the Paris agreement of 1.5°C.[1] This means that the financial markets' emissions reductions are largely a result of portfolio reallocation, shifting capital to more sustainable investments and hence divesting from heavy-emitting companies. While we can regard the reductions as a testament to portfolio reallocation and as an important demonstration to the rest of the investment ecosystem that decarbonization is possible, the actions must be pursued with urgency in the real economy. Moreover, we should also be cautious about projecting achievements to the future.

1 www.unep.org/resources/emissions-gap-report-2025

Sovereign portfolio
For 2025, the CO2e emissions financed through our global sovereign debt portfolio amounted to 6.8 million metric tons CO2e. This corresponds to an emission intensity of 134 metric tons CO2e/USDm.

Table 14
Absolute emissions and emission intensity of the sovereign bond portfolio[1]

	In scope AuM (in USD billions)		Absolute financed emission (million metric tons CO2e)[2]		Emission intensity (metric tons CO2e/USD millions)[3]	
	2025	2024	2025	2024	2025	2024
Sovereign portfolio	**45.8**	**43.9**	**6.8**	**7.6**	**134**	**159**

1 Our sovereign bond portfolio is a result of its geographic and business footprint. Disciplined ALM practices and, in some cases, insurance regulation requires us to hold substantial amounts of minimum-risk assets denominated in local currency to back local liabilities. We do not generally manage any multi-currency sovereign bond portfolios that would allow ESG factors to influence issuer selection.
2 Scope 1 (production-based approach) excluding Land Use, Land-Use Change and Forestry (LULUCF) – USD GDP-PPP.
3 Based on Nominal Value.

Issuer emissions for sovereign debt are comprised of scope 1 greenhouse gas emissions, which represent production emissions occurring within the country but do not include land use, land use change, and forestry (LULUCF), owing to uncertainty in data. We use a methodology, which is based on the current version of the PCAF's Global GHG Accounting and Reporting Standard.[1] While we measure the financed emissions for sovereign bonds, these assets are not covered by an emission reduction target.

Direct real estate portfolio

In 2025, we began enhancing our direct real estate emission data collection process by using AI technologies, such as invoice-scraping tools, to further automate our data collection. To address the inherent delays in processing energy invoices, we also initiated the implementation of an estimation methodology. While the methodology is still being refined, it already provides a reliable basis for generating preliminary emissions figures and strengthens the overall reporting process.

For 2024, metered data[2] is complete and reflects emissions of 13.7 kg CO_2e/m^2 – a 36 percentage reduction compared with the baseline year. The reduction in metered data for 2024 is mainly due to ongoing asset sales following a strategic asset allocation process, continuous optimization measures, and the capital expenditure program in Switzerland. Applying our developing estimation methodology for missing invoices results in an additional 4,992 t CO_2e, yielding an estimated total emission intensity of 16.2 kg CO_2e/m^2.

For 2025, metered data is, for most of the portfolio, specifically for EMEA, limited to the first three months of the year. This partial dataset explains the lower preliminary metered value for 2025 and the correspondingly higher estimation supplement. As our methodology continues to mature throughout the year, we expect the accuracy and completeness of our estimates to further improve.

Table 15

Absolute emissions of the direct real estate portfolio[1]

	In scope AuM (in USD billions)				Absolute emission (metric tons CO_2e)[2,3]		
	2025	2024	2019 (Baseline)	2025 (preliminary)[4]	2024	2019 (Baseline)	% Reduction (against baseline) for 2024
Direct real estate portfolio	**10.2**	**9.6**	**11.7**	**5,740[5]**	**27,743[5]**	**53,181[5]**	**(48)%**
Geographical breakdown							
APAC	0.1	0.1	NA	517	524	NA	
EMEA	8.7	8.2	10	645	21,611	41,153	
Americas	1.4	1.4	1.7	4,577	5,608	12,028	
Estimation supplement[6]				26,936	4,992		
Total (metered data and estimation supplement)				**32,675**	**32,735**		

1 The direct real estate emissions includes investment portfolio buildings only, as own-use buildings are part of our operational emissions target.
2 The CO_2e emissions are calculated according to the location-based method. For more details, refer to appendix 6.3 Methodologies on pages 209 to 210.
3 The emission factors are retrieved from the Carbon Risk Real Estate Monitor (CRREM).
4 Coverage for metered data for 2025 is preliminary and currently low due to the timing gap in receiving energy invoices across our global portfolio.
5 Figures represent metered data only.
6 Figures for estimation of missing energy invoices.

Table 16

Emission intensity of the direct real estate portfolio[1]

	Emission intensity (kg CO_2e/sqm)[2]				
	2025 (preliminary)[3]	2024	2019 (Baseline)	% Reduction (against baseline) for 2024	Target 2030
Direct real estate portfolio	**3[4]**	**13.7[4]**	**21.6[4]**	**(36)%**	**(45)%**
Emission intensity by geographic region					
APAC	52.2	52.9	NA		
EMEA	0.5	15.3	22.9		
Americas	7.8	9.5	18.0		
Total (metered data and estimation supplement)[5]	**17.3**	**16.2**			

1 The direct real estate emissions includes investment portfolio buildings only, as own-use buildings are part of our operational emissions target.
2 The relative emissions intensity is calculated based on gross floor area (GFA) of the buildings. For more details, refer to appendix 6.3 Methodologies on pages 209 to 210.
3 Coverage for metered data for 2025 is preliminary due to the timing gap in receiving energy invoices across our global portfolio.
4 Figures represent metered data only.
5 Figures including estimation for missing energy invoices.

1 For more details, refer to appendix 6.3 Methodologies on pages 209 to 210.
2 Metered data refers to energy consumption data obtained directly from utility meters or energy invoices issued by external providers.

Other Responsible Investment KPIs

While the urgency and materiality of climate-related risks have led us to set Paris-aligned net-zero targets and develop a robust transition plan, our approach to responsible investment began well before these climate-specific initiatives. For us, responsible investment means setting clear social and environmental ambitions and maintaining high expectations for our asset managers across a wide range of sustainability issues. The high percentage of assets managed by responsible investors showcases the integration of rigorous ESG standards across our portfolio and ensuring we appoint asset managers whose values and principles align with ours.

Table 17
Investment portfolio managed by responsible investors[1]

	2025	2024	Difference (2024 to 2025)
Assets managed by responsible investors[2]	99.8%	99.8%	0 pts
Total amount of impact investments (in USD millions)	10,969	8,460	30%
% of investment portfolio	6.2%	5.3%	0.9 pts
Investment portfolio (in USD millions)[3]	**177,635**	**160,645**	**10.6%**

1 Responsible Investment is about long-term and lasting impact. See appendix 6.4 Investments – KPI yearly progress for historical data on pages 211 to 214.
2 A United Nations supported PRI signatory or asset manager that fulfills our minimum requirements for ESG integration. See our Responsible investment white paper: www.zurich.com/-/media/project/zurich/dotcom/sustainability/docs/responsible-investment-at-zurich.pdf.
3 Investment portfolio is calculated on a market basis, and is different from the total Group investments reported in the consolidated financial statements, which is calculated on an accounting basis and does not include cash and cash equivalents.

Impact investing

We use capital markets to fund solutions to many of the pressing social or environmental issues of our time through our impact investing strategy. In 2025, our impact investment portfolio reached a total of USD 11 billion, equivalent to 6.2 percent of our proprietary investment portfolio. The increase was mainly driven by the increase in green, social and sustainability bonds, following the ICMA Green Bond Principles. We have a strong climate focus through our net-zero commitment and therefore, we actively direct our efforts to climate solutions investments and the environmental angle of impact investing. Despite this focus, we see a larger increase in social impact investments driven by the growth of the sustainability bond market.[1]

Table 18
Impact investing portfolio

	2025	2024	Difference (2024 to 2025)
Total amount of impact investments (in USD millions)	**10,969**	**8,460**	**30%**
Environmental share	66%	70%	
Social share	34%	30%	
Asset class (in USD millions)			
Green, social & sustainability bonds	9,834	7,502	31%
Impact private equity	284	210	35%
impact infrastructure private debt	851	748	14%

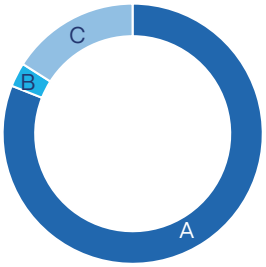
Impact measurement helps us make better investment decisions and reinforces that financial performance can go hand in hand with positive environmental and social outcomes. In 2025, our impact investing portfolio of USD 11 billion helped avoid a total of 3.4 million metric tons of CO2e emissions and benefited 5.4 million people. As in previous years, we see the majority of 'avoided emission' coming from our green, social and sustainability bond portfolio, while private equity is a large contributor to 'people benefited'. As last year, we achieved our ambition through impact investing that delivered benefits to 5 million people, demonstrating our ability to support community resilience through, for example, access to clean energy, affordable housing, access to education and financial inclusion.

In recent years we have seen volatility in the impact metrics. This is driven by reported impact numbers but also the underlying portfolio constructions.

1 Our long-term commitment towards impact investing is underpinned with historic data, see appendix 6.4 Investments – KPI yearly progress on pages 211 to 214.

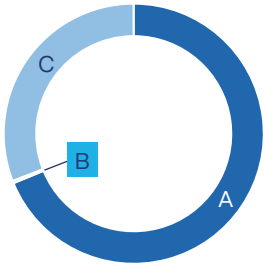
Figure 18
Impact metrics

3.4 million metric tons CO2e emissions avoided



A	Green, social and sustainability bonds	81%
B	Impact infrastructure private debt	3%
C	Impact private equity	16%

5.4 million people benefited by positive contribution to their lives and livelihoods



A	Green, social and sustainability bonds	69%
B	Impact infrastructure private debt	0.3%
C	Impact private equity	31%

Besides directing our own capital to impact investments, we engage with market participants to create tools to direct capital where it is most needed, such as emerging and developing markets. To this end, in 2025 we collaborated with public and private institutions to launch SCALED – Scaling Capital for Sustainable Development.[1] This initiative aims to remove structural obstacles in blended finance (strategic combination of public and private capital to fund sustainable development projects) by enhancing standardization and transparency to unleash the full potential for large-scale private capital mobilization.

We are also proud to have won again several impact investment and sustainable investment awards in 2025, demonstrating our thought leadership.[2]

Proxy voting

As part of our active ownership strategy, we require all our asset managers to exercise their voting rights on directly held listed equities. For our in-house asset management, the insights from our company engagement activities help inform our proxy voting approach, securing a coherent and consistent active ownership strategy.

In 2025, we voted on 81 percent of our in-scope equity (externally and internally managed) compared with 72 percent in 2024. Approximately 70 percent of our equity investments are in scope for proxy voting.[3] The increase of the voted shares is due to portfolio shift and the implementation of proxy voting thereafter. We measure the votes we cast based on assets under management. Reasons for not casting a vote could be portfolio turnover or voting restrictions (such as demands to vote in person or share blocking).

Zurich Investment Solutions

We continue to integrate responsible investment in the unit-linked Life business. It is our ambition to provide our customers with a range of responsible investment solutions that not only meet our high quality standards, but also the sustainability preferences of our customers.

This year, we launched the Zurich Global Green Bond Fund. Actively managed by Amundi, one of Europe's leading asset managers, it seeks a positive impact on the environment. The fund is tailored for our Life insurance customers seeking exposure to the global green bond market. It invests in green bonds issued by sovereign, supranational and corporate issuers, aiming to fund environmentally-friendly projects. The fund is available to customers in Italy and Germany and, as of December 31, 2025, had USD 168 million in assets under management.

In May 2025, the Zurich Carbon Neutral Funds were renamed to Zurich Climate Focus Funds to reflect a broader, more holistic approach to climate-conscious investing. The funds offer a well-diversified investment portfolio combined with a low-carbon investment strategy. Seeking alignment with the 1.5°C goal of the Paris Agreement, the financed emissions are being compensated through carbon offsetting.[4] Zurich Climate Focus Funds are available to our customers in nine countries. As of December 31, 2025, the Zurich Climate Focus Funds had USD 2.3 billion in assets under management.

1 Further information can be found on the SCALED website: www.scaledevelopment.org.
2 Further information can be found on our website www.zurich.com/investment-management/responsible-investment.
3 For further details, see our proxy voting policy: www.zurich.com/-/media/project/zurich/dotcom/sustainability/docs/zurich-proxy-voting-policy-and-guidelines.pdf.
4 The carbon offsetting of the current year will be carried out in the first quarter of the following year through 100 percent removal-based projects.

TCFD GRI E

Own operations and supply chain

We are decarbonizing our business operations and supply chain, focusing on the following key KPIs:

Table 19
Our own operations and supply chain climate-related key performance indicators

Area	Definition	2025	2024	Targets	Further details
Reduction in operational emissions[1]	Absolute reduction in all operational emissions (base year 2019). Compensating our operational emissions 2030 onward with high quality carbon removals to qualify our operations as net-zero.[2]	(68.8)%	(68.8)%	(60%) by 2025 ✓ Target achieved (70%) by 2029 Net-zero by 2030	See section Operational emissions on page 173.
Suppliers with net-zero targets	Percentage of MPS that is with suppliers having science-based targets to reduce emissions.[3,4] Percentage of MPS that is with suppliers having science-based targets to reach net zero.[3,5]	67.7% 62%	59.4% 51.9%	75% by 2025 75% by 2030	See section Net-zero supply chain on page 175.

1 Zurich Cover-More, Farmers Group, Inc. and its subsidiaries, our joint ventures with Banco Sabadell and Banco Santander, smaller businesses like Real Garant and Orion, as well as our acquisition Zurich Kotak are excluded since they were not reflected in the CO2e emissions baseline in 2019.
2 High-quality offsets and removals are independently verified avoided emissions, emission-reduction, or removal credits recognized by credible registry standards (e.g., VCS, Puro.earth) which are selected only after completion of rigorous internal due diligence. For further details about our approach to net-zero in our operations, please see: www.zurich.com/sustainability/planet/sustainable-operations.
3 MPS means the spend of approximately USD 2 billion annually managed centrally by Zurich's Procurement and Supply Chain Management function on goods and services that are required to enable Zurich to maintain and develop its operations. In 2025, we successfully reduced the MPS reporting time lag thanks to a series of technical improvements. As a result, the reported MPS values now reflect the period from October 2024 through September 2025.
4 We consider a supplier to have science-based targets when their emission reduction targets are approved by a scientifically accredited body or otherwise require a reduction of at least 42 percent in scope 1 and 2 emissions by 2030.
5 We consider a supplier to have net-zero targets when their net-zero target is approved by a scientifically accredited body or otherwise has a public target to neutralize any residual scope 1 and 2 emissions by 2050.

TCFD GRI E

Operational emissions

We are actively managing our operational emissions in alignment with four core principles: transparency, accountability, collaboration, continuous improvement. We set clear targets on our operational emissions (see Table 20 on page 174),[1] including a target in our LTIP.[2]

In 2021, we launched **our path to net-zero operations with our first carbon removal purchases**. Until reaching our net-zero target, we achieve carbon neutrality through the use of high-quality offsets, which we apply only after prioritizing emissions reductions.[3]

We also set an internal price on carbon. In 2025, the price remained stable at USD 55 per metric ton, with a planned progressive increase through to 2030. The price is applied to actual emissions to determine the value of our carbon fund which supports our carbon neutrality and net-zero carbon commitments, and other innovative solutions to drive down emissions from operations, as well as those from other sources related to our business.

Please see the table below for progress on our targets for our own operations against a 2019 baseline.

1 Zurich Cover-More, Farmers Group, Inc. and its subsidiaries, our joint ventures with Banco Sabadell and Banco Santander, smaller businesses like Real Garant and Orion, as well as our acquisition Zurich Kotak are excluded since they were not reflected in the CO2e emissions baseline in 2019.
2 For more details on our remuneration framework, see chapter 2.2 Impact of climate-related performance on remuneration on page 140.
3 High-quality offsets and removals are independently verified avoided emissions, emission-reduction, or removal credits recognized by credible registry standards (e.g., VCS, Puro.earth) which are selected only after completion of rigorous internal due diligence. For further details about our approach to net-zero in our operations, please see: www.zurich.com/sustainability/planet/sustainable-operations.

Sustainable operations

Table 20

Absolute carbon emissions coming from our own operations[1,2]

In metric tons of CO2e

		2025	% Reduction (against baseline) for 2025	2024	% Reduction (against baseline) for 2024	2019 (baseline)	Target reduction by 2025	Target reduction by 2029	Target reduction by 2030
Absolute carbon emissions	**Total**	**56,449**	**(68.8)%**	**56,406**	**(68.8)%**	**180,805**	**(60)%** √ Target achieved	**(70)%**	**Net-zero**
Absolute reduction in all operational emissions	Final	48,975		56,406					
	Initial estimate[3]	7,475		0					
Scope 1 + 2 emissions	**Total**	**15,738**	**(67.4)%**	**18,003**	**(62.7)%**	**48,290**	**(62)%** √ Target achieved	**(80)%**	**Net-zero**
Fleet emissions	Final	12,088		14,470		20,285			
On-site heating emissions	Initial estimate[3]	2,125		1,942		3,794			
Electricity emissions	Initial estimate[3]	25		26		20,630			
District heating emissions	Initial estimate[3]	1,500		1,565		3,581			
Scope 3 emissions	**Total**	**40,712**	**(69.3)%**	**38,403**	**(71)%**	**132,515**	**(60)%** √ Target achieved	**(67)%**	**Net-zero**
Printed paper	Final	1,689		2,117		2,435			
Strategic data center emissions	Initial estimate[3]	0		0		6,847			
Energy and fuel-related emissions	Initial estimate[3]	3,725		4,315		11,731			
Waste	Initial estimate[3]	100		150		808			
Business travel emissions	Final	15,799		15,174		41,018			
Air travel emissions[4]	Final	14,662		14,091		39,435			
Rental car emissions	Final	568		618		1,241			
Rail emissions	Final	569		465		342			
Employee commuting emissions	Final	19,399		16,647		69,676			

1 Zurich Cover-More, Farmers Group, Inc. and its subsidiaries, our joint ventures with Banco Sabadell and Banco Santander, smaller businesses like Real Garant and Orion, as well as our acquisition Zurich Kotak are excluded since they were not reflected in the CO2e emissions baseline in 2019, which was used to set the LTIP target.
2 Data in the table shown as metric tons of CO2e. Our environmental reporting methodology follows the GRI Standard, which is based on the requirements of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. For more details on methodology: www.zurich.com/sustainability/planet/sustainable-operations.
3 Initial estimate only refers to the year 2025. Emissions related to facilities data (electricity, heating and waste) and data centers are impacted by a time lag and are therefore estimated. Final data will be published by Q2 2026 on our website.
4 Some air travel data is not captured through our central reporting, for example where booking is not possible through our standard channels. We estimate this gap to represent less than 10 percent of total air travel bookings. DEFRA emissions factors for air travel are held flat to the 2022 factor set given subsequent updates incorporated load factors which were impacted by the pandemic. This would have inflated air emissions by an estimated 20 percent and would not reflect an accurate view of our travel activity.

We have included estimated emissions for the purpose of presenting a total operational footprint for 2025,[1] comparable to previous years' performance.[2]

In 2025, emissions remained relatively flat compared with 2024, maintaining a 68.8 percent reduction against our 2019 baseline. The most impactful reduction was seen in car fleet emissions which reduced 16.5 percent against the previous year. We have achieved 74.2 percent of our global fleet as hybrid, plug-in hybrid, and battery electric vehicles, an increase from 61.4 percent in 2024. This falls short of our ambition, set in 2021, to eliminate pure internal combustion engines by year-end 2025. While we have encountered challenges, particularly in regions with greater technical limitation, the ambition has helped keep the focus on electrification high on our agenda and spurred progress. For our 2029 total electrification goal, which includes plug-in hybrid EVs, we are now at 56.9 percent, up from 49.1 percent last year.

Air travel emissions have only slightly increased versus 2024, representing a 62.8 percent reduction against our 2019 baseline. We maintain rigorous oversight of our air travel activities, while prioritizing the needs of our customers and partners, which we also balance against internal collaboration requirements.

1 Zurich Cover-More, Farmers Group, Inc. and its subsidiaries, our joint ventures with Banco Sabadell and Banco Santander, smaller businesses like Real Garant and Orion, as well as our acquisition Zurich Kotak are excluded since they were not reflected in the CO2e emissions baseline in 2019.
2 Final data will be published by Q2 2026 on our website, once the emissions related to facilities data and data centers are finalized as those are impacted by a time lag.

Commuting emissions represented the largest increase in emissions which was expected and in line with increased office presence, supporting face-to-face workforce collaboration and engagement.

In 2025, we further improved the quality of the reporting of emissions measurement for entities which were not included in the baseline in 2019, moving from a pure estimation approach in 2024 to collection of actual activity data in 2025.[1]

Table 21
Absolute carbon emissions for entities not included in the baseline[1]

In metric tons CO2e	2025
Absolute carbon emissions	**16,040**
Scope 1 emissions	748
Scope 2 emissions	5,286
Scope 3 emissions	10,006

1 Data in the table shown as metric tons of CO2e and follows the same methodology as the absolute carbon emissions represented in Table 20.

Net-zero supply chain

As part of our ambition to reduce our supply chain emissions, we expect our suppliers to set emissions reduction targets. Our target is for 75 percent of our MPS[2] to be with suppliers that have science-based emissions reduction targets by 2025 and net-zero targets by 2030. As of the end of 2025, **67.7 percent[3] of our MPS is with suppliers who have set science-based targets** and **62 percent[4] of our MPS is with suppliers who have set net-zero targets**.

While we have not fully reached our initial 2025 target, we are encouraged by the progress we have made along the way. Since setting our goal in 2022, we have increased the share of our MPS with suppliers who have set science-based and net-zero targets. Today, the majority of our MPS is with suppliers committed to these standards, a significant step forward, made possible through strong engagement and collaboration with suppliers as recognized by CDP[5] who awarded us **Supply Chain Engagement Leader status in 2025 for the third consecutive year**. The proportion of our MPS with suppliers who have science-based targets now meets the 67 percent threshold, which, according to external benchmarks, is the standard required to keep climate change within 1.5°C. We know there is still more to do. Building on this momentum, we will continue to partner with suppliers – encouraging those with targets to deliver on their commitments and supporting others to set new goals.

1 Those include Zurich Cover-More, our joint ventures with Banco Sabadell and Banco Santander, smaller businesses like Real Garant and Orion and our acquisition Zurich Kotak. Estimations are still included in the table above where activity data is still not available. BOXX Insurance is not included due to the ongoing integration.
2 MPS means the spend of approximately USD 2 billion annually managed centrally by Zurich's Procurement and Supply Chain Management function on goods and services that are required to enable Zurich to maintain and develop its operations. In 2025, we successfully reduced the MPS reporting time lag thanks to a series of technical improvements. As a result, the reported MPS values now reflect the period from October 2024 through September 2025.
3 We consider a supplier to have science-based targets when their emission reduction targets are approved by a scientifically accredited body or otherwise require a reduction of at least 42 percent in scope 1 and 2 emissions by 2030.
4 We consider a supplier to have net-zero targets when their net-zero target is approved by a scientifically accredited body or otherwise has a public target to neutralize any residual scope 1 and 2 emissions by 2050.
5 CDP is a not-for-profit charity that runs the global disclosure system for individuals and organizations to manage their environmental impacts.

4. Our customers

A customer-centric approach for every journey.



Being customer-centric means more than meeting needs. It's about building meaningful, lasting relationships based on trust and relevance. In 2025, our customers rewarded our efforts with higher satisfaction, and an increasing number chose Zurich to protect what matters most to them."

Conny Kalcher
Group Chief Customer Officer

4.1 Customer-centric culture
4.2 Customer-centric solutions
4.3 Customer-centric interactions
4.4 Customer-centric trust

The review of our double materiality assessment emphasized that tackling information-related impacts and having access to quality information is especially important to our customers. These insights drive us to communicate openly, offer fair advice, and create solutions that put customer needs first, with the aim to build trust and give our customers the confidence to make informed decisions.[1]

4.1 Customer-centric culture

4.1.1 Customer statistics

Retail customers

Our retail business serves **over 80 million customers** around the world. We focus on providing access to quality information[1] while delivering simple, accessible and personalized solutions that meet the evolving needs of individuals and families. Through digital innovation and customer-first design, our retail offerings empower people to protect what matters most – from everyday essentials to long-term aspirations. Our scale enables us to continuously enhance service quality while remaining agile in a fast-changing market, as further detailed in section 4.2.2 Innovating for our retail customers on page 182.

Commercial customers

We continue to execute our customer-centric strategy anchored in the belief that satisfaction and loyalty are the most powerful drivers of sustainable growth. Our strategy is built on delivering proactive, personalized experiences that go beyond traditional insurance – enabling customers to feel understood, empowered, and supported at every touchpoint. In 2025, we delivered growth on an existing base of **over 1 million commercial customers**, broadening relationships and increasing penetration into multiple geographies and segments.

We are proud to provide a range of commercial insurance products and services to **87 of the FTSE 100** and **482 of the US Fortune 500.**[2]

Corporate Life & Pension (CLP) customers

We have **over 60 thousand customers** around the world, representing millions of individual workers and, in some places, their family members.

CLP plays a vital role in helping organizations support their workforce through tailored life and pension solutions. We focus on long-term financial wellbeing, offering flexible and scalable products that meet the needs of both employers and employees. With dedicated relationship managers conveying underwriting solutions to strategic intermediaries and sizable employers we combine strong actuarial expertise with a human approach, helping customers feel supported and valued throughout their journey.

1 For further details on how we assessed materiality and what is relevant to us, please refer to section 1.1.2 Assessing materiality on pages 132 to 133.
2 Based on our analysis.

4.1.2 Building a customer first organization

Zurich's Customer Experience (CX) and Broker Experience (BX) standards for retail and commercial insurance set and raise the bar by delivering scalable, global, and seamless digital experiences that create the positive interactions we want for our customers. They cover a range of touchpoints across the customer journey with the aim to go above and beyond local laws and regulations to address our customers' evolving needs and expectations. These standards foster the development of sustainable products and services, and behaviors that consider customers' physical, mental, financial and social wellbeing.

In 2025, we accelerated our digital service offerings to make every interaction easier and more personal for our customers. Today, **more than 11 million customers** connect with us through our digital platforms, benefiting from features that simplify managing policies, claims, documents, and signatures across multiple lines of business. A cornerstone of this progress is **Zurich One,** our mobile-first digital platform, which further streamlines the insurance experience by integrating these capabilities into a single, user-friendly interface. Zurich One is now available in Switzerland, Italy, Indonesia, Spain, and Brazil, and continues to earn consistently high app store ratings of 4.5 out of 5, demonstrating our commitment to customer satisfaction.

4.1.3 Customer-centricity in action

Retail customers

To better measure our progress towards becoming the insurer of choice, we use a set of metrics that give us a clear and comprehensive view.

In 2025, the **customer retention rate** declined from **79.4 percent**[1] to **77.5 percent** compared with the previous year. The decline in retention is primarily observed in the motor segment across regions, driven by increased competitive pricing and market specific challenges related to partnership dynamics in certain markets, which were offset by notable improvements elsewhere. We remain focused on identifying opportunities to strengthen retention going forward. Meanwhile, during the same period we have seen a considerable increase in our multi-policy customers, reflecting enhanced customer loyalty and engagement across our portfolio.

We have introduced **Net Revenue Retention (NRR)** as a key performance indicator across 23 markets, with particular emphasis on our retail P&C and life protection businesses, together representing 80 percent of our total retail business (P&C and Life Protection). NRR serves as both a financial and customer metric, allowing us to measure how effectively the value of existing customer relationships is retained and grew. The metric is now well established, with two years of historical data, and all markets consistently reporting customer insights and premiums on a quarterly basis. By establishing an NRR baseline for our retail business in each market, we gain deeper insight into customer loyalty and can enhance our retention, upsell, and cross-sell capabilities globally. NRR results are reviewed quarterly, enabling us to track progress and identify which loyalty initiatives are driving improvements. In 2025, NRR became an integral component of local strategy planning, with markets closely monitoring and taking targeted actions to increase NRR.

Our commitment to enhancing the customer experience remains at the forefront of our efforts. Understanding and responding to the evolving needs of our customers is paramount, and we recognize the importance of building meaningful relationships through every interaction. To evaluate our customer experience performance, we use global **Transactional Net Promoter Score (TNPS)**[2]. TNPS helps us identify our strengths and pinpoints areas for improvement, allowing us to develop targeted action plans to drive further enhancement. In 2025, we surveyed **1.6 million customers**, and the results were very encouraging: We saw continued high levels of customer satisfaction and a **3.6 point** increase in our global TNPS score.

This year, we earned **11 Brandon Hall Excellence Awards**[3] – eight Gold and three Silver – across five categories. These honors recognize our capability-building programs and customer-first approach. From Brand Mastery and Customer Empathy Masterclass to gamified training and MyJourney career development[4], our teams continue to raise the bar in customer excellence. This achievement reflects our focus on meaningful employee experiences, and keeping customers at the heart of everything we do.

Commercial customers

In 2025, amid evolving market dynamics and rising customer expectations, we remained firmly committed to our Customer Value Proposition and to delivering on our Customer Experience (CX) and Broker Experience (BX) standards. These standards underpin our ambition to exceed expectations and contributed to our strong retention performance in 2025.

1 The customer retention rate is calculated based on retail core customers, excluding our affinity partners in Brazil, Germany, Indonesia P&C, as well as the joint ventures with Banco Sabadell, Banco Santander, and Zurich Kotak. AIG travel and BOXX Insurance are also excluded due to ongoing onboarding onto our customer platform. When calculating the customer retention rate, the attrition of customers in employer-sponsored plans (e.g., life insurance plans) due to turnover (voluntary or involuntary) is not applicable. Additionally, the split between voluntary and involuntary laps was not made.
2 TNPS provides us with feedback on our performance in the eyes of our customers and delivers insight on how specific interactions affect their experience. TNPS excludes Zurich Kotak and BOXX Insurance due to onboarding of the business onto our customer platform.
3 Brandon Hall Group is a leading research and analysis firm specializing in human capital management. The detailed results of the prizes won by Zurich can be seen at this link: https://excellenceawards.brandonhall.com/winners/ and on our website at www.zurich.com/commercial-insurance/sustainability-and-insights/awards.
4 For more details on training, please refer to section 5.2.2 Training and awareness on page 200.

Our **Premium Retention**[1] of **89.7 percent** up from **88.2 percent** in 2024 demonstrates both the strength of our proposition and the loyalty of our customers in a competitive environment. This performance was achieved by maintaining disciplined underwriting and proactive risk selection, enabling sustainable growth. Commercial Insurance strives to build relationships that extend beyond transactional interactions, fostering loyalty that differentiates us not only within the insurance sector but across industries.

Our 2025 global Customer **Relationship Net Promoter Score (RNPS)**[2] results show continued momentum in customer advocacy across our commercial insurance portfolio. Overall RNPS increased by **9 points** relative to the previous 2023 exercise, with particularly strong performance among our largest relationship-managed customer segments. These results confirm our industry-leading position, with approximately 70 percent of surveyed customers viewing us ahead of competitors and two-thirds rating our customer experience as best-in-class.

Behind these outcomes is a consistent, enterprise-wide focus on meaningful experience delivery anchored in our CX/BX standards, supported by empowered relationship teams, and strengthened by timely follow-up on feedback.

Our 2025 broker surveys reaffirm our commitment to partnership and service quality across global markets. Feedback from strategic and global broker assessments shows consistent improvement in experience scores, with brokers recognizing our technical expertise and highlighting us as a trusted partner.

These results reflect our ongoing investment in CX/BX and our focus on delivering seamless, transparent and value-driven interactions. As market conditions continue to evolve, we remain committed to deepening collaboration, supporting partner growth, and harnessing data-driven insights and digital capabilities to strengthen loyalty and deliver exceptional experiences.

Corporate Life & Pension (CLP) customers

In 2025, CLP continued winning new customers, which, coupled with CLP's retention rate[3] of **93.8 percent**, a **3.1 points** increase from **90.6 percent** in 2024, led to an overall growth in the customer base. Various factors contributed to this outcome, including a proven relationship management model, engaging both distributors and corporate customers for the long term, and continuous innovation in proposition. Also, for the first time this year, following the successful onboarding of our customer reporting system, data from North America and Indonesia are now included.

Each established distribution partnership is assigned a senior relationship manager with years of experience in employee benefits and the appropriate seniority level to hold a meaningful relationship with the global and regional leadership teams. Emerging distributors also benefit from a similar approach featuring continuous engagement by a designated relationship leader. Strategic customer relationships benefit from multiple specialists, by proposition and geography, at global and local level. In addition, CLP develops innovative solutions that keep our teams at the forefront of their markets.

The Corporate Care proposition in Australia has again been updated in line with prevailing market trends in the areas of women's health, employee wellbeing, and mental health. In the UK, a Critical Illness proposition was launched, and a new app was unveiled, gathering several digitally enabled value-added services in one convenient place. In Italy, we launched a pension-backed credit solution in collaboration with AON, our largest distribution partner in the country. Life coverage is now available in Indonesia to complement our existing and well appreciated healthcare proposition. In Spain, a new provider for the local B2B2E offering has been selected. Our global benefits network is in advanced negotiations with two of the world's largest intermediaries for the launch of a cell-captive solution, aimed at those corporations which, although international in nature, do not yet have the structure or the expertise to manage a fully-owned, single-parent captive insurer.

4.1.4 Sustaining our commitment

To continue delivering on our customer promise, we have worked on several initiatives this year.

Expanding access to sustainable mobility

In 2025, we advanced sustainable mobility across our geographies through a series of initiatives that expand electric vehicle (EV) infrastructure, increase public access, and support the transition to cleaner transportation.

In Brazil we launched the Zurich Charging Stations initiative, an innovative project designed to accelerate the country's green mobility ecosystem. Supported by our Zurich Carbon Fund,[4] 10 EV charging stations were installed at strategic locations such as retail partners, brokers, suppliers, and client sites. Similarly in Malaysia, we partnered with Gentari to deploy 56 Zurich-branded EV charging bays across 13 strategic locations, including major malls and transport hubs. Finally, in Switzerland, Z Volt continues to attract strong interest, with over 24,000 registered users since its launch. The EV-charging service gives access to more than 10,000 public charging stations nationwide, offering transparent pricing to all and exclusive discounts for our insured customers.

All these solutions strengthen the availability of public charging and make sustainable mobility more accessible to communities, helping to overcome some of the main barriers to EV adoption.

1 Premium retention rate for commercial customers excluding our Crop, Programs, Direct market, Group Captives and Surety business in North America.
2 RNPS delivers insight on the overall customer experience, with or without specific interactions.
3 Malaysia and Portugal, are excluded due to ongoing onboarding onto our customer reporting system, Zurich Horizon. When calculating the customer retention rate, the attrition of customers in employer-sponsored plans (e.g., life insurance plans) due to turnover (voluntary or involuntary) is not applicable. Additionally, the split between voluntary and involuntary laps was not made.
4 For further information on Zurich Carbon Fund, see section Operational emissions on page 173.

Broadening insurance coverage for Japan's aging population

Japan faces a unique demographic challenge, with nearly 30 percent of its population aged 65 or older. Recognizing the difficulties elderly citizens face in accessing insurance, we introduced the Senior Personal Accident (Senior PA) product, specifically designed for individuals aged 65 to 85, with coverage now extendable up to age 100.

Senior PA provides comprehensive protection, including benefits for accidents, hospitalization, surgery, fracture care, nursing, and housekeeping services. The product's flexible premium structure and age-specific rates ensure affordability and accessibility for seniors, as they age. Notably, hospitalization benefits now pay a lump sum from day one, removing barriers to claims.

The impact has been profound: By 2025, the number of Senior PA customers had grown to over 1.9 million, with the product now contributing significantly to Japan's local revenue. This growth reflects our commitment to social inclusion, ensuring that elderly citizens can now enjoy peace of mind and financial security.

By continuously evolving the Senior PA product to meet the needs of Japan's aging society, we are setting a benchmark for inclusive insurance and demonstrating leadership in addressing demographic shifts through sustainable solutions.

Turning insight into impact: Customer Lifetime Value and One Customer House

Building on the customer-first approach, in Spain we have integrated all customer touchpoints through our One Customer House initiative, creating a seamless and connected experience for every customer, where our customers enjoy a smoother, more personalized journey – whether acquiring a new policy, making a claim, or seeking ongoing support. This transformation has resulted in record levels of customer satisfaction, with TNPS in Service Centers increasing by 4.1 points, compared to 2024. Sales efficiency has also grown, with conversion rates up 3 points and new policies increasing by 70 percent versus 2024. Additionally, the internalization of the Retention Center has helped us retain high-value customers. By listening and responding to customer needs, we are able to reduce complaints and build stronger relationships.

Building a global leader in travel protection

In 2024, Zurich completed the acquisition of AIG's personal travel insurance and assistance businesses, which it combined with the existing Cover-More Group to form Zurich Cover-More, the second largest travel insurer globally. With expanded footprint and capabilities, Zurich Cover-More enables tens of millions of travelers to experience the world, with enhanced safety and support. In 2025, Zurich Cover-More provided pre-trip intelligence and security briefings; delivered over 68,000 real-time alerts in response to geopolitical events, natural disasters and emerging risks (+79 percent compared with 2024); managed over 219,000 assistance cases (+60 percent compared with 2024); and successfully led 4,250 evacuations (+215 percent compared with 2024), leveraging a global network of close to 250,000 providers (triple the footprint of 2024).

4.2 Customer-centric solutions

4.2.1 Revenues from sustainable solutions

In 2021, we introduced our own definition of sustainable revenues to better track how our products and services contribute to positive environmental and social outcomes.

Each sustainable solution undergoes an internal assessment process and must meet specific criteria before being recognized and reported as sustainable revenue. Solutions proposed by countries are reviewed and approved quarterly by our dedicated advisory group. As shown in Table 22, these sustainable solutions are classified into three categories: environmental, social, and sustainable investment.

The term sustainable solution encompasses insurance products, add-on coverages, investment offerings, and advisory services that are specifically designed or adapted to support activities with a measurable positive environmental or social impact, while also contributing to climate risk mitigation.

Since 2021, more than 40 countries across all our regions have contributed to sustainable revenues, with the number of approved solutions rising from 402 in 2024 to 464 in 2025 – all reinforcing our ambition to continuously grow revenues from sustainable solutions.

Table 22
Our definition of revenues from sustainable solutions[1]

Revenues from sustainable environmental solutions	Solutions related to technologies and/or activities that have an impact on reducing greenhouse gases, preserve or enhance biodiversity as well as enable the responsible use of natural resources. These solutions aim to mitigate and support resilience against the adverse impact of environmental-related risks on our customers.	Examples include: – Insurance coverage for electric vehicles. – Carbon capture solutions. – Risk prevention services that contribute to more customer awareness and resilience to the adverse impacts of climate change e.g., flood resilience.
Revenues from sustainable social solutions	Solutions that enhance social or financial inclusion and address the needs of vulnerable groups including those that reduce inequalities and help close the gender gap and other inequities. Solutions designed to incentivize healthy lifestyles both physically and mentally, preventive medical care and safe behavior.	Examples include: – Life protection for customers with existing chronic diseases such as diabetes or cancer. – Micro-insurance for low-income customers, e.g., insurance for smallholder farmers.
Revenues from sustainable investment solutions	Investment products with a dedicated responsibility approach which goes beyond simple exclusions or the integration of ESG factors from a pure risk mitigation perspective.	Examples include: – Unit-linked products tailored to the needs of customers with sustainable preferences. Focused on sustainable environmental and social factors, e.g., ESG funds, as well as transitional aspects.

Incentivizing responsible behaviors

We offer our customers a wide variety of products that empower them to act in alignment with their values concerning health, safety and environment.

In **North America**, through Zurich Resilience Solutions, we have introduced a comprehensive range of consulting services that promote healthier lifestyles in workplaces. These services span ergonomics, industrial hygiene, crisis preparedness, mental wellbeing, and targeted health, safety, and liability risk assessments.

In 2025, following the acquisition of BOXX Insurance, we launched **Cyberboxx® Assist,** a proposition designed to promote cyber safety among small and medium-sized enterprises. Developed in response to the growing exposure to cyber risks, Cyberboxx® Assist is a comprehensive suite of cyber security tools and services designed to help businesses predict, prevent and respond to cyber threats through risk assessments, compliance tools, and expert help, supporting businesses in reducing vulnerabilities before incidents occur. The proposition addresses risks such as malware attacks, phishing, data breaches, human error, and helps identity key vulnerabilities and potential areas for a digital attack for businesses, whilst also providing emergency support and assistance in case of a cyber incident.

In **Spain**, our green buildings value proposition supports the transition to sustainable construction practices by introducing new guarantees and coverages that incentivize environmentally responsible behavior. This offering promotes efficient consumption of electricity, water, and gas, encourages the adoption of A+ energy-rated buildings, and introduces a rate structure aligned with sustainable risk profiles. Additionally, automated recognition systems have been implemented to reward responsible customers.

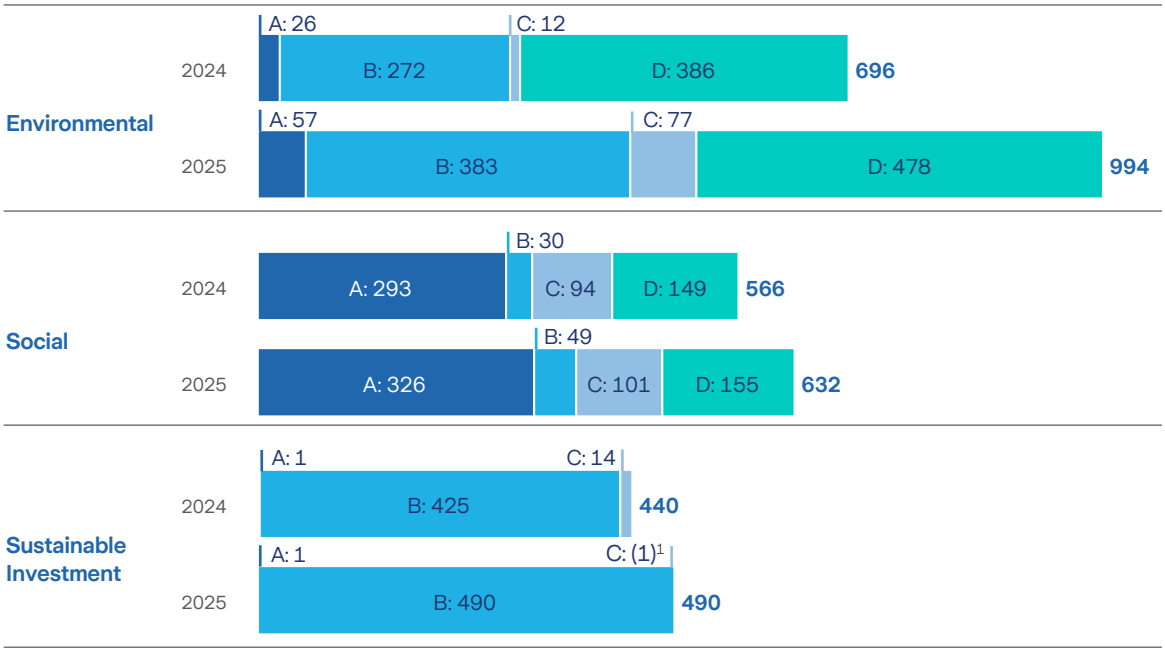
In 2025, revenues from sustainable solutions reached **USD 2.1 billion**, an increase of **24.3 percent** compared with **USD 1.7 billion** in 2024. This year's results represent **2.3 percent** of our total gross written premiums, fees, and net flows, up from 2 percent in 2024. These achievements reaffirm our target to grow our portfolio of sustainable solutions and to offer customers the opportunity to choose products and services that contribute to positive environmental and social outcomes.

1 Revenue includes gross written premiums from non-life and life solutions, fees from add-ons and services, and net flows from unit-linked and investment solutions.

Figure 20

Revenues from sustainable solutions split by region and sustainable category

In USD millions



1 The negative value is attributable to higher withdrawals than inflows in sustainable investment funds during 2025 within a specific country.

A APAC B EMEA C LATAM D North America

Across all three categories of sustainable revenues – Environmental, Social and Sustainable Investment – revenues increased respectively by **43 percent**, **11.5 percent**, and **11.3 percent**.

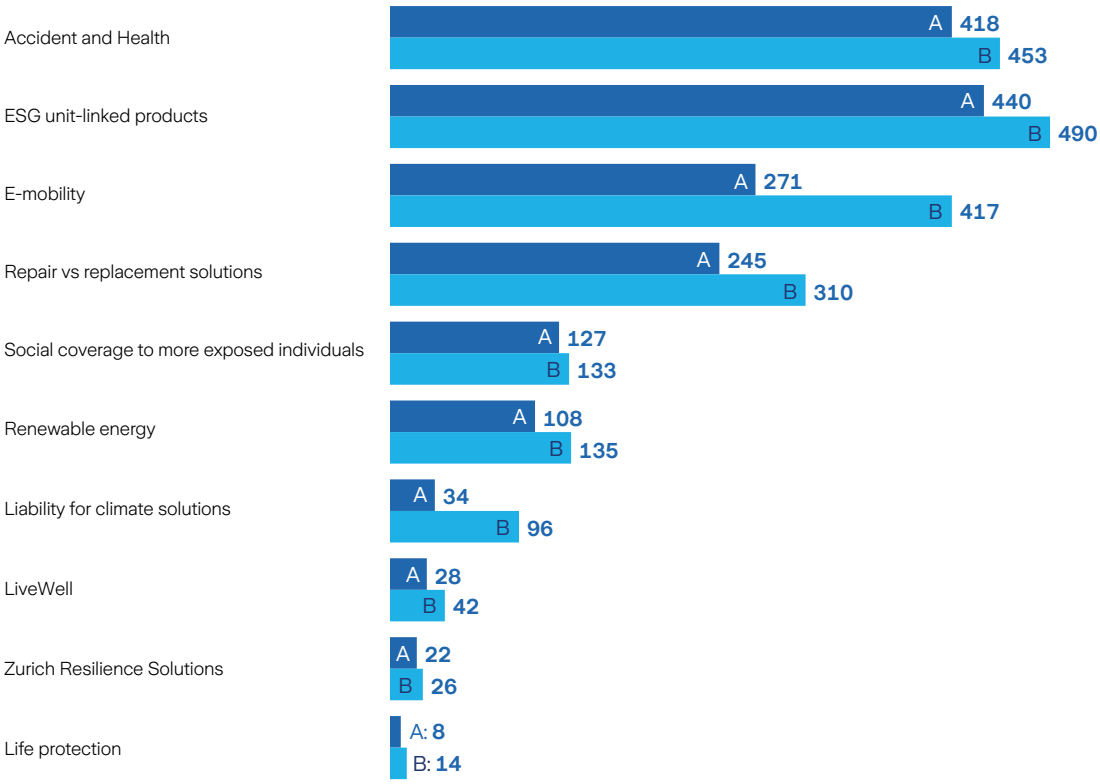
EMEA generated **USD 923 million**, representing **43.6 percent** of total sustainable revenues. This marks an increase of **USD 196 million** year over year, corresponding to **27 percent** growth compared with the previous period. The region's strongest driver was Sustainable Investment, supported by ESG unit-linked products, which enable retail customers to incorporate ESG funds into their savings and individual pension plans.

In **North America**, sustainable revenues reached **USD 632 million**, representing **29.9 percent** of total revenues – up **USD 97 million** from 2024. Growth was mainly driven through two main areas: warranty solutions for commercial customers prioritizing repair and replacement with refurbished devices, and electric vehicle insurance that supports increased EV adoption.

With sustainable revenues totaling **USD 384 million**, the **APAC** region contributed **18.1 percent**, maintaining its position as the leading contributor to the social category. The region recorded a year-over-year growth of **19.7 percent**, primarily driven by a personal accident insurance product, tailored for seniors aged 65 and above. This product offers coverage for third-party liability, injuries, accidents, and hospitalization for up to 30 days. Designed specifically for older adults – a vulnerable demographic – it supports financial inclusion in a market where insurance options are often limited due to age.

In **LATAM**, sustainable revenues totaled **USD 177 million**, accounting for **8.4 percent** of the total revenues. This performance was primarily driven by social solutions that offer coverage to vulnerable populations. For example, in Mexico, we provide protection for farmers by insuring the life of animals in case of accidents, diseases, or forced slaughter, and by covering the direct costs of crop production incurred by farmers in the event of climatic, natural, or biological events.

Figure 21
Revenues from sustainable solutions by product category[1]
In USD millions



1 Revenues from sustainable solutions associated with product categories may be allocated across multiple sustainability categories. A single product category can contribute to one or more of the following: Environmental, Social, and/or Sustainable Investment. This reflects the integrated nature of our sustainability approach, where solutions often deliver benefits across multiple areas.

A 2024 B 2025

Our portfolio of sustainable solutions consists of **10 product categories** encompassing environmental, social, and sustainable investments.

The 79 percent of sustainable revenues are generated by four categories: **Accident and Health** (representing 21.4 percent of the overall portfolio in 2025), **ESG unit-linked products** (23.2 percent), **E-mobility** (19.7 percent), and **Repair vs. replacement solutions** (14.6 percent).

Compared to 2024, **Liability for climate solutions** experienced the highest growth with an increase of **179.1 percent**. This growth has been primarily driven by solutions in LATAM, such as Eco Auto in Brazil and Huella Zero[1] in Argentina.

Other product categories followed a positive trend, with **Life protection** and **E-mobility** showing significant growth of **63.9 percent** and **53.9 percent** respectively.

E S

Revenues from energy efficiency and low-carbon technologies[2]
In 2025, our portfolio of **energy-efficiency and low-carbon technology solutions** generated **USD 917 million** in revenue, compared to **USD 644 million** in 2024, representing a **42.4 percent** increase. Growth was largely fueled by our repair vs replace solutions strategy in North America (USD 299 million), which emphasizes sustainable practices in electronics and home warranty services for commercial customers. Another big area was our EV solutions, which accounted for **USD 417 million**, primarily driven by EV offerings in the EMEA region. Additionally, renewable energy solutions contributed **USD 135 million**, reinforcing our attention to clean energy adoption.

4.2.2 Innovating for our retail customers

We continuously aim to innovate to meet the evolving needs of individuals and families while supporting a more sustainable way of living. As climate risks, emerging technologies, and evolving lifestyles reshape customer expectations, we strive to make insurance more closely aligned with everyday trends.

By leveraging data, digital tools, and behavioral insights, we design solutions that combine protection with prevention – helping customers anticipate and reduce risks before they occur providing them with continuous access to quality information.[3] Our focus is on making sustainability practical and rewarding, whether through products that promote responsible mobility, energy efficiency, or financial resilience.

1 For further details on Huella Zero, please refer to the section Huella Zero – Sustainable Auto Insurance Solutions on page 183.
2 Revenues capture gross written premiums and other fee services.
3 For further details on how we assessed materiality and what is relevant to us, please refer to section 1.1.2 Assessing materiality on pages 132 to 133.

The following examples illustrate how we are developing innovative retail solutions that protect what matters most while encouraging more sustainable choices.

Investing in Futures: Zurich's Education Savings Plan

Our Education Savings Plan (ESP)[1] in the Middle East is a unit-linked solution designed to help parents and caregivers prepare for the cost of their children's higher education. Through a digital advice tool, the ESP provides personalized savings recommendations based on the child's age, the intended level of study, and the projected tuition fees across various countries. Contributions are invested in a diversified range of funds, enabling customers to build long-term financial security aligned with their educational goals.

A key feature of the plan is Future Premium Protection, which ensures continued funding in the event of a parent's death or permanent disability, safeguarding a child's educational future.

To enhance awareness and engagement, we launched the 'Once Upon a Future' campaign, creatively illustrating how the ESP could transform the futures of well-known fairy-tale characters by making education accessible and secure. In its first full year, nearly 300 children have been enrolled under the plan, with assets under management exceeding USD 1.5 million – demonstrating tangible progress in helping families invest in education and build a more sustainable future.

Huella Zero – Sustainable Auto Insurance Solutions

In August 2025, we launched Huella Zero in Argentina, an initiative designed to integrate sustainability into the motor insurance claims process and reduce the environmental footprint of automotive incidents.

The program emphasizes responsible management of vehicle claims: In total loss cases, we take care that vehicles are carefully decontaminated, disassembled, and recycled, minimizing waste and environmental impact. For partial damage, customers can choose repairs at sustainability-focused workshops or request recycled, certified parts, often benefiting from reduced deductibles when opting for eco-friendly solutions. These options allow customers to actively participate in more sustainable practices while maintaining the quality and safety standards expected from us.

Huella Zero has garnered significant interest since its launch and broadened our sustainability portfolio in Argentina. The initiative is automatically available to clients with a 'Total Damage' or 'Comprehensive Coverage' plan, offering a seamless way to combine economic incentives with environmentally responsible practices. Even though the program was only implemented after the second half of 2025, there are already 28 recovered spare parts accepted by customers, representing a positive response rate of 80 percent. By providing clear, practical alternatives for repairs and total loss management, Huella Zero demonstrates our effort to embed sustainability into everyday insurance services without compromising service quality or client experience.

Empowering Indonesian farmers with crop parametric micro-insurance

Our Indonesia's Sharia Weather Index Parametric Insurance is transforming the lives of low-income farmers, particularly those cultivating coffee in Sumatra and Sulawesi. By 2025, this innovative micro-insurance product had protected over 17'000 farmers from the devastating financial impacts of extreme weather events, such as droughts and excessive rainfall, which can cause up to a 50 percent decrease in crop yields.

The insurance leverages satellite-monitored weather data to trigger automatic payouts when rainfall exceeds or falls below set thresholds, ensuring swift financial relief without the need for lengthy claims processes. Premiums are designed to be affordable and aligned with Sharia principles of mutual help and togetherness.

4.2.3 Innovating for our commercial customers

As our commercial customers push ahead with their decarbonization efforts, we are investing in understanding the evolving risks and trends coming from new transition technologies and processes, to keep our products and propositions relevant for our customers and to grow our range of sustainable products in a profitable way.

For this we are actively engaging with customers on their transition challenges and priorities[2], gaining insights through participation in industry associations, and further developing tomorrow's talent. These actions support our ambition to provide the insurance capacity and expertise customers need to manage and reduce their risks as they decarbonize their businesses or strengthen their resilience to the physical risks of climate change.

Our efforts translate into solutions addressing specific customer needs. Examples include:

- **Mass timber**[3]: In the U.S. we are already providing a successful mass timber proposition, which we were able to develop through participation in early testing and simulations alongside the construction industry. During 2025, we observed broader market adoption of mass timber solutions particularly in warehousing, manufacturing as well as data center projects. We monitor these trends to see how they influence the contexts in which our proposition becomes relevant for customers and assess the associated risk characteristics to ensure an informed underwriting approach.
- **Clean hydrogen insurance facility**: With our pioneering clean hydrogen insurance facility, launched jointly with insurance broker Aon plc. in 2024, we are able to provide comprehensive coverage across the entire value chain of hydrogen production. Through this, we are able to accelerate the development of blue and green hydrogen projects,

1 For further details, refer to our website: www.zurich.ae/savings/education-savings-plan.
2 For further details, refer to section Underwriting – Engagement on page 165.
3 Mass timber is a type of engineered wood building material that has a lower carbon footprint compared to traditional materials such as concrete and steel.

supporting our customers as they advance their low-carbon transition. These transition projects represent significant investments for our customers, similar to carbon capture, utilization, and storage (CCUS). Through 2025, we have continued to gain knowledge and expertise, and insure some of the largest projects in this developing market globally.

– **Agrivoltaics solution**: In 2025, we launched a dedicated agrivoltaics solution in Germany that enables the dual use of agricultural land, allowing farmers to grow crops while simultaneously generating renewable electricity through photovoltaics systems. By combining installation, electronics, and power business interruption coverage, we provide comprehensive protection tailored to the needs of modern agriculture.

Focus on building capabilities in sustainable energy

As the energy transition plays an important role in our customers' decarbonization journeys, we are strengthening our capabilities to support the shift towards sustainable energy. Dedicated roles have been established to work closely with countries and global teams to deliver insights, foster sustainable growth, and anticipate customers' changing needs during their transition.

These roles build on our existing approach to support the energy transition through 10 sustainable energy hubs in key markets, providing locally tailored underwriting expertise for renewable projects, supported by global specialists in engineering, underwriting and claims. This integrated expertise enables propositions across wind and solar for onshore and offshore installations. Offshore wind turbines remain challenging due to harsh environments and prototypical equipment. We provide capacity, mindful of these risks, gaining experience with evolving technology and building a foundation for long-term profitability while remaining a consistent partner for customers.

Looking ahead, we will continue to invest in upskilling and cross-training our underwriters, while also recruiting new talent to support our ambition to lead the market in transitional energy solutions. An essential part of our approach is developing future talent. Our Sustainable Energy Graduate Program, launched in 2023, offers graduates rotations across critical business areas focused on sustainable energy. Following the success of the initial cohort, we onboarded new graduates in 2025.

Case study

Supporting H2 Energy with their green hydrogen initiatives

H2 Energy, a Swiss pioneer in green energy solutions, has been a valued Zurich customer for several years. Previously, H2 Energy joined forces with Hyundai, a South Korean automotive giant, to establish the joint venture 'Hyundai Hydrogen Mobility'. This partnership has enabled the introduction of fuel cell heavy-duty trucks powered by green hydrogen on Swiss roads, marking a step toward sustainable transportation.

Green hydrogen represents a clean fuel alternative. It is produced by using renewable energy to split water into hydrogen and oxygen, and the only emissions are water. It can be burned to produce heat or used in a hydrogen fuel cell to generate electricity, making it suitable for power generation, transport and domestic heating.

We provide insurance for Hyundai Hydrogen Mobility's truck fleet and offer multiple tailored insurance solutions to H2 Energy, protecting the entire green hydrogen ecosystem. This includes property, liability, accident and health, as well as engineering and marine lines of insurance. Our ability to offer comprehensive coverage is built on our careful approach to underwriting. Although hydrogen is perceived as a higher-risk technology, the close collaboration with internal risk specialists, hydrogen experts, and H2 Energy enabled us to understand how the hazards associated with hydrogen can be managed. This joint effort allowed us to create an insurance solution that helps facilitate innovation while managing risks responsibly.

Weathering the Storm: Making Clean Energy Infrastructure Climate Resilient

In June 2025, we published a research-led report, Safeguarding our Energy Future: Protecting Europe's Energy Infrastructure Against Climate Risk[1], highlighting that Europe's clean energy systems will be increasingly vulnerable to climate-related threats if no action is taken. As renewable energy becomes the backbone of the region's low-carbon economy, making this infrastructure more resilient is now critical.

ZRS, with its team of climate data scientists and climate risk experts, utilized its proprietary climate data models to analyze over 25,000 power generation sites across France, Germany, Italy, Spain and the UK. The study assessed how climate hazards could affect renewable energy production and storage up to 2030 and 2050.

The findings showed that renewable energy assets face significantly more physical climate risk than fossil fuel-based infrastructure. By 2030, 83 percent of Europe's clean energy generation, especially solar power, will be at high risk. Energy storage assets are even worse, with 92 percent exposed to high levels of climate risk. With energy generation capacity from renewable assets set to increase by 62 percent by 2030, there is also an opportunity to make the clean energy transition resilient by design.

The report warns that failing to adapt could jeopardize both the energy transition and energy security. In response to this, ZRS has developed a proposition to help customers make their energy generation, distribution and storage assets

1 You can access the full report at: https://edge.sitecorecloud.io/zurichinsurf8c0-zwpshared-prod-d824/media/project/zurich-headless/zrs/docs/energy-report/safeguarding-our-energy-future-full-report.pdf.

more resilient to the impacts of climate change and extreme weather events. This new market offering, led by their in-house, global team of sustainable energy risk engineers, includes:

- Climate change exposure analysis to assess the level of risk across a portfolio of energy assets and infrastructure.
- Financial risk quantification to calculate the estimated cost of a loss through different scenarios, as well as measuring the financial benefit of applying risk management and adaptation measures.
- Site and asset-level risk assessments to identify vulnerabilities, criticalities and to recommend practical measures to adapt existing infrastructure, or to enhance the design and implementation of new energy assets.

ZRS continues to work with both corporate customers, public entities, and policy makers to help make the renewable energy industry more resilient and productive in light of the threats posed by climate change and extreme weather events.

Case study

Resilient by design: Enhancing climate adaptation for Katoen Natie's solar-powered warehouses

ZRS has worked with Katoen Natie, a privately owned global group with over 170 years of history, offering warehousing, industrial subcontracting and supply chain solutions to a wide range of industries.

Globally, it manages more than 5 million m² of warehouse capacity, with approximately 3,300 silos, about 160 platforms and 65,000 solar roof panels.

Growing increasingly concerned about the future impact of extreme weather on their operations and assets, Katoen Natie requested the support of ZRS who conducted climate risk assessments of warehouse roofs, which were systematically inspected for damage resulting from extreme weather such as water, hail or severe winds. Solar panels were also evaluated for secure installation and potential weather-related damage, including signs of movement caused by wind. The assessment considered whether the panels could withstand severe windstorms, which may intensify in the future. To combat this risk and maintain the lifespan of its solar energy production, Katoen Natie has reoriented its solar roof panels from south-facing to east-west, resulting in both reduced wind damage risk and increased energy output.

In addition to roof inspections, the interiors of warehouses and on-site battery energy storage systems were assessed. The evaluation included drainage and flood risks, particularly in low-lying areas identified in the preliminary desktop analysis.

"Our long-standing relationship with Zurich means we don't just get insurance, we get a partner who understands our business, challenges us to think ahead, and helps us both in our expansions, and in our innovations to stay resilient."

Carl Leeman
Chief Risk Officer at Katoen Natie

4.3 Customer-centric interactions

4.3.1 Fair and transparent communication

Our customer communication strategy is designed to help us connect meaningfully with every customer, no matter where they are on their journey. We recognize that each person's needs and experiences are different, and, as digital and physical interactions merge, the personal touch becomes even more important. Guided by our tone of voice framework and our customer empathy program, our approach aims to make every conversation clear, warm and understandable. These principles reaffirm our commitment to making customers feel seen, heard and supported by strengthening relationships in an ever-changing world.

We introduced a new tone of voice framework in 2023 with the intention of simplifying our communication and making interactions with customers more transparent, engaging and easily understandable. In the first half of 2025 alone, we added three new markets (India, Ireland and the U.S.) and throughout 2025 we rewrote more than 3,000 documents, bringing the total to 6,850 documents revised since the start of implementation. Tone of voice is supported by our customer empathy training program to further enhance customer communication. In 2025, the training was completed by more than 17,837 employees globally, reaching 27 percent of our total workforce, directly impacting TNPS scores in key customer touchpoints. The customer empathy training is our award-winning global program which uses bespoke learning and a unique personality model to transform how employees connect with customers through genuine, empathetic communication, deeply enhancing customer experience, trust and loyalty.

In line with our Code of Conduct,[1] we strive to manage the risk of poor outcomes for our customers and conduct our business in a way that treats them fairly and transparently. We believe that clear and accessible advice empowers customers to make informed decisions throughout their journey with us. Our Code of Conduct outlines key behaviors that guide and inspire us to work with the highest ethical, legal and professional standards. We have a global Customer Facing Conduct (CFC) framework in place to support strong customer management in all our countries.

1 For further details on Code of Conduct, please refer to section 5.2.2 Training and awareness on page 200.

The CFC framework is designed to support countries in identifying, evaluating and mitigating the risks related to customer facing conduct. It also supports in developing detective and preventive control activities in existing processes across the customer lifecycle. These activities help to maximize the likelihood of fair and positive outcomes for our customers in alignment with their changing needs, new business models and the evolution of expectations and requirements from regulators and other stakeholders.

4.3.2 Improved claims management

Claims are a key moment in how we support our customers when it matters most. When processing claims, we have the opportunity to put our values into practice. In that context, our specialists focus on listening, advising, and acting promptly, whether it is a minor collision or a significant business setback.

Every situation is unique, and each one invites us to go beyond simply resolving a loss. We look for smart, sustainable ways to restore what matters – minimizing impact and supporting long-term resilience. As we continue to innovate, we are focused on expanding sustainable options in our claims process, so that our customers benefit from solutions that are both responsible and future-ready.

Our Global Broker Survey provides us with insights not only into the relationships we build with our intermediated customers, but also into our brokers' experience with us. The results consistently show that the quality of our performance and services positions us as market leaders. This achievement highlights the strength of our relationships with brokers, and gives us further opportunities to use these insights to enhance our service and deliver fair, positive outcomes for all. Our ongoing commitment is also reflected in the positive recognition and valuable interactions we have with customers.

This dedication has resulted in a 1 point increase in our claims TNPS score, reflecting that more customers feel positive about their claims experience and demonstrate increased trust in Zurich. The claims TNPS surveys are conducted at relevant claims touchpoints throughout the customer journey and also include broker-led surveys to capture feedback across all channels.

Strengthening climate resilience through proactive wildfire response

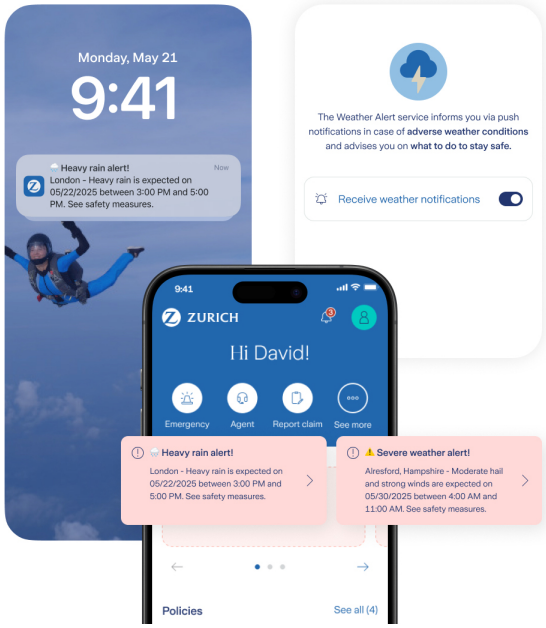
In January 2025, the devastating wildfires in California caused widespread loss and disruption, impacting thousands of families and entire communities. These events were a stark reminder of the growing risks posed by climate change. In such situations, our response goes beyond traditional insurance coverage – we work proactively with customers before, during, and after such events:

- Before the wildfire season: We provide tailored risk assessments and expert guidance on mitigation strategies, including fire-resistant building materials, defensible landscaping, and emergency planning. We also collaborate with local authorities to share insights and promote best practices that strengthen community resilience.
- During wildfire events: We mobilize specialized claims teams to deliver rapid support, expedite damage assessments, and prioritize those most affected. Leveraging advanced technologies and dedicated helplines, we strive to deliver, fair, transparent settlements and assistance.
- After the wildfires: We support communities in rebuilding sustainably and enhancing their resilience to future risks, helping them recover stronger for the long term.

4.3.3 Customer excellence

Enhancing retail experience through digital platforms

Our customer portals and apps empower users to manage their insurance needs whenever and wherever they choose. By integrating additional services such as digital signatures, secure payments, and interactive maps to locate agents, partners, and repair workshops, we have made support and information more accessible than ever. Working closely with our partners, we have ensured that co-branded features and visuals clearly represent our support network, making it easy for customers to find the right contact when they need assistance. In 2025, we accelerated digital innovation, expanding our offerings through a series of initiatives designed to enhance convenience and protection.



Zurich One plays a crucial role in our effort to prevent our customers from damage before it occurs. In 2025, we launched a weather alert feature in Italy, providing timely warnings and practical advice to protect against severe weather events. Concurrently, Zurich One integrated with our cyber security app in Switzerland, enabling customers to seamlessly switch between core insurance and comprehensive cyber protection – all within a single

account. Building an interactive ecosystem remains a priority, ensuring our customers always have access to the right services and offers from our trusted network.

Empowering commercial customers and brokers through My Zurich

My Zurich is our advanced digital platform for corporate customers and brokers – a central hub for collaboration, communication, and insurance program management. Together with our API suite, which connects directly to users' own systems, it supports over 10 thousands users worldwide and is a leading digital service in commercial insurance.

The platform offers intuitive access to policy details, documents, and global insurance programs, helping risk managers and brokers make informed decisions while reducing administrative work.

Users benefit from live claims updates for real-time visibility, a renewal checklist that ensures accurate and compliant policy reviews, and secure self-service tools for managing electronic certificates of insurance (eCertificates). My Zurich also simplifies global policy tracking, enabling efficient monitoring of local policy issuance, activation, and compliance. Risk improvement tools help users manage recommendations and strengthen their overall risk profile.

Continuously evolving through customer and broker feedback, My Zurich delivers efficient, transparent, and collaborative insurance management – empowering organizations to operate with clarity and confidence.

4.4 Customer-centric trust

Our goal is to make people and organizations more resilient, fostering confidence in an increasingly digital society. As we embrace advanced technologies such as artificial intelligence (AI) and in particular generative AI (GenAI), we recognize that true customer trust is built on more than innovation alone. It relies on our ongoing dedication to transparency in data management, robust data privacy practices, strong cyber security, and business resilience.

Protecting our customers' information, strengthening operational security, and preparing for unexpected disruptions are all critical to earning and maintaining trust. By integrating responsible AI, data privacy, cyber security, and business resilience into every aspect of our business, we help provide peace of mind for our customers and contribute to a more sustainable future.

We also recognize the information-related impacts for consumers and/or end users, ensuring that our digital solutions and data practices promote transparency, trust, and informed decision-making.[1]

4.4.1 Data & Responsible AI Commitment

We acknowledge the importance of AI in our operations with the Data and Responsible AI Commitment. In 2025, we are continuing our commitment, focusing on data privacy and ethical AI use, placing responsible data practices as the foundation of our AI and data activities.

Our approach to a safe, responsible, and customer-centric use of AI technologies is based on the following guiding principles:

- **Safety**: Our use of AI is governed by our robust risk management framework, including data privacy and protection, and adheres to industry best practices. We operate AI models and their data in safe and protected environments.
- **Transparency:** We disclose to our customers when they are interacting with AI, using clear labels or disclaimers, and providing explanations of AI outcomes.
- **Accountability**: In line with our Code of Conduct, we act with integrity and do the right thing, including appropriate Customer Facing Conduct and responsible use of AI.
- **Reliability**: Our use of AI is subject to human oversight that identifies and mitigates potential risks, including the prevention of harmful biases.

AI-related risks are managed as part of our Group Enterprise Risk Management (ERM) Framework, in line with risk appetite and tolerance considerations. The guiding principles for responsible use of AI are supported by seven governance documents covering areas such as model, third-party and data risks, with associated requirements subject to documented controls which are independently tested. This framework aligns with our risk management principles and facilitates oversight of AI usage across global operations.

We continue expanding our portfolio to around 400 AI use cases, strengthening our ability to leverage GenAI to solve business problems and unlock the significant value of unstructured data. For example, our internally developed GenAI tool, ProgramIQ, assists underwriters in proof checking policy wordings for correctness and consistency across countries, enhancing governance, improving efficiency, and ensuring greater contract certainty for our customers. GenAI usage is supported by global pilots, proof-of-value assessments, and dedicated training and guidance for safe and responsible use. Our GenAI solutions are managed through a platform that integrates data privacy by design, Responsible AI components, and cyber security.

1 For further details on how we assessed materiality and what is relevant to us, please refer to section 1.1.2 Assessing materiality on pages 132 to 133.

To support our workforce's continuous learning and development, we offer a wide range of curated learning opportunities. In 2025, colleagues engaged in the **Digital Mastery Program,** which brings together the essential modules in automation, data, and generative AI, as well as the foundations level, completing a total of **1,487 sessions**. In addition, employees took part in the **Zurich Customer Empathy** learning pathway, including both the Customer Empathy Masterclass and the broader Customer Empathy Program, accounting for **2,581 sessions**. Together, these initiatives reflect our focus on empowering employees with future-ready skills and a strong customer-centric mindset.

4.4.2 Data Privacy

Data privacy is one of our cornerstones of customer-centric trust. We uphold transparency in our data privacy and records management practices and maintaining high standards of personal information protection across all our operations, especially as we integrate advanced AI technologies.

In 2025, we continued to strengthen our global data privacy platform by further standardizing data privacy and AI risk assessments and governance practices, and continued to evolve our AI governance, underpinned by our comprehensive AI Assessment Framework.

Our efforts on data privacy include:

- **Comprehensive training**[1]: All employees are required to complete annual data privacy and security training, covering data privacy, responsible AI use, secure data handling, and cyber security best practices.
- **Specialized forums**: We enhance training and awareness activities tailored to employees based on their exposure to data privacy risk. Our internal annual data privacy conference, along with targeted training sessions for key personnel, promotes a consistent understanding of data privacy and Responsible AI-related topics. These forums bring together experts and cross-functional teams to explore the latest developments in data privacy.
- **Information governance**: Our information governance and data compliance networks provide a continuous forum for sharing experiences, discussing case studies, and developing collaborative solutions. To ensure best practices, a comprehensive Data Privacy and Records Management Guidance document has been issued and shared globally.
- **Privacy by design in AI**: A critical aspect of our GenAI strategy is the focus on data privacy embedded directly in the design of our solutions and our group-wide platform. This ensures that privacy considerations are addressed from the earliest stages of development.

By continuously strengthening our global data privacy platform, ensuring rigorous training and awareness, we uphold our commitment to protecting personal information and maintaining the trust of our customers.

4.4.3 Training on data privacy and information security

Employees, including our senior management, receive annual, mandatory education on data privacy and information security. In 2025, a global data privacy training was assigned to all employees,[2] achieving a **99.9 percent** of completion rate (compared with 99.9 percent in 2024). This training emphasizes respecting privacy rights as well as data privacy principles for processing personal data. The training also covers the importance of handling business records properly and the responsible use of AI.

Our annual information security awareness training,[3] with a **99.8 percent** completion rate (compared with 99.8 percent in 2024), covers critical topics such as secure remote work, strong password creation, social engineering, and recognizing phishing attempts, including those leveraging AI. This core training is complemented by year-round tip sheets, bite-sized learning campaigns, and live expert sessions.

4.4.4 Cyber security

The cyber threat landscape has transformed dramatically in the past decade. Simple phishing scams and basic malware have increasingly given way to highly sophisticated and persistent threats – ransomware, advanced persistent threats, supply chain compromises, and nation-state-backed espionage. These evolving risks bring greater potential for financial loss, reputational harm, and regulatory exposure. Attackers now target sensitive data, disrupt essential services, and seek to undermine trust.

As a global financial services provider, we hold vast amounts of sensitive information – making us a key target for cyber criminals and nation-state actors. The increasing complexity of cyber attacks, combined with intricate IT environments and extended supply chains, calls for more than just tactical fixes. Instead, we need a robust, strategic, and forward-looking governance model. This means integrating proactive threat detection, automated prevention, tested incident response plans, and ongoing employee awareness.

We are proud to have reached our five-year cyber security maturity target, measured objectively against leading industry standards. A major contributor to this success is our alignment with the latest NIST Cybersecurity Framework (CSF). This updated control framework ensures our approach remains risk-based, comprehensive, and forward-looking – keeping us ahead in cyber resilience.

1 For further information, see section 4.4.3 Training on data privacy and information security on page 188.
2 Excludes employees on long-term leave during the training window, new joiners who joined after the cut-off date for the annual training assignment, and employees who left the company before the assignment due date, as well as Farmers Group, Inc. and its subsidiaries.
3 Excludes employees on long-term leave during the training window, new joiners who joined after the cutoff date for the annual training assignment, and employees who left the company before the assignment due date, as well as getolo.

Our Strategy: four pillars of cyber resilience

Advancing cyber maturity through measurement

By aligning with the NIST CSF, we have standardized our security posture across the globe. This approach strengthens our defenses, protects customer data, and reinforces our reputation as a resilient industry leader. Our top-tier CSF maturity rating reflects this dedication.

Modernizing security platforms and simplifying operations

Transitioning from traditional data centers to hybrid and cloud environments demands agile, scalable security. We are rolling out next-generation detection and response capabilities for both legacy and cloud-native workloads. This modernization balances current cyber risks with future technology needs, ensuring enterprise-wide resilience.

Maintaining strong cyber hygiene

Fundamental cyber hygiene is key to defending against common and opportunistic threats. Automated safeguards, consistent policy enforcement, and regular employee training help us maintain resilience and meet regulatory and best-practice standards.

Practicing response and recovery for high-impact events

In 2025, the financial sector has increasingly been targeted by threat actors who use social engineering techniques to exploit the human factor. Recognizing this risk, we proactively launched a global awareness campaign to empower our employees and strengthen our defenses. By educating our teams on the tactics used by attackers, we showcased our commitment to preparedness and helped reduce the likelihood of falling victim to these threats.

We are committed to continuous improvement in our defenses, recovery and resilience. Our 24/7/365 cyber fusion center leverages advanced technologies, automation, and global threat intelligence to proactively detect, contain, and respond to threats. These ongoing investments ensure we not only address current risks but also build a flexible, adaptive infrastructure to meet future digital challenges.

4.4.5 Business resilience

Business Resilience refers to an organization's capacity to absorb disruptions and adapt to changing conditions, ensuring it can continue to meet its objectives and thrive over time.

To support this, we have established clear expectations for all countries and Group Functions. Each is required to develop and maintain a local Business Resilience Program that follows an annual cycle of key activities designed to continuously strengthen resilience.

In Q1 2025, countries and Group Functions reassessed the scope of their Business Resilience Programs. The goal was to ensure that continuity planning remains focused on the business processes most critical to operations and customer service delivery.

As part of this review, Business Impact Assessments (BIAs) were updated to reflect any changes in internal operations or the external environment. These assessments evaluate the potential consequences of disruptions across three key dimensions:

- **Financial Impact**: Each country or Group Function defines its own financial impact thresholds, representing the maximum acceptable direct financial loss from operational disruptions.
- **Reputational and customer impact**: Standardized rating scales for these categories are provided centrally to ensure consistency across the organization.
- **Customer impact**: Alongside financial and reputational considerations, customer impact plays a central role in determining the scope and prioritization of resilience activities.

Continuity plans for critical business processes are developed and maintained using a centralized global digital platform. These plans are reviewed, tested, and formally approved throughout the year. In parallel, crisis management teams – operating at local, regional, and group levels – participate in scenario-based exercises. These simulations are designed to test decision-making under pressure, evaluate internal and external communication strategies, and assess the organization's ability to manage events that could disrupt services or compromise customer protection.

5. People

We support our people to perform at their best and build skills for long-term employability.



We support our people to perform at their best – today, tomorrow and through changes in the market. We sustain a work environment in which people can demonstrate a winning mindset and build skills, so they can stay employable for the long term. It's how we meet our customers' evolving needs, and contribute to the society in which we operate. And it's how we unlock exceptional performance that lasts."

Jolanda Grob
Group Chief People Officer

5.1 Our people
5.2 Prevention of bribery & corruption
5.3 Human rights
5.4 Sustainable sourcing
5.5 Responsible tax
5.6 Community investment

DMA

The DMA highlighted training and skills development, equal treatment and opportunities for all, as well as working conditions, as key workforce subtopics, alongside corporate culture and protection of whistleblowers under business conduct.[1] These priorities underpin our efforts to foster an inclusive, ethical and future-ready organization that supports continuous learning, integrity and resilience.

5.1 Our people

We believe that building a sustainable business starts with empowering people. Our commitment to being a responsible and impactful employer is not just a principle, it is a practice embedded in our decision-making. We know that when our people thrive, so does our business, which benefits our customers and the communities in which we live.

In 2025, we continued to shape a workplace where purpose, performance and personal growth go hand in hand. **We invested in future-ready skills, adaptable leadership, and resilience, helping our people to be equipped to navigate ambiguity and change, as well as lead with confidence.** Our culture is rooted in optimism, care and reliability. With forward thinking, results-orientation and a sense of togetherness, we bring our purpose to life to create a brighter future together.

Our distinct culture enables us to attract and retain the right talent, unlock innovation, and continuously raise the bar as we deliver on our strategy. We remain focused on creating an environment where our people can grow and contribute with purpose and drive.

Our people sustainability aspiration is to:

- Empower people to deliver exceptional results with professional excellence and a winning mindset. Our people are set up to succeed in their role and grow into what comes next. That is how we accelerate in a volatile world, helping people thrive.
- Build a culture where people want to make an impact, constantly raising the bar and adapting for what is ahead. That is how we deliver high performance, sustainably.[2]

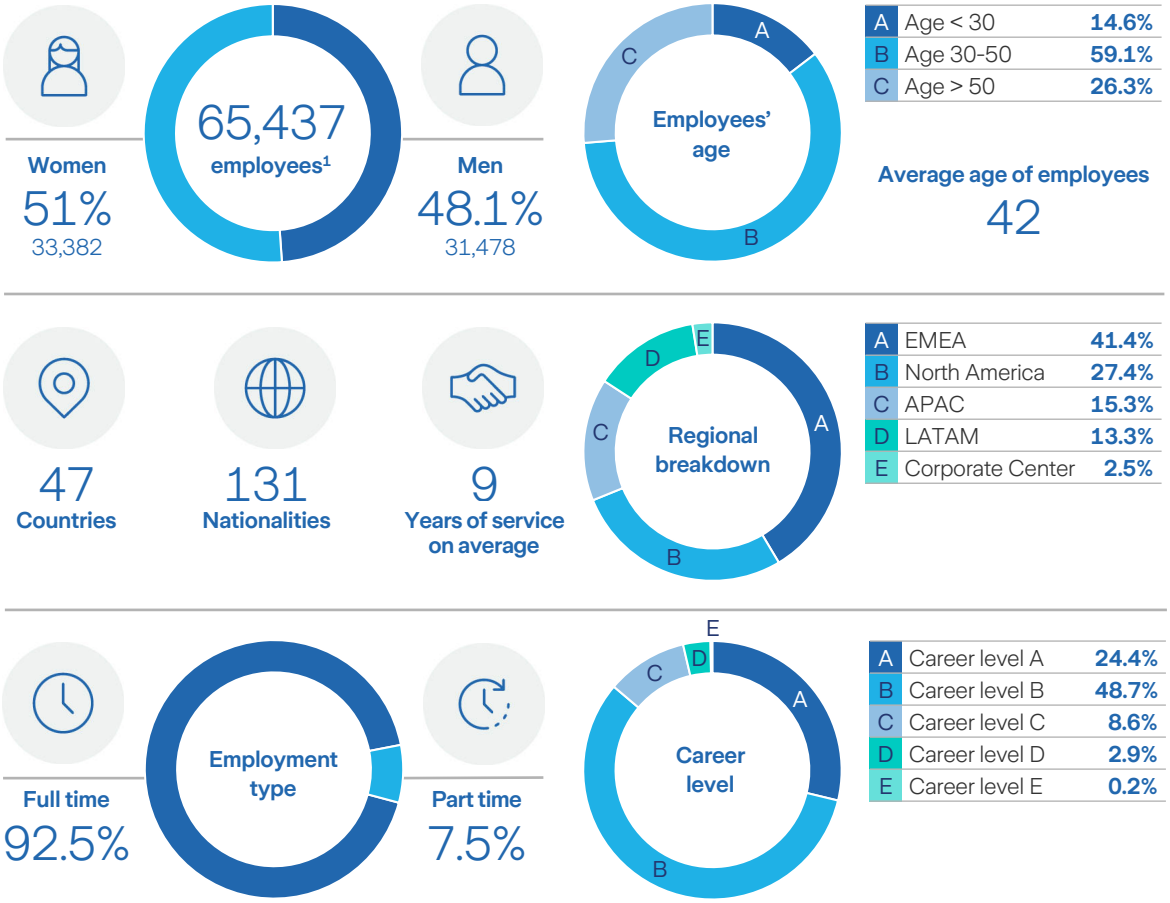
Building a sustainable future for us also depends on maintaining the right balance between developing and hiring talent from within our organization and bringing in new skills and perspectives from external hires. This approach enables us to build a workforce that is resilient, adaptable, and equipped to address evolving market challenges.

We annually assess our human capital risks via our Total Risk Profiling™ methodology and conduct quarterly reviews to follow up on mitigation actions, so that we manage risks effectively and support our business.

1 For further details on how we assessed materiality and what is relevant to us, please refer to section 1.1.2 Assessing materiality on pages 132 to 133.
2 Sustainable high performance means consistently achieving outstanding results while preserving the long-term resilience and engagement of people. It integrates holistic health, inclusion, and adaptability into work practices, ensuring success that endures without compromising individuals' or organizational integrity.

In 2025, our headcount increased to 65,437 employees (2.5 percent increase compared with 63,842 in 2024, mainly as a result of organic growth). 94.4 percent of the workforce has permanent contracts and 5.6 percent has temporary contracts (compared with 94.5 percent and 5.5 percent respectively in 2024).

Figure 22
Our workforce



1 Calculated as of December 31, 2025, on a headcount basis of 65,437 employees (equivalent of 63,965 FTE (full-time equivalent) as part of own workforce; total numbers include 0.9 percent 'undisclosed gender', that is, employees with no declared gender).

Our internal grading system defines the following progression by career level:

– **Career level A** comprises all entry level and low specialization roles.
– **Career level B** includes frontline managers and technical staff.
– **Career level C** includes middle managers and highly specialized technical staff.
– **Career level D** comprises senior executives and senior experts.
– **Career level E** incorporates the most senior roles such as country CEOs and other senior business leaders.

Senior management comprises career levels D and E together. **Middle management** refers to career level C.

5.1.1 Careers and work

Throughout 2025, we continued to successfully develop and retain employees with key skills and capabilities.[1] We offer relevant programs, processes and initiatives to all our employees, independent of their form of employment (e.g., full-time or part-time, permanent or temporary).

Approach

We continuously **enhance the quality, relevance and variety of our training and skills development approach**[2] for our people, thereby increasing the levels of expertise, efficiency and productivity across the organization. With rapid advances in AI, continuous learning and upskilling has been reinforced as material for us, supporting our increasing shift to digital-first learning offerings.

1 See more on www.zurich.com/about-us/our-people/skills.
2 For further details on how we assessed materiality and what is relevant to us, please refer to section 1.1.2 Assessing materiality on pages 132 to 133.

Actions

We attract the right talents and skills as we continue to be an employer of choice[1] to grow careers. In 2025, we hired 11,222 new employees across the Group (compared with 10,449 in 2024),[2] hiring typically employees of the age group 30-50, nationals of the countries where we operate, into full-time roles. We continue to place significant emphasis on supporting our apprenticeship, trainee and internship programs globally, offering opportunities for people at any stage of their careers. We employ nearly 1,700 apprentices, trainees and interns a year with particularly strong programs in Switzerland, the UK, Germany, the U.S. and Brazil. Several countries maintain programs that give young professionals a clear path into the industry, such as the Underwriting Factory in Italy, enabling the country to secure critical skills for the future. We also partner with the Global Alliance for Youth and collaborate with its member organizations to strengthen the employability of youth through workplace-based learning. In 2025, 14.6 percent of our workforce and 33.9 percent of our new hires were aged 30 or younger.

Table 23

New hires[1]

	Career level (%)								
	A	B	C	D	E	Senior management	Unranked[2]	Total # 2025	Total # 2024
Dimension									
Region									
APAC	35.5	31.5	3.5	1	0	1	28.5	1,850	1,970
EMEA	38.1	28.2	2.6	1	0	1	30.1	3,746	3,422
LATAM	28.7	25.5	2.2	0.2	0	0.2	43.4	2,356	2,434
North America	25.1	66.4	3.6	1.5	0	1.6	3.4	3,087	2,464
Corporate Center	21.3	30.1	18	12	3.3	15.3	15.3	183	159
Gender									
Female	33.4	39.9	2.1	0.9	0.1	0.9	23.7	5,858	5,359
Male	30.7	37.9	4.3	1.5	0.1	1.6	25.5	5,157	4,886
Undisclosed gender[3]	16.4	24.2	4.3	2.9	0	2.9	52.2	207	204
Age group									
Age <30	57	24.5	0.2	0	0	0	18.3	3,800	3,638
Age 30-50	20.4	48.1	4.8	1.4	0	1.5	25.2	6,045	5,419
Age >50	12.3	36.7	4.4	3.3	0.4	3.7	43	1,377	1,392
Employment type[4]									
Full-time	30.7	40.1	3.2	1.2	0.1	1.2	24.7	10,544	9,849
Part-time	50.6	17.1	2.3	1.4	0	1.4	28.7	666	600
Nationality									
National	34.9	27.6	2.9	0.9	0	0.9	33.7	7,052	6,555
Non-national	31	32.3	4.1	1.9	0.6	2.4	30.2	1,079	845
Undisclosed nationality[5]	25.1	66.4	3.6	1.5	0	1.6	3.4	3,091	3,049
Total (# 2025)	**3,571**	**4,345**	**357**	**131**	**8**	**139**	**2,810**	**11,222**	**N/A**
Total (# 2024)	**3,434**	**3,433**	**274**	**100**	**10**	**110**	**3,198**	**N/A**	**10,449**

1 The percentage calculation methodology has been revised for 2025 in order to improve readability, with percentages now calculated on a row basis. Prior-year values are therefore not directly comparable.
2 'Unranked' refers to employees who are not assigned to any career level, comprising employees in Germany, including getolo (not ranked due to locally applicable restrictions preventing the use of this data), Zurich Kotak (due to ongoing onboarding onto our platform), Orion, BOXX Insurance, sales force teams (due to their higher volatility), and individual cases with late job assignments on year-end hires. The total includes all employees, including 'unranked'.
3 'Undisclosed gender' refers to employees with no declared gender.
4 Excludes employees that are not classified as either part-time or full-time.
5 'Undisclosed nationality' refers to employees for whom we do not hold nationality/citizenship information, mostly from North America.

We listen to our people regularly and focus our actions on what drives their engagement. Our annual Zurich Experience Survey (ZES)[3] had an excellent 87 percent response rate in 2025 (up 2 percentage points versus ZES 2024). We have been reassured again that our employees' perception of personal and professional development, as well as career opportunities not only performs above our industry peers, and at or above high performing organizations, but also continues to drive their engagement. Our engagement score was 1 percentage point better than that of high performing companies and 4 percentage points better than other global finance and insurance peers working with the same provider.[4]

We prioritize internal over external hires, whenever possible and appropriate. By promoting accelerated internal mobility among our people, we support their professional and personal development, career diversification, upskilling and reskilling (e.g., Group Technology Office Reskilling Program, Spain's Claims Campus for reskilling, Italy's Life claims and Non-Life underwriting upskilling). About two-thirds of our internal mobility represents vertical moves, and our promotions

1 See more on www.zurich.com/about-us/our-people.
2 For more information, see Table 23 New hires on page 192.
3 The annual ZES was administered in May 2025 across the Group, excluding Farmers Group, Inc., Zurich Cover-More, BOXX Insurance, Orion and getolo.
4 All benchmarks are from our external provider's client companies.

continue to reflect a balanced gender split: 53.8 percent of all promotions were female (compared with 57.5 percent in 2024). The remaining one third is a combination of horizontal mobility (51.3 percent opportunities taken up by females in 2025, 59 percent in 2024), international mobility (31.6 percent female, 38.5 percent in 2024), and other forms of internal mobility such as rehires (that is, all newly contracted employees who were former Zurich employees prior to re-joining, 56.4 percent female, 57 percent in 2024), and changes in employment contract from temporary to permanent (52.4 percent female, 56.8 percent in 2024).

We continue to build out our leadership pipeline to support career growth through vertical, lateral or international moves. Our managerial and leadership development approach is clustered around four key areas:

1 Leadership development designed and delivered in our countries and regions (e.g., APAC Senior Leaders of the Future program, Leading for Success in LATAM).

2 Identification and development of emerging future leaders (e.g., Zurich Accelerate, in collaboration with the University of St. Gallen (HSG), develops high-impact future enterprise leaders for business growth, equipping them to lead across markets, cultures and economic landscapes).[1]

3 Talent development in core areas (e.g., Lead Tomorrow Prepared program[2] in collaboration with Stanford Business School for Commercial Insurance Senior leaders).

4 Executive development and succession planning.

In 2025, the internal hiring ratio declined to 66.7 percent (compared with 72.8 percent in 2024), behind our ambition of increasing the value of this metric year on year. This trend is due to increased external hiring in 2025 in our technical areas like underwriting and claims, digital and AI, as well as sales and distribution. Our internal hiring ratio for senior management was 71.8 percent, similar to 72.2 percent in 2024. Overall, our approach contributes to our people remaining employable, now and in the future, irrespective of their seniority, gender, age, or any other personal characteristics.

Table 24
Internal hires[1, 2]

	Career level (%)							
	A	B	C	D	E	Senior management	Total % 2025 – Independent of career level	Total % 2024 – Independent of career level
Dimension								
Gender								
Female	100	58.6	81.6	71.5	50	70.7	67.3	75
Male	100	57.4	79.6	74.4	77.8	74.6	66.6	70.2
Undisclosed gender[3]	100	31.1	37.5	0	0	0	31	52.9
Age Group								
Age < 30	100	50	68.6	100	0	100	65.6	73.7
Age 30-50	100	58.2	78.9	74.3	75	74.3	65.7	71.4
Age > 50	100	67.4	85.1	63.4	66.7	63.7	72.8	78.1
Total % Internal hires	**100**	**57.8**	**79.9**	**71.9**	**70.8**	**71.8**	**66.7**	**72.8**

1 Internal hiring rate is the proportion of internal mobility in comparison to the aggregated sum of internal mobility and external hiring. It is calculated by dividing the total number of internal mobility (reflected by horizontal, vertical or international moves, re-hiring of former Zurich employees, or changing employment contract types from temporary to permanent contracts) by the aggregated total of internal mobility plus external hiring. The internal hiring rate of career level A excludes external hires, as these positions are, by nature, mainly filled by external career starters, meaning the internal hiring rate of career level A is always 100 percent. The total percentage for 2025 (independent of career level) is also calculated without taking career level A external hires into account.
2 Excludes 'unranked' employees who are not assigned to any career level (15.3 percent of our workforce), comprising employees in Germany, including getolo (not ranked due to locally applicable restrictions preventing the use of this data, 8 percent of our workforce), Zurich Kotak (due to ongoing onboarding onto our platform, 2.8 percent of our workforce), Orion (0.3 percent of our workforce), BOXX Insurance (0.1 percent of our workforce), and sales force teams (due to their higher volatility, 2.4 percent of our workforce).
3 'Undisclosed gender' refers to employees with no declared gender.

We offer varied opportunities to our people for professional and personal development, as well as career advancement. While we know that most impactful learning occurs in the flow of work coupled with feedback, we also invest in coaching, mentoring and formal learning, including accredited education and support for degree programs and certifications with partnering institutions, or any other program if deemed useful in connection with the role. The insights we collect via our Performance and Development Cycle (PDC)[3] inform the strategic training priorities and highlight key areas for development and upskilling. Our career development tool, MyJourney, further supports this by identifying our evolving skill requirements and comparing them with the skills of our employees – supporting our ambition to deliver on our targets, and preparing us for future success. As a testimony to our commitment to high-quality continuous learning, we were awarded eleven Brandon Hall awards, of which our Customer Empathy Masterclass Program received the Gold

1 In 2025, the program achieved exceptional participant endorsement, i.e., NPS +85 (virtual sessions) and NPS +97 (in-person sessions).
2 The 'Lead Tomorrow Prepared' program's NPS is +100. In addition, 29 percent (i.e., 12 out of 41) of participants moved to a new role in 2025.
3 The PDC is a clearly defined approach that annually guides all employees through goal setting (including drafting of individual development and training plans), regular career and progress conversations, and a year-end performance review. At the end of 2025, 58,822 employees managed this process through our supporting system, MyPDC (6,615 employees were out of scope from Cover-More Group, Zurich Kotak, Chile sales force, Orion, BOXX Insurance, some entities in Germany, Austria and others, adding to 10.1 percent of our workforce). By the end of 2025, out of 53,793 employees eligible to conduct their year-end performance review in MyPDC, 91.5 percent completed the review.

award in four categories: Best Certification Program, Best Customer Training Program, Best Unique or Innovative Learning and Development Program, Best Use of Games or Simulations for Learning.[1]

Our global learning platform, MyDevelopment, offers more than 38,000 courses, including the full library of LinkedIn Learning. Through technical academies, we aim to build capabilities that are core to our business, with these key highlights in 2025:

- We launched the Zurich Resilience Solutions (ZRS) Academy to strengthen technical capabilities through innovative learning (e.g., gamified ZRS Jargon series, Natural Hazards training) and embed our culture through the Global Onboarding Seminar that started with 92 colleagues in its first edition. Within its first seven months, 1,845 employees from 32 countries engaged actively in the Academy, spending on average 2 hours 14 minutes on learning. Learner satisfaction remained constantly high, with an average score of 4.7 (out of 5).
- Our 'Winning in the Market' (WITM) programs feature a broad catalogue of professional skills courses for Commercial Insurance colleagues and continue to deliver high-quality training.[2] As part of this portfolio, the WITM Global Summit Series features bite-size training sessions, which attracted strong engagement – with over 7,500 registrations across 33 sessions.

Table 25
Average learning hours[1, 2]

	Career level								
	A	B	C	D	E	Senior management	Unranked[3]	Total average # 2025	Total average # 2024
Dimension									
Gender									
Female	22	21.2	24	14.1	9.5	13.9	12.1	20.7	19.5
Male	26.1	16	17.7	11.8	8.6	11.7	10.8	17.6	18.2
Undisclosed gender[4]	41.3	24.2	25.8	37.6	0	37.6	4.9	10.5	20.7
Age group									
Age <30	26.9	16.6	10.5	7.5	0	7.5	10.5	22	22.2
Age 30-50	22.9	19.2	21.6	12.3	8.2	12.2	10	18.9	18.7
Age >50	15.7	15.4	16.2	12.1	8.9	11.8	12.7	15	15.2
Total average # 2025	**23.6**	**18.5**	**20.2**	**12.6**	**8.9**	**12.4**	**11.2**	**19.1**	**N/A**
Total average # 2024	**20.5**	**17.6**	**17.9**	**12.9**	**7.6**	**12.6**	**15.9**	**N/A**	**18.9**

1 Hours tracked on our global learning platforms (i.e., physical, digital as well as mandatory and voluntary training sessions).
2 Reporting on average learning hours excludes Farmers Group, Inc, Cover-More Group, Orion, BOXX Insurance, and getolo. The average learning hours per person in Farmers Group, Inc. is 35.6 hours (compared with 36.1 hours in 2024).
3 'Unranked' refers to employees who are not assigned to any career level (15.3 percent of our workforce), comprising employees in Germany, including getolo (not ranked due to locally applicable restrictions preventing the use of this data, 8 percent of our workforce), Zurich Kotak (due to ongoing onboarding onto our platform, 2.8 percent of our workforce), Orion (0.3 percent of our workforce), BOXX Insurance (0.1 percent of our workforce), and sales force teams (due to their higher volatility, 2.4 percent of our workforce). The total includes all employees, including 'unranked'.
4 'Undisclosed gender' refers to employees with no declared gender.

In 2025, our employees dedicated over 1.2 million hours to online learning, an increase from 1.1 million in 2024.[3] This translates to an average of 19.1 hours per employee, an increase from 18.9 hours in 2024. Our learners' Net Promoter Score (NPS) for all our courses is 38 for 2025, 4 points lower than in 2024.

Our learning approach not only embraces formal learning but increasingly shifts toward applied learning experiences that are crucial for professional growth and development. These include:

- **Learning through collaboration**: We have a number of platforms that facilitate communication and collaboration. These include leveraging our AI assistants, such as ZuriChat, Microsoft Copilot, internally developed AI assistants such as ProgramIQ,[4] ClaimsIQ and others where employees can ask questions, solve problems and share knowledge in novel ways.
- **Peer learning and mentoring**: Interactions with colleagues and mentors provide meaningful opportunities for informal learning, which can be more contextually relevant than formal training. For example, Italy's GenerAction program promotes cross-generational mentoring, enabling mentors and mentees to learn from one another as they work together to solve shared challenges.
- **On-the-job learning**: Provides engaging learning moments for our employees, applying theoretical knowledge and frameworks to real-world situations (e.g., via stretch assignments, secondments, internal mobility). Furthermore, communities of practice allows an exchange of knowledge on specific expertise, or our My70Percent initiative which encourages employees to consider exploring part-time on-the-job assignments outside of their everyday role.

1 Brandon Hall Group is a leading research and analysis firm specializing in human capital management. The detailed results of the prizes won by Zurich can be seen at this link: https://excellenceawards.brandonhall.com/winners/ and on our website at www.zurich.com/commercial-insurance/sustainability-and-insights/awards.
2 The 'Winning in the Market' (WITM) program's NPS is 82.
3 Reporting on learning hours excludes Farmers Group, Inc., Cover-More Group, Orion, BOXX Insurance and getolo.
4 For more information on ProgramIQ, see section 4.4.1 Data & Responsible AI Commitment on page 187.

– **Job shadowing:** Observing experienced colleagues in their roles also allows employees to acquire new skills. For instance, Zurich UK's Ride the Rails initiative encourages employees to shadow colleagues in different functions to learn more about the business and develop cross-functional relationships.

In 2025, we spent more than USD 40.5 million on learning (compared with USD 41 million in 2024), an average of USD 619 per employee (compared with 644 in 2024).

We continue to retain talent and skills, measured by both our people's intention to stay working for us as well as actual turnover rates. Employees' willingness to recommend Zurich as a great place to work, as measured in the ZES 2025, is 5 percentage points better than those in high performing companies and 8 percentage points better than other global finance and insurance peers with the same provider, as is their intention to stay working for us (2 percentage points better and 4 percentage points better, respectively). Total employee turnover increased to 13.1 percent compared with 12.9 percent in 2024. Over the years, we have observed minimal variance in the entry and exit patterns based on gender. In 2025, 50.4 percent of the individuals voluntarily or involuntarily departing our organization were female (compared with 52.8 percent in 2024).

Our employees under 30 years of age continue to have a higher voluntary turnover rate compared with other age groups, in line with external market trends. As we remain focused on getting insights from various sources, our aim is to continuously improve and remain an attractive employer for all who look to start and develop careers, not just in core technical insurance roles.

Table 26

Turnover[1]

	Career level (%)										
	A	B	C	D	E	Senior management	Unranked[2]	Voluntary turnover (%)	Involuntary turnover (%)	Total turnover (%) 2025	Total turnover (%) 2024
Dimension											
Region											
APAC	9.7	10.1	9.5	9.3	0	9	21.7	6.3	6	12.2	12.8
EMEA	11.6	7.3	6.8	9.8	12	9.8	8.5	4.6	4	8.6	9.5
LATAM	14.8	16.3	9.3	11.4	15.4	11.6	28.6	6.9	8.2	15.1	15.2
North America	25.9	19.5	11.5	18.7	14.3	18.4	19.6	8.3	11.2	19.5	16.9
Corporate Center	16.7	7.5	7.9	9.3	8.7	9.2	12.5	2.9	5.4	8.4	8.2
Gender											
Female	13.4	14.3	9.5	10.1	14.3	10.3	10	6.5	6.7	13.2	13.2
Male	16.3	12.2	9.0	12.7	9.6	12.5	13.1	5.9	6.9	12.8	12.4
Undisclosed gender[3]	46.7	30.3	5.3	19.4	0	19.4	27.6	5.3	22.9	28.2	21.2
Age Group											
Age < 30	17.9	16.4	7.9	33.3	0	33.3	20.8	10.8	6.9	17.7	17.8
Age 30-50	13	12.8	7.1	8.5	9.5	8.6	13.2	6.5	5.7	12.2	12.1
Age > 50	13.8	13.5	13.5	15.8	11.3	15.4	7.5	2.9	9.9	12.8	12.1
Employment Type											
Full-time	13.9	13.2	8.9	11.5	10.1	11.4	13	6.2	6.8	12.9	12.6
Part-time	21.6	15.1	14.8	21.4	40	22.1	5.6	5.7	9.5	15.1	17
Nationality											
National	12.3	9.5	8.3	10.1	14.7	10.3	11.9	5.2	5.4	10.6	10.5
Non-national	13.4	9.7	6.4	9	6.1	8.7	11.1	6.3	3.8	10.1	11.2
Undisclosed nationality[4]	22.7	19.1	11.1	18.2	14.3	17.9	19.6	8	10.8	18.8	17.4
Total (% 2025)	**14.6**	**13.3**	**9.2**	**11.9**	**10.8**	**11.8**	**12.6**	**6.2**	**7**	**13.1**	**N/A**
Total (% 2024)	**15**	**13.2**	**10.3**	**10.4**	**9.3**	**10.4**	**8.9**	**7**	**5.9**	**N/A**	**12.9**

1 Total turnover is calculated as the sum of number of voluntary leavers and the number of involuntary leavers, divided by the average headcount of the selected year. Voluntary turnover refers to employees deciding to leave the company, e.g., for personal reasons. Involuntary turnover refers to cases where the decision to leave is not entirely made by the employee, e.g., retirement and mutual agreement. Reporting excludes temporary employees and interns.
2 'Unranked' refers to employees who are not assigned to any career level (15.3 percent of our workforce), comprising employees in Germany, including getolo (not ranked due to locally applicable restrictions preventing the use of this data, 8 percent of our workforce), Zurich Kotak (due to ongoing onboarding onto our platform, 2.8 percent of our workforce), Orion (0.3 percent of our workforce), BOXX Insurance (0.1 percent of our workforce), and sales force teams (due to their higher volatility, 2.4 percent of our workforce). The total includes all employees, including 'unranked'. The total includes all employees, including 'unranked'.
3 'Undisclosed gender' refers to employees with no declared gender.
4 'Undisclosed nationality' refers to employees for whom we do not hold nationality/citizenship information, mostly from North America.

Case study

Developing next-gen digital leaders

Our global Digital Leaders program is building the next generation of Technology & Operations leaders by combining strategic insight, emerging technology and hands-on development in a comprehensive nine-month tailored program.

The latest cohort finished in May 2025 and completed eight modules covering AI, cyber, cloud, leading through data, and change leadership – supported by senior mentors, monthly cohort sessions and external speakers.

Of these, 76 percent have moved into new roles, with many citing stronger networks, increased self-confidence, and a broader strategic perspective as outcomes of the program.

One said, "I'm more confident in applying what I have learnt and challenging the status-quo", while another shared, "It gave me a clear view of the tech challenges that we have." The next cohort launched in October 2025 with a deeper focus on AI and digital transformation, reflecting our commitment to delivering smarter, faster, and more impactful outcomes.

5.1.2 Inclusion and belonging

Guided by our Board of Directors,[1] we foster a culture focused on mutual respect, professional growth, and fair opportunities for all employees. By valuing diverse perspectives, we strengthen our teams and deliver better outcomes for our people and customers. In compliance with all applicable laws and regulations, we strive to integrate inclusion and belonging principles in all countries in which we operate by taking targeted actions and assuming leadership accountability, mirroring the full span of customers we serve.[2]

Approach

We strive to sustain a work environment that prioritizes equal treatment and opportunities for all[3] – in which **our voices and perspectives are diverse, our behaviors and actions are inclusive and our people feel a strong sense of belonging**. We support an **inclusive workforce**, where all individuals are valued and respected. We invest in the development of our people, and foster a positive environment where our people have the opportunity to thrive and succeed throughout their career. This strengthens our ability to serve our customers, enhances our business resilience, and drives superior performance.

Actions

We maintain a distinct culture where people feel they belong. Our cultural differentiator, as measured in the ZES 2025, is our people's strong sense of belonging to our diverse, tolerant and inclusive company. Employees' sense of belonging is also the number one global driver of engagement. The vast majority of our employees believe that their teams have a climate where diverse perspectives are valued[4] and they can be their authentic selves at work.[5] In 2025, we improved **rank and achieved third place among insurance companies in the Forbes World's Best Employers award**,[6] we received Great Place to Work's Best Workplaces in Asia[7] and FT's Europe Diversity Leaders' awards,[8] and several of our countries continue to receive Top Employer, local Great Place to Work, EDGE or other certifications and awards, validating employees' perception.

We embrace individual perspectives, experiences, insights and ideas. We fully benefit from the broad range of skills and abilities of all of our people and consider diversity of perspectives in our recruiting efforts. We encourage exchange, raise awareness, strengthen respect and inclusion by supporting our employee resource groups (ERGs)[9] across the organization. Our ERGs address locally relevant topics, provide thought-provoking and developmental programs throughout the year from which everyone can benefit. We encourage engagement in these groups in order to strengthen our sense of community. In the UK, for instance, nearly one third of employees are member of an ERG or other communities like Mental Health First Aiders.

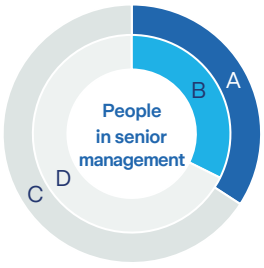
We maintain visibility on representation of genders across the organization. At the end of 2025, 33.3 percent of our Board of Directors (compared with 41.7 percent in 2024), 50 percent of our Executive Committee (the same as in 2024) and 51 percent of our employee population were female (compared with 50.9 percent in 2024). In addition, we monitor gender representation across multiple dimensions, including career levels and age groups. Our initiatives have helped drive improvements in gender representation since 2017, particularly in senior management. At the end of 2025, female employees represented 33.9 percent of senior management (compared with 32.1 percent in 2024), mainly due to increased external hiring of women in senior management. In 2025, the share of females in senior management was

1 The Governance, Nominations and Sustainability Committee assists the Board in setting an appropriate tone at the top to promote key values and behaviors, and to ensure a sound and open culture.
2 See more on www.zurich.com/about-us/our-people/zurich-at-work.
3 For further details on how we assessed materiality and what is relevant to us, please refer to section 1.1.2 Assessing materiality on pages 132 to 133.
4 ZES 2025 "My team has a climate in which diverse perspectives are valued.": 3 percentage points better than those in high performing companies and 6 percentage points better than other global finance and insurance peers with the same provider.
5 ZES 2025 "I can be my authentic self at work.": 2 percentage points better than those in high performing companies and 4 percentage points better than other global finance and insurance peers with the same provider.
6 See more on www.forbes.com/lists/worlds-best-employers/.
7 See more on www.greatplacetowork.com/best-workplaces-international/best-workplaces-in-asia/2025.
8 See more on www.ft.com/content/76207eca-eb9c-4f28-8416-0e7d60af7e7b.
9 Our Group-wide ERGs are: WIN (Women's Innovation Network), ZurichNEXT (promoting intergenerational dialogue), Pride@Zurich (alliance of LGBTQ+ employee networks) and YouMatter (supporting employee wellbeing). Countries have, in addition, several other local ERGs.

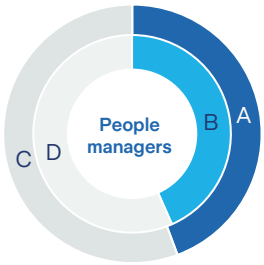
38.1 percent at external hiring, 36.7 percent at internal hiring (including promotions 40 percent), and 39 percent among voluntary leavers).[1]

In addition, 44.2 percent of our people managers[2] (compared with 43.3 percent in 2024) and 54.2 percent of our individual contributors were female (compared with 54.1 percent in 2024). We also have initiatives in place to develop women's science, technology, engineering, and mathematics (STEM) careers. At the end of 2025, 29.6 percent of our employees working in IT or engineering roles were female (compared with 30.2 percent in 2024).

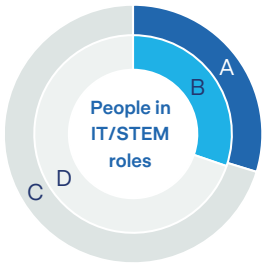
Figure 23
Gender representation highlights



A	2025 Women	33.9%
B	2024 Women	32.1%
C	2025 Men	65.3%
D	2024 Men	67.1%



A	2025 Women	44.2%
B	2024 Women	43.3%
C	2025 Men	55.5%
D	2024 Men	56.5%



A	2025 Women	29.6%
B	2024 Women	30.2%
C	2025 Men	70%
D	2024 Men	69.5%

We continue to support the development of female talents in progressing towards leadership positions, strengthening qualified, high performing women's access to leadership opportunities. Most of our countries engage in programs and initiatives such as the Ellevate program of Switzerland (launched in 2024, providing visibility, networking, and career development opportunities for women in the organization, with a second cohort in 2025),[3] or the Female Sponsorship Program of Australia and New Zealand (a flagship initiative launched in 2021 designed to strengthen the country's commitment to support the next generation of female leaders).

We support the employability of individuals of all age groups and at all stages of their careers, providing flexibility for smooth transitions to new opportunities. Our early-in-career programs (e.g., Digital or Underwriting factory in Italy; 12-months Next-Gen talent acceleration program in Brazil) are successful in recognizing internal talent and developing employees' skills for future needs of our organization via workshops, coaching sessions and experience-based project work. These prepare participants for leadership opportunities. For team members at later career stages, several of our countries are offering phased retirement and knowledge transfer programs. For example, the U.S. offers flexible options to transition into retirement in a modified capacity for up to 24 months.

Additionally we stand for other aspects of diversity too, creating opportunities for all. Related to LGBTQ+[4] for instance, we have an active global ERG and we have been recognized as a **Top Global Employer for the LGBTQ+ community** by Stonewall since 2018, receiving the Silver award again in 2025.

Case study

Supporting social mobility through inclusive leadership

In the UK, we are leading the insurance sector in social mobility, becoming the first UK insurer to publish its socioeconomic pay gap. Analysis shows that employees from lower socioeconomic backgrounds earn 4.2 percent more at the mid-point than peers from professional backgrounds. However, they earn 10.5 percent less on average due to underrepresentation in higher-paid roles. Currently, one in five senior leaders at Zurich UK come from lower socioeconomic backgrounds.[1]

To help address this, we partner with Circl to pair leaders with young people from lower-income backgrounds for mutual coaching and skills development. All our leaders on the Leader as Coach program reported becoming more inclusive, while 92 percent of future leaders felt more career ready.

1 For more information, see www.zurich.co.uk/media-centre/zurich-uk-shares-its-socioeconomic-pay-gap#.

1 In 2024, the share of females in senior management was at hiring 28.2 percent, internal hiring 44.7 percent (including promotions 45.2 percent), and among voluntary leavers 34.7 percent.
2 People managerial and STEM classification data excludes information from Zurich Kotak and BOXX Insurance.
3 In 2025, Ellevate's NPS is 85.5. In addition, 40 percent of participants have made career moves since the program start in 2024.
4 LGBTQ+ refers to a diverse community of people whose sexual orientations, gender identities, or gender expressions differ from conventional norms. It includes lesbian, gay, bisexual, transgender, queer/questioning individuals and many others, such as intersex, asexual, non-binary, and pansexual people.

We advocate for pay equity, fairness and pay transparency, and actively promote it in countries where we operate. We regularly monitor our processes to achieve a future with no pay gap. We already pay our workforce at or above minimum wage, in line with local regulations, applicable insurance labor law or insurance collective agreements. As part of the annual remuneration cycle, the majority of our countries with 100 or more employees[1] perform a pay equity analysis to measure any potential gender pay gap, and to maintain a continued focus on pay equity. This process has successfully generated engaged conversations across our organization, and our leaders are fully dedicated to promoting equal pay for equal work across genders or any other demographic (which may apply locally). In 2025, we further analyzed in depth the equal pay results and **recommended that our countries set themselves a pay equity target of ±5 percent,** unless differently required by local legislation.

We adopt a proactive stance on pay equity and pay transparency, striving to adapt to evolving legislation while also monitoring emerging trends.[2] We report on the above metrics or other related requirements in countries where we are legally required to do so, in accordance with local laws, regulations, related methodology and communication requirements. In 2025, we concluded the global rollout of our new tool PayAnalytics that enables us to monitor and measure pay equity based on a consistent methodology resulting in more insights.

5.1.3 Wellbeing

We empower employees to be their best selves by supporting their health, sense of purpose and personal growth. Through guidance, resources, and tailored solutions, we cultivate a physically and psychologically safe and supportive work environment with fit-for-purpose working conditions[3] that enable our people to thrive and perform sustainably. In the ZES 2025, our colleagues consistently tell us they feel Zurich cares about their health and wellbeing,[4] and that they are able to balance work and personal lives.[5]

Approach

Our approach combines proactive prevention with responsive support. We build the resilience of our people through targeted initiatives, resources, and training, while ensuring help is available whenever it is needed. Preventive measures[6] focus on healthy ways of working for individuals and teams, empowering employees to make conscious wellbeing choices and perform at their best. Support resources[7] are available to guide and assist employees through challenges and help them reintegrate after extended leave. By monitoring key people resilience drivers and relevant metrics, we respond to employee needs with focused actions. Some of the metrics that we are monitoring are voluntary attrition, absence metrics such as short- and long-term illness days, Employee Assistance Program (EAP) utilization and resilience metrics from ZES, our annual employee experience survey.

Actions

In 2025, we launched the People Resilience Hub for Corporate Center employees, as a **one-stop shop for information on how to strengthen, sustain or support the wellbeing and resilience of our people.** Similar localized solutions exist across Zurich, which promote targeted initiatives such as resources, training, communication campaigns, and events.

We are committed to working together in smart, intentional ways to unlock our teams' full potential. This means driving an effective meeting culture, fostering an inclusive work environment and collaborating with empathy,[8] as well as giving feedback for development and recognition. Through our FlexWork@Zurich principles, which are adopted in accordance with local needs and applicable laws and regulations, we empower employees to work in a way that achieves optimal results and fosters innovation and collaboration in response to changing customer needs, while maintaining a healthy work-life balance. These principles include flexible hours, hybrid working, purchase options for additional paid time off, unpaid leave (two weeks up to six months), try out part-time on a 'pilot' basis (for one to three months) or switching to part-time, or job sharing roles. We continuously evolve our policies to better reconcile work and family life, for instance, by supporting greater flexibility in childcare and eldercare.

We empower employees to build personal resilience for sustained high performance.

- We support **physical** resilience by promoting healthy lifestyles, providing access to sports clubs, health centers, nutritious food offerings, and ergonomic solutions – some of our buildings hold the WELL certificate.[9]
- **Financial** resilience is fostered through our global Total Rewards Framework, which aligns all plans and programs to the Zurich Remuneration Rules while allowing flexibility for adaptation to local market practices.[10] We offer financial education (e.g., budgeting, financial literacy),[11] retirement planning, discount schemes, income protection solutions and, in some markets, financial advisory services.

1 Excluding businesses that are in the process of being integrated.
2 To find out more about our Equal Pay for Equivalent Work analysis, see www.zurich.com/about-us/our-people/zurich-at-work.
3 For further details on how we assessed materiality and what is relevant to us, please refer to section 1.1.2 Assessing materiality on pages 132 to 133.
4 ZES 2025 "Zurich cares about my health and wellbeing.": 3 percentage points better than those in high performing companies and 5 percentage points better than other global finance and insurance peers with the same provider.
5 ZES 2025 "I am able to balance my work and personal life.": on par with high performing companies and 3 percentage points better than other global finance and insurance peers with the same provider.
6 For example: local workshops, training and support material (e.g. via local Employee Assistance Program (EAP)).
7 For example: Mental Health First Aiders as well as training, support material and psychological counseling via local EAP.
8 For more information on our customer empathy program, see section 4.3.1 Fair and transparent communication on page 185, and our Addressing the empathy gap report (2025) online on: https://edge.sitecorecloud.io/zurichinsur6934-zwpcorp-prod-ae5e/media/project/zurich/dotcom/empathy-report/empathy-report-2025.pdf.
9 WELL focuses on the physical and social environments to benefit the health, wellbeing and performance of the people who use the building. It assesses ten core areas: mind, community, movement, water, air, light, thermal comfort, nourishment, sound, materials. For more information, see: www.zurich.com/media/magazine/2025/brick-by-brick-how-zurich-is-reducing-carbon-emissions-in-real-estate.
10 For more information on our global Total Rewards Framework, see our remuneration report on pages 91 to 99.
11 For more information on our financial education offering, see: www.zurich.com/money-mindset.

– **Social** and **emotional** resilience is reinforced by a culture of connection, inclusion, and open dialogue – supported by various events (e.g., parents at work lunches), employee resource groups, and regular listening to employees through tools like the annual ZES. Across our countries, we offer local programs, such as cultural celebrations, team-building activities, and lunch & learn sessions on inclusive language and leadership. We support employees through different stages of life. For example, we provide dependent care solutions including on-site childcare, financial support, emergency care, and special leave options (e.g. parental leave beyond legal requirements, purchase option for additional paid time off, and elderly care leave), tailored to local value propositions and legal requirements.
– We prioritize **mental** resilience through a combination of preventive and supportive measures. Prevention includes identifying risk factors (e.g., bi-annual psychosocial risk assessment survey in Portugal), raising awareness and targeted activities, such as stress management courses and adjustments to ways of working.
– We believe that wellbeing is closely connected to **purpose** and **personal growth**. Therefore we encourage employees to use our development offerings (e.g., MyJourney, My70percent, Coaching@Zurich, MyDevelopment)[1] to continuously evolve their skills and grow with purpose. In addition, we encourage volunteering[2] through the MyImpact platform, with many countries offering paid volunteering leave.

Support is always available to our people, whether for personal or work-related challenges. Employees can access Mental Health First Aiders, confidential help through the EAP, and dedicated office facilities such as first aid rooms, breastfeeding rooms, and prayer and silent spaces. We support reintegration after illness or accident in many countries.[3]

5.2 Prevention of bribery & corruption

5.2.1 Group Policy Anti-Bribery and Anti-Corruption

In line with our Code of Conduct, which defines our corporate culture of integrity and aims to maintain the trust and confidence of our customers and other stakeholders, we are committed to applying high standards of anti-bribery and anti-corruption (ABC) compliance across our operations globally. We prohibit all forms of bribery and corruption, and any business conduct that could create the appearance of improper influence, and expect the same from all third parties conducting business with us or on our behalf. As part of this commitment, we maintain a global ABC Framework.

We are committed to fully complying with local and international anti-bribery and anti-corruption laws and to maintaining strong and effective compliance controls. The Group Policy Anti-Bribery and Anti-Corruption (Group Policy ABC) is designed to help us, and our employees, adhere to these laws – some with extraterritorial reach including the United States Foreign Corrupt Practices Act and the United Kingdom's Bribery Act. We adhere to a risk-based approach for the development and implementation of our global ABC Framework which is designed, in particular, to prevent and detect acts of bribery and corruption.

The Group Policy ABC[4] sets out the minimum requirements and obligations, with which our subsidiaries worldwide, including their board members[5] and employees, need to comply. It also provides related guidance regarding anti-bribery and anti-corruption compliance that our countries should adopt.

The Group Policy ABC sets out minimum requirements in relation to the following topics, among others:

– Associated persons' due diligence.
– Third-party payment due diligence.
– Gifts, entertainment and other advantages.

In 2025, both the Group Policy ABC and the global ABC Framework have been updated based on the review conducted in 2024.

We perform due diligence in accordance with our Group Policy ABC before selecting a party to be an associated person.[6] The due diligence must be appropriate to the anti-bribery and anti-corruption risk the relationship with the associated person may present. Higher risk associated persons receive periodically recurring due diligence.

On third-party payments, our Group Policy ABC requires the establishment of documentation which provides, among other things, a business rationale for the relationship. It also requires our employees to be alert to potential anti-bribery and anti-corruption red flags[7] that may be associated with improper third-party payments. Such red flags are to be addressed through a third-party payment due diligence process.

1 For more information on learning and development, see www.zurich.com/about-us/our-people/skills, as well as section 5.1.1 Careers and work on page191.
2 For more information, see section 5.6 Community investment on page 204.
3 At the end of 2025, the number of recordable work-related injuries were 133 (compared with 153 in 2024). This, combined with 123,110,414 annual working hours (124,719,810 hours in 2024) gives us a rate of recordable injuries per 200k hours worked of 0.22 (compared with 0.25 in 2024). The decrease in annual working hours is due to excluding Cover-More Group in 2025, Additionally, BOXX Insurance, Orion and getolo are out of scope of this metric.
4 The Group Policy ABC requires the appointment of an anti-bribery and corruption officer (ABCO) for each country. The ABCO's duty is to monitor compliance with the Group Policy ABC and the applicable local anti-bribery and anti-corruption framework. The ABCO also supports business management in maintaining the local anti-bribery and anti-corruption framework and reviewing it regularly to ensure that it appropriately addresses bribery and corruption risks in the country.
5 Subject to Group and local governance requirements.
6 Associated persons are individuals or entities who perform services for, to, or on behalf of, Zurich and may include: brokers, insurance agents and intermediaries, distributors, subcontractors, employees of outsourcing partners, our employees, Group entities or subsidiaries, independent non-executive directors, joint venture partners, outsourcers, including external asset managers, other consortia members, other (non-insurance) agents in the process of conducting business, suppliers and service providers (e.g., property management companies).
7 Anti-bribery and anti-corruption red flags include, but are not limited to, the following: The recipient of the payment is a public official or a close relative of a public official, the payment is being made to a country that is different to the country in which the recipient is located or the services are/were rendered, there are multiple recipients of payments under a single contract etc.

Compliance is mandated to provide assurance to internal stakeholders (business management, board and audit committees) that compliance-related risks are managed effectively, and that controls are designed adequately and operating effectively. In addition, compliance supports countries to manage compliance-related risks appropriately and remediate gaps in operative compliance controls. It is important to note that anti-bribery and anti-corruption is part of the compliance risk universe[1] and subject to independent assurance, advice and enablement by Compliance in accordance with the Zurich Compliance Charter and Zurich Compliance Program.

Assurance activities conducted by compliance and audit in 2025 confirmed the overall assessment that our controls around anti-bribery and anti-corruption are well designed and working effectively.

5.2.2 Training and awareness

Fostering a culture of compliance among all our employees is important.[2] To achieve this, it is critical to encourage general awareness and understanding of potential areas of bribery and corruption risk, applicable laws, and our policies.

We educate our employees and Board members annually on topics related to compliance and ethics, including anti-bribery and anti-corruption, antitrust and fair competition, and other topics. This begins with mandatory Code of Conduct training.[3] This annual training raises awareness of what it means to do the right thing. It helps employees and managers feel more confident in making ethical decisions in their day-to-day work. It also helps employees to spot and report possible bribery and corruption incidents. In 2025, almost all our employees[4] completed the training, resulting in a global completion rate of 99.96 percent (compared with 99.99 in 2024). The completion rate was above 99.8 percent in all regions (99.96 in 2024).[5] In addition, all 12 members of our Group Board completed the training. Employees whose roles expose them to potentially greater bribery and corruption-related risks are also required to undergo enhanced training on how to identify and respond to potential bribery and corruption risks. Our Code of Conduct is reviewed annually and approved by the Group Board. The Group Policy ABC is reviewed annually and approved by the Group CEO.

Compliance develops the training in line with the Group Policy ABC and in consideration of local risks, regulations and requirements for each jurisdiction. The training is reviewed on an annual basis to incorporate new developments and requirements. This keeps our employees and management at the forefront of the prevention of bribery and corruption and helps us fulfil our ambition of being a responsible and ethical business.

5.2.3 Protected advice

Anti-bribery and anti-corruption is a risk which affects all business lines. Comprehensive regulatory requirements as well as a high level of regulatory scrutiny and extensive criminal enforcement with large penalties, fines or settlements drive up the inherent anti-bribery and anti-corruption risk for our company.

As outlined above, all our employees are subject to our Group Policy ABC[6] and our Code of Conduct,[7] and we provide them with training and other resources which aim to prevent and detect potential misconduct. If employees suspect misconduct, we want them to feel comfortable reporting their concerns and feel supported by the organization when doing so.

There are multiple channels for our employees to report suspected or actual illegal, fraudulent, improper or unethical conduct ('integrity concerns'), including to people managers, Compliance, HR or Legal. Employees and other stakeholders can also use the Zurich Ethics Line (ZEL) to report integrity concerns anonymously, either via telephone or online via a web form. We are committed to the protection of whistleblowers[8] against retaliation and do not tolerate retaliation against any employee or other person reporting an integrity concern in good faith. The ZEL is available globally and offers support in more than 20 languages. In line with our global framework for handling reports of misconduct, all integrity concerns are reviewed by a triage committee comprising representatives of Compliance, HR and Legal.

5.3 Human rights

We respect the protection of international human rights within our sphere of influence and work hard to avoid being complicit in human rights abuses.

Approach

When interacting with employees, customers, investees, shareholders, suppliers, partners, distributors, the public at large or any other stakeholder, we aim to promote the following best-practice standards to manage potential adverse human rights impacts:

- United Nations Guiding Principles on Business and Human Rights: Implementing the United Nations Protect, Respect and Remedy Framework.
- OECD Guidelines for Multinational Enterprises.
- United Nations Global Compact.

1 The compliance risk universe captures common global compliance risk themes.
2 For further details on how we assessed materiality and what is relevant to us, please refer to section 1.1.2 Assessing materiality on pages 132 to 133.
3 The code of conduct training includes the topic of anti-bribery and anti-corruption.
4 The code of conduct training is also shared with various business partners depending on country requirements.
5 Excludes employees on a long-term leave during the training window, new joiners who joined after the cut-off date for the annual training assignment, and employees who left the company before the assignment due date.
6 www.zurich.com/en/about-us/corporate-governance/code-of-conduct/we-care-about-business-integrity
7 www.zurich.com/about-us/corporate-governance/code-of-conduct
8 For further details on how we assessed materiality and what is relevant to us, please refer to section 1.1.2 Assessing materiality on pages 132 to 133.

These principles are embodied in our Code of Conduct, which applies to our employees and Board members.[1] We endeavor to work with third parties such as consultants, advisers, suppliers and agents who share our values, and we expect our business partners to adhere to the spirit of our code and embrace high standards of business conduct.

We assess possible adverse human rights impacts within our sphere of activity, which includes our role as an employer, as an insurer, and as an investor as well as our own operations and supply chain, and our position within society.

Actions

Our responsibility as an employer

We do not tolerate harassment, discrimination or bullying in the workplace, whether based on personal identity or expression, origin, beliefs and opinions, life circumstances, health or physical characteristics, or any other relevant characteristics protected under applicable law.[2] This applies regardless of an individual's duties or positions within the organization.

We offer multiple channels for employees and others to speak up and raise concerns, including to managers, Compliance, HR and Legal, as well as the Zurich Ethics Line.[3]

We strive to build an inclusive workplace that empowers everyone to achieve their full potential. We are firmly committed to living up to and evolving our policies, practices and way of working to support these efforts. We recognize the right of employees to freedom of association and collective bargaining and to freely form and join groups for the promotion and protection of employment interests.[4]

Our employees generally work in low-risk environments and are not exposed to significant health and safety hazards. Nevertheless, we adopt a systems-based approach to managing health and safety risks in a structured and consistent way across all our operations, and have a global program in place to ensure we continually improve our health and safety performance.[5]

Our responsibility as an insurer

Our approach to managing sustainability risks in business transactions has a particular focus on transactions where the insured customer may have an established track record of human rights violations, or is implementing projects that are particularly prone to potential human rights and environmental issues, such as mining or oil and gas projects.[6]

Human rights issues that are considered under our policy are:

- Child labor.
- Forced labor and compulsory labor.
- Involuntary relocation of local communities, inappropriate use of force or adverse impacts on vulnerable indigenous people. Evidence of such violations can include, but is not limited to, the absence of right of free, prior and informed consent for Indigenous Peoples (FPIC).
- Poor health and safety conditions.
- Instances of bribery and corruption.

Through our underwriting guidelines and checklists, we apply a clear guidance on underwriting decisions including clear referral processes.

Our responsibility as an investor

We consider principal adverse impacts of prospective and active investments. We have a framework in place to identify and assess those impacts.[7] Examples of principle adverse impacts that can also represent material sustainability risks include, but are not limited to:

- Climate change risks (transition risks, physical risks and litigation risks).
- Activities negatively affecting biodiversity or increasing water stress.
- Deforestation, land degradation, and depletion of natural resources.
- Raw material sourcing.
- Environmental and health impacts of hazardous chemicals, waste and pollution.
- Exposure to banned cluster munitions and anti-personnel land mines.
- Human rights including labor rights in the supply chain.

1 More information in section 5.2.2 Training and awareness on page 200.
2 Under personal identity or expression we understand, for example, race, ethnicity, color, sex, gender, gender identity or expression, sexual orientation. Origin refers to, for example, national or social origin. Beliefs and opinions refer to, for example, religion or religious beliefs, political opinion. Life circumstances refer to, for example, age, disability, pregnancy, caregiving responsibility, veteran status. Health or physical characteristics refer to, for example, past or current health conditions, physical or genetic characteristics.
3 More information in section 5.2.3 Protected advice on page 200.
4 An illustrative example is the Zurich European Forum (ZEF). It was established in 1996 with the aim to open an honest and transparent dialogue and consultation with our European employee representatives on transnational topics of interest. Today, ZEF is composed of 29 delegates from 13 countries. In addition to its quarterly Steering Committee meetings, ZEF also meets in plenary session once a year in Zürich with the participation of the Group CEO, EMEA CEO, Group Chief People Officer, and a group of corporate and European leaders depending on the topics to discuss. Over the course of this year, this employee representative body has covered a wide range of topics from workload and sustainability to digitalization and artificial intelligence. It has played an important role in the region for almost 30 years, continuously engaging in a dialogue on social, strategic and financial topics that are of relevance for us where the employee representatives voice their opinions and concerns, which also fosters and deepens trust levels throughout the workplace.
5 For further information, see section 5.1.3 Wellbeing on pages 198 to 199.
6 For further information, see: www.zurich.com/sustainability/governance-and-positions/our-positions.
7 For further information on our approach relating to responsible investment, see: www.zurich.com/-/media/project/zurich/dotcom/sustainability/docs/responsible-investment-at-zurich.pdf.

– Community impact.
– Human capital: health and safety and labor management.
– Product safety.
– Corruption and bribery matters.
– Breaches of regulation, international norms and conventions.

We are a signatory of the United Nations Global Compact, the UNEP FI Principles for Sustainable Insurance and the Principles for Responsible Investment (PRI). This approach is adapted to each asset class and is applicable to assets managed by us, as well as our own assets managed by external asset managers.[1]

Working with suppliers

When working with suppliers,[2] we apply our Supplier Code of Conduct which sets a clear expectation that our suppliers respect human rights. Each year, we conduct an annual human rights risk assessment to identify potential adverse impacts on human rights within our supply chain. The labor standards and workplace practices operated by our suppliers are a critical factor in the likelihood of adverse human rights impacts occurring. In 2025, as in prior years, our findings indicate that our supply chain has a low-risk exposure to such issues. We also carried out an additional assessment concerning child labor, following the same approach adopted in previous years.[3] The assessment confirmed that there remains no reasonable suspicion of child labor within our supply chain.

The first step in our human rights risk assessment is to analyze the human rights set out in the United Nations Declaration of Human Rights, and seek to identify which, if any, of these fundamental human rights could be adversely impacted by suppliers with a direct buying contract.

We then seek to identify the goods and services categories and countries where the potential risk of adverse impacts to human rights issues is highest. To identify high-risk goods and services categories, we consider data and reports from reputable NGOs and our own internal expert judgment. Our assessment is based upon the prevalence of human rights issues reported and an assessment of working practices at industry or sector level. Our assessment of high-risk countries is based on:

– The reported prevalence of human rights issues.
– The degree of respect for worker rights, based upon local laws and actual practices.
– The extent of political freedom and civil liberties.
– The extent of corruption.

We share the findings of this assessment internally with relevant colleagues interacting with suppliers, provide specific training, and carry out risk-based due diligence on suppliers.[4]

5.4 Sustainable sourcing

Approach

Due to the nature of our business, we are predominantly a consumer of services. Compared to other industry sectors such as manufacturing, the risks associated with the environmental, social, human rights,[5] and governance impacts of our supply chain are low. Nonetheless, we are striving to effectively manage such issues. As part of this, we have established a sustainable sourcing program,[6] which aims to **enhance the resilience of our supply chain**, support our commitment to net-zero and create a positive social impact.

It comprises three pillars, which address environmental, social and ethical factors. Its objective is to embed these factors throughout the sourcing cycle, align suppliers with our values and be transparent about our expectations. We have developed a supplier code of conduct (SCOC)[7] to lay a clear foundation for systematically integrating responsible business conduct in our supply chain and provide online training videos for suppliers to familiarize themselves with our expectations.

We have established a framework of minimum standards to be applied to the onboarding and management of third parties with which we work, including suppliers. The framework adopts a risk-based approach to establish onboarding and management measures, such as third-party due diligence processes, that are relevant and proportionate to the nature and risk of any particular transaction. We consider supplier alignment with our SCOC as part of our due diligence processes and request selected suppliers to complete a self-assessment. We have a referral process in place to investigate or resolve, as appropriate, any red flags identified during the due diligence process. We also use a software tool that uses artificial intelligence to screen news reports, social media posts and NGO reports to monitor potential sustainability-related (including human rights) supply chain issues. We additionally seek to include specific provisions

1 For further information on our Responsible Investment white paper: What we want to achieve, and how we do it, see: https://edge.sitecorecloud.io/zurichinsur6934-zwpcorp-prod-ae5e/media/project/zurich/dotcom/sustainability/docs/responsible-investment-at-zurich.pdf.
2 For further information, see 5.4 Sustainable sourcing on page 202.
3 Pursuant to the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor.
4 For more information on risk-based due diligence processes on suppliers, see section 5.4 Sustainable sourcing on page 202.
5 For more information on our positions on human rights, including human rights due diligence and human rights risk assessment, see section 5.3 Human rights on pages 200 to 202.
6 For more information, please see www.zurich.com/sustainability/planet/sustainable-sourcing.
7 For more information, please see www.zurich.com/en/sustainability/governance-and-policies/-/media/project/zurich/dotcom/sustainability/docs/sustainable-sourcing-supplier-code-of-conduct-2021.pdf?v=4.

within our supplier contracts requiring alignment with our SCOC. From time to time, we may conduct audits or follow-up reviews on these topics with our suppliers.

Actions

Throughout 2025, we have continued to engage and support our suppliers to improve their sustainability performance. In particular, we have held further online and in-person events with our suppliers to educate them on our sustainability ambitions and promote a new collaboration with the SME Climate Hub,[1] an initiative of the We Mean Business Coalition, the global nonprofit catalyzing business and policy action to halve global emissions by 2030. Through this collaboration, we provide free access to tools and resources that small and medium-sized suppliers can use within their own businesses and can track engagement. The tools and resources include carbon emissions calculators, training videos and guidance documents which are collectively designed to support small and medium-sized companies to take climate action and support us to work towards our supplier engagement goals. We are proud that additional suppliers have started their own climate action in 2025 using our free tools as a result of the engagement activities carried out by our team in collaboration with the SME Climate Hub.

To ensure our colleagues are equipped with the necessary knowledge and skills to successfully engage suppliers on sustainability topics we provide access to a learning academy. The content includes internally produced online courses covering climate change, human rights, social procurement and supplier due diligence processes. The completion rate of the supplier due diligence training for employees working within the Procurement & Supply Chain Management function for 2025 is 100 percent (compared with 99.4 percent in 2024).

5.5 Responsible tax

We recognize that being a responsible taxpayer is integral to our wider economic and social impact and plays a key role in the development of the communities where we operate.

We pay taxes in the countries where we operate, reflecting the economic substance of our activities and adhering to local laws and regulations. Our tax strategy[2] is aligned with our Code of Conduct[3] and is approved by our Group Audit Committee. We do not engage in aggressive tax planning or use artificial structures that lack business purpose or economic substance. The presence of our subsidiaries and branches is driven by genuine business needs.

We maintain a robust governance framework and consider effective and efficient tax compliance a key objective, allocating significant resources to ensure our tax affairs are sustainable, well-governed, and transparent. Our tax function is embedded within our finance organization and subject to internal controls and regular reviews.

We publish detailed information on our tax contributions[4] and engage constructively with tax authorities. Our approach to tax is part of our sustainable value creation for all stakeholders.

1 For more information, see www.zurich.com/sustainability/planet/sustainable-sourcing#helping-suppliers-reach-net-zero.
2 To find out more about our tax strategy, please visit: www.zurich.com/sustainability/governance-and-positions/being-a-responsible-taxpayer.
3 For more information, see www.zurich.com/about-us/corporate-governance/code-of-conduct.
4 For detailed information on our tax contributions, please visit: www.zurich.com/sustainability/governance-and-positions/being-a-responsible-taxpayer.

5.6 Community investment

Our community investment activities[1] are mainly delivered by the Z Zurich Foundation (the Foundation), a charitable organization funded by various members of the Group. In these turbulent times for the humanitarian and development aid sector overall, the Foundation is well positioned to continue to provide a meaningful response to the societal needs it focuses on. From the beginning of 2024 to the end of 2026, the Foundation aims to impact more than 25 million lives in total.

The Foundation's highlights for 2025 include:

- Significant developments in all four focus areas: adapting to climate change, enabling social equity, improving mental wellbeing, and responding to crisis. The Foundation launched new multi-year programs to assist communities across the globe alongside like-minded organizations. For example, the Foundation approved a grant to expand Instituto Terra's Núcleo de Estudos em Restauração Ecossistêmica (NERE) program. This initiative equips young people – particularly those from vulnerable backgrounds – with the knowledge and practical skills needed to pursue meaningful careers in sustainable agriculture. This collaboration is supported by our team in Brazil and builds on our collaboration with the Instituto Terra.
- USD 50.2 million[2] investment in community programming across the Foundation's strategic areas of work. In addition, the Foundation collaborated closely with our local teams to engage our customers and distributors in social impact initiatives.
- In 2025, the Foundation made over 30 donations to disaster relief initiatives across the globe, for example for the various significant floods in Brazil throughout the year and, in Australia, during the first semester, as well as for the wildfires in California (U.S.) in January and in Argentina. For these disasters, the Foundation collaborated closely with our local teams and charitable organizations on the ground to provide comprehensive support to people impacted by these catastrophic events. The Foundation has also started a multi-year collaboration with the International Committee of the Red Cross (ICRC) to help mainstream mental health and psychosocial support in emergencies.

Table 27

Employee-led fundraising and volunteering[1]

	2025	2024	Difference
Fundraising and donations (USD millions)[2]	3.8	3.8	2.3%
Total time volunteered by workforce (hours)	239,398	199,469	20%
Workforce actively volunteering (% of total headcount)	26.5%	24.1%	10%

1 Zurich Insurance Group Ltd and its subsidiaries (Zurich). It also includes employees of the Farmers Group Inc. and Zurich Cover-More. Zurich Insurance Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc., a wholly owned subsidiary of the Zurich Insurance Group and certain of its subsidiaries provide certain non-claims services and ancillary services to the Farmers Exchanges as attorney-in-fact and receive fees for its services.
2 Includes employee-led fundraising and donations,, but excludes Z Zurich Foundation matching.

2025 was again a record year for us in terms of employees volunteering. Our employees have recorded close to 240 thousand hours of volunteering, including volunteering time of our customers and brokers when done together with our employees.

While the Foundation is the main vehicle by which we deliver on our global community investment strategy, members of the Group also drive community support actions and actively engage with charity organizations to address local needs and priorities.

Table 28

Charitable cash contributions

In USD millions

	2025	2024	Difference
Charitable cash contributions by members of the Group[1]	18.7	18.2	2.9%
Charitable cash contributions to Z Zurich Foundation[2]	63.1	54.5	15.6%

1 Charitable cash contributions capture contributions from members of the Group to charitable initiatives and organizations, excluding the Foundation. It is at the discretion of the individual countries to define what they deem eligible in their respective context. As such there are no limitations or exclusions (e.g., religious or political purposes) as there are for contributions executed by the Foundation.
2 Charitable cash contributions capture our contributions to the Foundation. The donations are made by various members of the Group.

Charitable contributions by members of the Group to charitable initiatives and organizations in 2025 are in line with contributions made in 2024. We have decided to increase our financial support to the Foundation so it can adapt its response to those most in need in our societies, as those needs grew significantly across all focus areas in 2025. The rise in our contributions is reinforced by foreign exchange rate effects due to the strengthening of the Swiss franc against the U.S. dollar in 2025.

1 Our Group and employees contribute through fundraising, volunteering and cash contributions whereas the Foundation carries out community investment activities.
2 The final and audited 2025 figures will be disclosed in the Foundation's Impact Report, which will be published in June 2026. To find out more about the Foundation's work in 2025, please refer to the Group overview on pages 34 to 35.

6. Appendix

6.1 Our yearly progress on our targets and ambitions

The table below shows **our progress over the years** compared to our qualitative ambitions and quantitative targets we set to execute our Sustainability Framework. Please note that **target 2030** is always defined as using **year-end 2024 and 2029 values**, respectively (e.g., reduction of financed emissions). **By 2030 target** (e.g., for reduction of IAE intensity) is defined as **using year-end 2030** value, similarly **by 2025 target** (e.g., for operational carbon emissions) is defined as using **year-end 2025** value. Please also note that parentheses around percentages or points indicate a reduction.

Table 29
Our yearly progress on our targets and ambitions

Investments

Our areas of focus	Our progress	Our targets		
	2020 to 2025	2030	2050	Targets / ambitions without a deadline
Reduction of financed emissions				
Reduce emissions intensity of listed equity and corporate bond investments (metric tons CO2e/USDm invested, compared with 2019 baseline)	2020: (6)%; 2021: (21)%; 2022: (12)%; 2023: (43)%; 2024: (54)% √ Target achieved; 2025: (59)%	(55)%	Net-zero investment portfolio	
Reduce emissions intensity of direct real estate investments (kg CO2e/m², compared with 2019 baseline)	2020: (6)%; 2021: (20)%; 2022: (25)%; 2023: (30)% √ Target achieved; 2024: (36)%	(45)%		
Engagement				
Engage companies producing 65% of portfolio emissions and lacking targets aligned with Paris Agreement (PA)	2021: 46%; 2022: 54%; 2023: 60%; 2024: 65% √ Target achieved			
Engagement with high-emitting companies which currently do not have credible science-based targets	2025: 4	20		
Climate solutions				
Allocation to climate solutions investments	2020: +9%; 2021: +11%; 2022: +17%; 2023: +25%; 2024: +41% √ Target achieved			
Allocation to climate solutions investments (based on % AuM)[1]	2025: 6.9%	6%		
Avoid CO2e emissions through climate-related impact investment (ambition per year)	2021: 4.6 million metric tons CO2e; 2022: 3.2 million metric tons CO2e; 2023: 4.5 million metric tons CO2e; 2024: 3.9 million metric tons CO2e; 2025: 3.4 million metric tons CO2e			5 million metric tons CO2e
Impact investment				
Share of total invested assets in impact investments	2020: 2.5%; 2021: 3.3%; 2022: 3.8%; 2023: 4.6%; 2024: 5.3% √ Target achieved; 2025: 6.2%			
People to benefit from a positive contribution to their lives and livelihood (ambition per year)	2021: 3.6 million people; 2022: 4.7 million people; 2023: 4.6 million people; 2024: 5.3 million people; 2025: 5.4 million people			5 million people

1 Estimated based on AuM 2023, equivalent to approximately USD 10 billion. Any portfolio activity will be subject to market conditions and potential other constraints.

Underwriting

Our areas of focus	Our progress					Our targets		
	2021 to 2025					By 2025	By 2030	By 2050
Revenues from sustainable solutions (in USD million)	**2021**[1] 289	**2022**[2] 801	**2023** 1,360	**2024** 1,702	**2025** 2,116	**Annual increase** ✓ **Target achieved**		
Engagement with large corporate customers who contribute most heavily to our portfolio emissions[3] **and where our direct relationship means we have a greater degree of interaction**				**2024** 7[4]	**2025** 76	Sept 24 - Sept 25 target: 65 ✓ **Interim target achieved**	**450**	
Reduction in IAE intensity in our large corporate customer portfolio[3] (compared with 2022 baseline)			**2023** (13.5)%	**2024** (14.1)%	**2025 (initial estimate)**[5] (10.6)%		**(20)%**	**Net-zero UWR portfolio**

1 2021 amounts were calculated under IFRS 4 'Insurance Contracts' and not remeasured to IFRS 17 'Insurance Contracts'.
2 Due to the adoption of IFRS 17 'Insurance Contracts' in 2023, the measurement of revenues from sustainable solutions in our Life business was remeasured and aligned to net flows.
3 Determined by scope 1 and 2 for our customers' emissions using the PCAF insurance-associated emissions methodology for commercial lines, covering customers with revenues greater than USD 1 billion.
4 Includes five customer engagements conducted as a pilot of our engagement approach in 2024. These are not counted towards the target of engaging with 65 large insurance customers in the first year from publication of the climate transition plan (September 2024 to September 2025), as they happened before September 2024. These engagements do however count towards the 450 by 2030 target.
5 2025 data is based on an initial estimation for our 2025 portfolio emissions based on the relevant 2025 in-scope portfolio premium, however relying on previous years' reported customer emission data.

Own operations and supply chain

Our areas of focus	Our progress						Our targets		
	2020 to 2025						By 2025	By 2029	By 2030
Absolute reduction in all operational emissions[1] (compared with 2019 baseline)	**2020** (60)%[2]	**2021** (73)%	**2022** (70)%	**2023** (67)%	**2024** (68.8)%	**2025** (68.8)%	(60)% ✓ **Target achieved**	(70)%	**Net-zero operational emissions**
Reduction of scope 1 and 2 emissions[1] (compared with 2019 baseline)	**2020** (41)%[2]	**2021** (56)%	**2022** (56)%	**2023** (59)%	**2024** (62.7)%	**2025** (67.4)%	(62)% ✓ **Target achieved**	(80)%	
Reduction of scope 3 emissions[1,3] (compared with 2019 baseline)	**2020** (67)%[2]	**2021** (80)%	**2022** (74)%	**2023** (70)%	**2024** (71.0)%	**2025** (69.3)%	(60)% ✓ **Target achieved**	(67)%	
% of MPS[4] **that is with suppliers having science-based targets**[5]				**2023** 52.1%	**2024** 59.4%	**2025** 67.7%	**75% with science-based targets**[5]		
% of MPS[4] **that is with suppliers having net-zero targets**[6]				**2023** 49.4%	**2024** 51.9%	**2025** 62.0%			**75% with net-zero targets**[6]

1 Zurich Cover-More, Farmers Group, Inc. and its subsidiaries, our joint ventures with Banco Sabadell and Banco Santander, smaller businesses like Real Garant and Orion, as well as our acquisition Zurich Kotak are excluded since they were not reflected in the CO2e emissions baseline in 2019.
2 The 2020 numbers were restated as a number of data quality improvement opportunities were revealed during the assurance process. For a detailed overview, see: www.zurich.com/-/media/project/zurich/dotcom/sustainability/docs/Zurich-environmental-performance-data-2021.xlsx.
3 Resulting from air, rental and rail business travel, employee commuting, strategic data centers, printed paper and waste, as well as indirect energy impact.
4 MPS means the spend of approximately USD 2 billion annually managed centrally by Zurich's Procurement and Supply Chain Management function on goods and services that are required to enable Zurich to maintain and develop its operations. In 2025, we successfully reduced the MPS reporting time lag thanks to a series of technical improvements. As a result, the reported MPS values now reflect the period from October 2024 through September 2025.
5 We consider a supplier to have science-based targets when their emission reduction targets are approved by a scientifically accredited body or otherwise require a reduction of at least 42 percent in scope 1 and 2 emissions by 2030.
6 We consider a supplier to have net-zero targets when their net-zero target is approved by a scientifically accredited body or otherwise has a public target to neutralize any residual scope 1 and 2 emissions by 2050.

Our people

Our areas of focus	Our progress					Our targets
	2021 to 2025					By 2025
Internal hires[1]	**2021** 68%	**2022** 71.2%	**2023**[2] 73.4%	**2024** 72.8%	**2025** 66.7%	**Annual increase**

1 Excludes 'unranked' employees who are not assigned to any career level (15.3 percent of our workforce). For further detail, see Table 24 Internal hires on page 193.
2 As of 2023, we included Farmers Group, Inc. and Cover-More Group. The internal hiring rate of career level A excludes external hires, as these positions are, by nature, mainly filled by external career starters, meaning the internal hiring rate of career level A is always 100 percent. The total percentage for 2024 (independent of career level) is also calculated without taking career level A external hires into account.

6.2 Material topics and subtopics reference table

Table 30

Material topics and subtopics reference table

Topic	Subtopic	Page	Section
Climate change (E1)	Climate change mitigation	141	Chapter 3. Our planet
	Climate change adaptation	141	Chapter 3. Our planet
Own workforce (S1)	Equal treatment and opportunities for all	196	Section 5.1.2 Inclusion and belonging
	Working conditions	198	Section 5.1.3 Wellbeing
	Training and skills development	191	Section 5.1.1 Careers and work
Consumers and end-users (S4)	Information-related impacts for consumers and/or end-users	176 and 185	Sections 4.1 Customer-centric culture, 4.2 Customer-centric solutions and 4.3 Customer-centric interactions
	Access to (quality) information	185	Section 4.3 Customer-centric interactions
Business conduct (G1)	Corporate culture	199	Section 5.2 Prevention of bribery & corruption
	Protection of whistleblowers	200	Section 5.2.3 Protected advice

6.3 Methodologies

Insurance-Associated Emissions – methodology

To provide transparency on our commercial insurance portfolio carbon footprint, we are leveraging the accounting method for IAE, published by the Partnership for Carbon Accounting Financials (PCAF) in November 2022 (Part C – Insurance Associated emissions 1st edition (2022)). We also report portfolio IAE intensity, which aligns with the Weighted Average Carbon Intensity (WACI) metric proposed by the CRO Forum.

In scope for reporting is our portfolio of large corporate customers, defined as customers with revenues greater than USD 1 billion. Lines of Business not covered by the PCAF standard version of November 2022 are excluded from the calculation. Excluded per PCAF attribution factor for commercial lines are agricultural government schemes, structured trade credit[1], Construction All Risk / Erection All Risk engineering lines, surety, and insurance contracts purchased by public entities.

With this reporting scope, we cover our large commercial customers, representing USD 7.4bn of gross written premium and equating to 25 percent of our total commercial insurance gross written premium in the baseline year of 2022. Based on portfolio evolution in 2024, the in-scope gross written premium changed to USD 8bn, which represents 27 percent of our total commercial insurance gross written premium.

To arrive at our target value, we have modeled the expected carbon intensity of our portfolio, taking into account various business growth scenarios and existing customer decarbonization targets and, in the absence of explicit targets, the nationally determined emission reduction pathways of our customers' countries of residence, where available.

To provide a measure for the quality of emission data used for our IAE reporting, we provide a weighted average quality score aligned with PCAF methodology. Our score of 2.8 for the 2022 baseline as well as for 2023 and 2.7 for 2024 (1 being best, 5 being worst) is driven on the one hand by the inclusion of large non-listed companies in our reporting scope, where the availability of reported emissions is lower and industry emission factors have been used (predominantly quality score 4). On the other hand we have not assigned quality score 1 to any of our data, as our currently available data sets do not yet include information if customer emissions have gone through external verification as required by PCAF for score 1. In practice, many externally reported emission figures will likely have been verified. Capturing this additional data requires further analysis and would be included in future updates if appropriate data sets become available.

1 Given its negligible size, the trade credit portfolio has been excluded.

Figure 24
Insurance-associated emissions methodology

$$\text{Insurance associate emissions (IAE)} = \frac{\text{insured's premium}}{\text{insured's revenues}} \times \text{insured's emissions}$$

$$\text{IAE intensity (WACI)} = \frac{\text{insured's premium}}{\text{portfolio premium}} \times \frac{\text{insured's emissions}}{\text{insured's revenue}}$$

- **Insured's premium**: For the purpose of IAE calculation, premium is defined as gross written premium (the total amount to be paid by the insured to the re/insurer for the policy written in the period). For multi-year contracts, an annualized premium value is used. Gross premium is also used for fronting policies.
- **Insured's revenue**: Total amount of income generated by the insured customer through the sale of goods or services.
- **Insured's emissions**: Total scope 1 and 2 emissions[1] of the customer either based on company-specific reported emissions or sector-specific estimations.
- **Portfolio premium**: Sum of all insurance premiums within the scope of the calculation.

We aim to align the reporting years of premiums with customer emission and revenue data. However, due to a systematic time lag affecting both emission and revenue data for some customers, we rely on the most recent available data to calculate the IAE for the full in-scope portfolio. As a result, emission and revenue data may not align with the financial reporting period by one or more years.

1 We do not deem the quality and availability of customer scope 3 emissions to be sufficient to allow for stable reporting and therefore do not include them in our calculation.

We are using S&P Global to source the emission data required. For customers where publicly reported emissions data is not available, estimates have been taken based on average industry carbon intensities, also provided by S&P Global, multiplied by the customer's revenues. Customer revenues are also provided by S&P Global and supplemented by internal data where no match with S&P data could be found.

Interpretation of the IAE figures and progress over time needs to be mindful of the limitations in data quality and availability. Company-reported emissions are only available for around 56 percent by premium of our in-scope portfolio for 2024, with the remainder relying on emission estimates. While we consider average industry intensities scaled by customer revenue a reasonable proxy for customer emissions, over time we aim to continually replace estimations with actual emissions as more customers start their own reporting. To continue to improve the share of reported emissions in our calculations, we have further developed and strengthened the emission data quality assurance process for customers with material contributions to our IAE results. This helps us improve the data we receive from external providers. Despite these efforts, the continued reliance on estimated data and the systematic time-lag of reported emission data might however lead to year-over-year volatility in our reporting, as actual reported emissions differ from previously applied estimations and might not be aligned to our financial reporting year.

Financed emissions – methodology

Figure 25

Emission reduction target-setting methodology and scope: Listed equity and corporate bonds

Absolute emissions[1]

$$\sum_{i=1}^{n}\left(\frac{C_i}{EV_i}\times I_i\right)$$

Relative emissions (intensity)

$$\frac{\sum_{i=1}^{n}\left(\frac{C_i}{EV_i}\times I_i\right)}{\sum_{i=1}^{n} I_i}$$

Key

I: Current value of investment on issuer i

EV: Enterprise value of issuer i

C: Carbon emissions* of issuer i

* Carbon emissions = scope 1 and scope 2 emissions

Our 2030 interim climate targets cover the following asset classes:

– Listed equity, listed corporate debt and direct real estate.

We chose to calculate corporate-financed emissions and the resulting relative emissions intensity using the NZAOA Target setting protocol's preferred approach, which is based on enterprise value, not revenue.

While a revenue-based carbon intensity measure is a good way to compare companies based on their size and underlying technology, in line with the NZAOA methodology, we believe the enterprise value approach is a better way to convert a corporation's operational emissions (scope 1 and 2) into the 'financed emissions'. This can be attributed to a company's underlying equity and/or debt investors, who are ready to take additional responsibility for the emissions. To calculate corporate financed emissions, we use the following methodology:

– Scope 1 and 2 emissions in line with the GHG protocol, which are provided by S&P Trucost.

– Enterprise value is defined as the sum of market capitalization of common stock at fiscal year end, the market capitalization of preferred equity at fiscal year end, and the book values of debt and minorities' interests minus the cash and cash equivalents held by the enterprise. When enterprise value is not available (for example for financial companies), it is substituted with market capitalization. Enterprise value data is provided by S&P Trucost.

– Market value (current value of investment) is defined as the market value of listed equity and listed corporate debt at fiscal year end. While all financial data (enterprise value and market value) is calculated as of December 31 of the reporting year, we use the latest available corporate emission data available as of January each year, when portfolio level financed emissions are calculated on an annual basis. This means that emissions data is systematically lagging. For example, financed emissions for 2025 will be largely based on full-year 2024 emissions data, as full-year 2025 emissions data will only be made available by data provider late in 2026 or even 2027.

1 In line with PCAF Global GHG Standard, see: carbonaccountingfinancials.com/files/downloads/PCAF-Global-GHG-Standard.pdf.

Figure 26

Emission reduction target-setting methodology and scope: Sovereign bonds

We follow the NZAOA-provided approach to measure the financed emissions of our sovereign bond portfolio: Financed emissions cover production (scope 1) emissions (excluding land use, land-use change and forestry (LULUCF)) of sovereign bonds of all maturities issued in domestic or foreign currencies.

Absolute approach:

For production emissions:

$$\sum\left(\text{sovereign emissions } (tCO_e^2)\times\frac{\text{exposure to sovereign bonds (USD)}}{\text{PPP – adjusted GDP (international USD)}}\right)$$

Where exposure to sovereign bonds is in nominal value and PPP stands for purchasing power parity.

Relative emissions (intensity)

For production emissions:

$$\frac{\sum\left(\text{sovereign emissions } (tCO_e^2)\times\frac{\text{exposure to sovereign bonds (USD)}}{\text{PPP – adjusted GDP (international USD)}}\right)}{\sum \text{exposure to sovereign bonds (USD)}}$$

Figure 27

Emission reduction target-setting methodology and scope: Real Estate

Greenhouse gas emissions are linked to the energy use of each property during the reporting year. To calculate relative GHG emissions, we first aggregate the absolute emissions for each asset. Next, we determine the relative emissions by dividing the total emissions by the area covered, resulting in emissions per square meter. The equation below illustrates how absolute emissions are aggregated:

Absolute approach:

$$\text{Absolute emissions } (TCO_2e)_i = \sum (\text{Scope } 1_i + \text{Scope } 2_i)$$

Where scope 1_i represents the scope 1 GHG emissions attributable to property i, and Scope 2_i represents the scope 2 GHG emissions attributable to property i.

Intensity approach:

The equation below shows how the relative emissions KPI is calculated:

$$\text{Relative emissions} \left(\frac{kgCO_2e}{m^2} \right) = \frac{\sum \text{Absolute emissions } (kgCO_2e)_i}{\sum \text{Covered gross floor area } (m^2)_i}$$

Where covered gross floor area $(m^2)_i$ represents the total area of property i that is included in the reporting scope.

Scope 1 emissions are direct GHG emissions from sources owned or controlled by the entity and consumed by the landlord, such as on-site fuel combustion.

Scope 2 emissions are indirect GHG emissions from the consumption of purchased electricity, steam, heating, or cooling, consumed by the landlord.

For green building certificates, coverage is determined based on the asset value for the reporting year. Asset values are retrieved from our data warehouse following year-end consolidation (typically in early February) and used in the calculation. The share is referenced against the total real estate exposure, not limited to directly held assets.

$$\text{Share of green building certificates (\%)} = \frac{\sum \text{Certified asset value}_i}{\text{Total real estate exposure}}$$

Where certified asset value_i represents the market value of property i, which holds a valid green building certification during the reporting year.

6.4 Investments – KPI yearly progress

Table 32

Emissions profile

In scope AuM (in USD billions)	2025	2024	2023	2022	2021	2020	2019 (baseline)	% Difference (against baseline) for 2025
Zurich Corporate Portfolio	**54.8**	**46.6**	**49.6**	**47.7**	**63.1**	**64.3**	**58.5**	**(6)%**
By investment asset class								
Listed equity	9.1	6.9	6.7	6.4	10.5	10.6	10.6	(14)%
Corporate bonds	45.7	39.7	43.0	41.2	52.6	53.8	47.9	(5)%
By region								
APAC	5.7	5.5	5.3	5.0	6.0	5.1	4.5	28 %
EMEA	36.3	30.0	32.0	29.5	40.7	42.5	38.2	(5)%
Americas	12.7	11.1	12.4	13.2	16.3	16.7	15.9	(20)%
By sector								
Utilities	4.0	3.2	4.0	4.0	4.8	4.7	4.4	(9)%
Government-owned company	1.4	1.5	1.9	1.7	2.2	2.6	2.7	(46)%
Energy	1.7	1.5	1.8	1.9	2.5	2.7	2.1	(23)%

Absolute financed emissions (million metric tons CO2e)[1]	2025	2024	2023	2022	2021	2020	2019 (baseline)	% Reduction (against baseline) for 2025
Zurich Corporate Portfolio	**3.1**	**2.9**	**3.8**	**5.7**	**6.8**	**8.3**	**7.9**	**(62)%**
By investment asset class								
Listed equity	0.4	0.4	0.4	0.5	0.7	0.8	1.0	(58)%
Corporate bonds	2.6	2.5	3.4	5.1	6.0	7.5	7.0	(62)%
By region								
APAC	0.6	0.7	0.9	1.3	1.8	1.8	1.8	(65)%
EMEA	1.8	1.7	2.2	3.2	3.9	4.8	4.5	(60)%
Americas	0.6	0.6	0.8	1.2	1.1	1.6	1.7	(61)%
By sector								
Utilities	1.0	0.9	1.4	2.2	2.9	2.7	2.7	(65)%
Government-owned company	0.2	0.3	0.5	0.9	0.8	1.3	1.4	(85)%
Energy	0.4	0.5	0.5	0.7	0.8	1.0	0.7	(33)%

1 Financial emissions cover scope 1 and 2 of underlying companies (listed equity and listed corporate bonds) attributed with enterprise value methodology and matched, based on most recently available emission data.

Relative emission intensity (metric tons CO2e/USD millions market value)	2025	2024	2023	2022	2021	2020	2019 (baseline)	% Reduction (against baseline) for 2025	Target 2030
Zurich Corporate Portfolio	**56**	**62**	**77**	**119**	**108**	**128**	**136**	**(59)%**	**(55)%**
By investment asset class									
Listed equity	44	52	57	84	71	74	90	(51)%	
Corporate bonds	58	64	80	125	115	139	146	(60)%	
By region									
APAC	109	120	164	261	292	355	400	(73)%	
EMEA	49	56	68	108	95	113	118	(58)%	
Americas	51	52	63	89	70	98	105	(52)%	
By sector									
Utilities	240	288	358	547	600	565	616	(61)%	
Government-owned company	143	200	262	518	375	498	529	(73)%	
Energy	266	311	290	383	310	384	305	(13)%	

In scope AuM (in USD billions)	2025	2024	2023	2022	2021	2020	2019 (baseline)	% Difference (against baseline) for 2025
Direct real estate portfolio [1]	**10.2**	**9.6**	**10.0**	**10.3**	**11.1**	**12.5**	**11.7**	**(13)%**
Geographical breakdown								
APAC	0.1	0.1	0.1	0.1	NA	NA	NA	NA
EMEA	8.7	8.2	8.1	8.3	9.4	10.8	10.0	(13%)
Americas	1.4	1.4	1.8	1.8	1.7	1.7	1.7	(17%)

1 The direct real estate emissions includes investment portfolio buildings only, as own-use buildings are part of our operational emissions target.

Absolute emissions (metric tons CO2e)[1,2]	2025 (preliminary)[3]	2024	2023	2022	2021	2020	2019 (baseline)	% Reduction (against baseline) for 2024
Direct real estate portfolio	**5,740[4]**	**27,743[4]**	**34,491[4]**	**37,110[4]**	**39,362[4]**	**50,669[4]**	**53,181[4]**	**(48)%**
Geographical breakdown								
APAC	517	524	589	555	NA	NA	NA	NA
EMEA	645	21,611	24,761	27,183	27,897	37,244	41,153	(47)%
Americas	4,577	5,608	9,141	9,372	11,465	13,425	12,028	(53)%
Estimation supplement[5]	26,936	4,992						
Total (metered data and estimation supplement)	**32,675**	**32,735**						

1 The CO2e emissions are calculated according to the location-based method. For more details, refer to appendix 6.3 Methodologies on pages 207 to 211.
2 The emission factors are retrieved from the Carbon Risk Real Estate Monitor (CRREM).
3 Coverage for metered data for 2025 is preliminary and currently low due to the timing gap in receiving energy invoices across our global portfolio.
4 Figures represent metered data only.
5 Figures for estimation of missing energy invoices.

Emission intensity (kg CO2e/sqm)[1]	2025 (preliminary)[2]	2024	2023	2022	2021	2020	2019 (baseline)	% Reduction (against baseline) for 2024	Target 2030
Direct real estate portfolio	**3.0[3]**	**13.7[3]**	**15.2[3]**	**16.2[3]**	**17.2[3]**	**20.4[3]**	**21.6[3]**	**(36)%**	**(45)%**
Geographical breakdown									
APAC	52.2	52.9	59.5	56.0	NA	NA	NA		
EMEA	0.5	15.3	17.1	17.9	18.2	21.3	22.9		
Americas	7.8	9.5	11.3	12.4	15.3	18.1	18.0		
Total (metered data and estimation supplement)[4]	**17.3**	**16.2**							

1 The relative emissions intensity is calculated based on gross floor area (GFA) of the buildings. For more details, refer to appendix 6.3 Methodologies pages 207 to 211.
2 Coverage for metered data for 2025 is preliminary due to the timing gap in receiving energy invoices across our global portfolio.
3 Figures represent metered data only.
4 Figures including estimation for missing energy invoices.

Table 33
Climate solutions

	2019 (baseline)	2020	2021	2022	2023	2024	2025
Climate solutions investments (in USD millions)	**7,408**	**8,054**	**8,203**	**8,192**	**9,272**	**10,442**	**12,202**
of which environmental impact investments	3,662	4,424	5,115	4,640	5,792	5,936	7,195
of which green certified buildings	3,747	3,621	3,088	3,552	3,480	4,506	5,007
impact investments	2.8	2.9	4.6	3.2	4.5	3.9	3.4

Table 34
Percentage of green certified buildings in the total real estate portfolio[1]

	2019	2020	2021	2022	2023	2024	2025
Zurich Global Real Estate Portfolio	**25%**	**22%**	**19%**	**22%**	**23%**	**35%**	**36%**
APAC	0%	0%	0%	0%	0%	17%	15%
EMEA	28%	23%	20%	23%	21%	34%	35%
Americas	17%	18%	19%	17%	34%	48%	46%

1 Market-value weighted and based on balance sheet investments, including buildings used by Zurich.

Table 35
Investment portfolio managed by responsible investors

	2019	2020	2021	2022	2023	2024	2025
Assets managed by responsible investors[1]	98.2 %	99.6 %	99.6 %	99.6 %	99.8 %	99.8 %	99.8 %
Total amount of impact investments (in USD millions)	4,555	5,770	7,037	6,328	7,882	8,460	10,969
% of Investment portfolio	2.2 %	2.5 %	3.3 %	3.8 %	4.6 %	5.3 %	6.2 %
Investment portfolio (in USD millions)[2]	**204,803**	**226,389**	**211,334**	**168,478**	**171,200**	**160,645**	**177,635**

1 A United Nations supported PRI signatory or asset manager that fulfills our minimum requirements for ESG int egration. See our Responsible Investment white paper: www.zurich.com/-/media/project/zurich/dotcom/sustainability/docs/responsible-investment-at-zurich.pdf.
2 Investment portfolio is calculated on a market basis, and is different from the total Group investments reported in the consolidated financial statements, which is calculated on an accounting basis and does not include cash and cash equivalents.

Table 36
Impact investing portfolio

	2019	2020	2021	2022	2023	2024	2025
Total amount of impact investments (in USD millions)	**4,555**	**5,770**	**7,037**	**6,328**	**7,882**	**8,460**	**10,969**
Environmental share	80%	77%	73%	73%	73%	70%	66%
Social share	20%	23%	27%	27%	27%	30%	34%
Asset class (in USD millions)							
Green, social & sustainability bonds	3,645	4,677	5,846	5,247	6,857	7,502	9,834
Impact private equity	163	189	211	213	216	210	284
impact infrastructure private debt	747	904	980	867	808	748	851

6.5 Career level distribution of our workforce

Table 37

Career level distribution of our workforce[1]

	Career level (%)								
	A	B	C	D	E	Senior management	Unranked[2]	Total # 2025	Total # 2024
Dimension									
Region									
APAC	31.8	40.6	6.4	2.3	0.1	2.3	18.9	10,040	9,625
EMEA	25.3	43.5	7.2	2.6	0.1	2.7	21.3	27,095	25,822
LATAM	37.2	37.6	5	1.6	0.1	1.6	18.6	8,726	8,537
North America	14.3	67.3	11.8	2.4	0.2	2.6	4	17,946	18,235
Corporate Center	5.3	41.2	27.3	22.8	2.9	25.7	0.4	1,630	1,623
Gender									
Female	30.0	48.4	6.5	1.9	0.1	2.0	13.1	33,382	32,492
Male	18.7	49.7	10.9	3.8	0.3	4.1	16.6	31,478	30,872
Undisclosed gender[3]	6.4	19.2	4.2	2.9	0.0	2.9	67.2	577	478
Age group[4]									
Age <30	52.2	31.9	0.4	0	0	0	15.5	9,558	9,364
Age 30-50	20.3	53.1	9.7	2.7	0.1	2.7	14.2	38,617	37,395
Age >50	18.1	48.4	10.7	4.9	0.5	5.4	17.4	17,212	17,083
Employment type									
Full-time	23.5	49.9	8.8	2.9	0.2	3.1	14.7	60,547	59,133
Part-time	35.4	34.8	5.6	1.7	0.1	1.8	22.4	4,890	4,709
Nationality									
National	29.0	41.6	6.7	2.5	0.1	2.6	20.1	42,080	39,301
Non-national	21.2	43.4	12.5	7.5	1	8.5	14.3	5,229	4,633
Undisclosed nationality[5]	14.4	66.9	11.7	2.4	0.2	2.6	4.4	18,128	19,908
Total (# 2025)	**15,940**	**31,896**	**5,611**	**1,868**	**118**	**1,986**	**10,004**	**65,437**	**N/A**
Total (# 2024)	**15,850**	**30,635**	**5,373**	**1,777**	**109**	**1,886**	**10,098**	**N/A**	**63,842**

1 The percentage calculation methodology has been revised for 2025 in order to improve readability, with percentages now calculated on a row basis. Prior-year values are therefore not directly comparable.
2 'Unranked' refers to employees who are not assigned to any career level (15.3 percent of our workforce), comprising employees in Germany, including getolo (not ranked due to locally applicable restrictions preventing the use of this data, 8 percent of our workforce), Zurich Kotak (due to ongoing onboarding onto our platform, 2.8 percent of our workforce), Orion (0.3 percent of our workforce), BOXX Insurance (0.1 percent of our workforce), and sales force teams (due to their higher volatility, 2.4 percent of our workforce). The total includes all employees, including 'unranked'.
3 'Undisclosed gender' refers to employees with no declared gender.
4 Demographic data is not available for BOXX Insurance, due to its recent acquisition (0.1 percent of our workforce).
5 'Undisclosed nationality' refers to employees for whom we do not hold nationality/citizenship information, mostly from North America.

6.6 Swiss legal requirements (CO Art. 964b)

Table 38

Swiss Code of Obligations reference table

The sections listed in the table below are the main source of information on a given matter. There may be additional information in other parts of the sustainability report.

Legal requirements	Section	Page
General information required to understand our business	Our performance	6
	Our global business	12
	Our business mix	13 to 14
	Our business model	15 to 18
	Our strategy	7 to 11
Environmental matters (including CO2 goals)	Sustainability performance highlights 2025	128
	1.1 Our sustainability journey	132 to 133
	3. Our planet	141 to 175
	4.2.1 Revenues from sustainable solutions	179
	6.1 Our yearly progress on our targets and ambitions	205 to 206
	6.4 Investments – KPI yearly progress	211 to 213
Social matters	Sustainability performance highlights 2025	128
	1.1 Our sustainability journey	132 to 133
	1.2 Stakeholder overview	134 to 137
	4. Our customers	176 to 189
	5.4 Sustainable sourcing	202 to 203
	5.5 Responsible tax	203
Employee-related matters	Sustainability performance highlights 2025	128
	1.1 Our sustainability journey	132 to 133
	1.2 Stakeholder overview	134 to 137
	5. People, in particular:	190 to 204
	– 5.1 Our people	190 to 199
	6.1 Our yearly progress on our targets and ambitions	206
Human rights matters	1.1 Our sustainability journey	132 to 133
	5.3 Human rights	200 to 202
	5.4 Sustainable sourcing	202 to 203
Corruption matters	1.1 Our sustainability journey	132 to 133
	5.2 Prevention of bribery & corruption	199 to 200
References to national, European or international regulations	1. Introduction and strategy	130 to 131

6.7 TCFD reference table

Table 31

TCFD reference table

The sections listed in the table below are the main source of information on a given thematic area. There may be additional information in other parts of the sustainability report.

Thematic area	Recommended disclosure	Page	Section
Governance	a. Describe the board's oversight of climate-related risks and opportunities.	139 to 140	2.1 Governance around climate-related risks and opportunities 2.2 Impact of climate-related performance on remuneration
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	139 to 140	2.1 Governance around climate-related risks and opportunities 2.2 Impact of climate-related performance on remuneration
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	143 to 144	3.1.1 Our progress on our climate transition plan 3.2 Our view on climate risk
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	143 to 147	3.2 Our view on climate risk
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	147 to 161	3.2.3 Our medium- and long-term approach to climate risk: scenario-based climate risk analysis
Risk Management	a. Describe the organization's processes for identifying and assessing climate-related risks.	143 to 161	3.2 Our view on climate risk
	b. Describe the organization's processes for managing climate-related risks.	143 to 161	3.2 Our view on climate risk
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	143 to 144	3.2.1 Integration of climate risk within the overall risk management framework
Metrics and Targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	162 to 175	3.3 Our targets and metrics
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	162 to 175 205 to 206	3.3 Our targets and metrics 6.1 Our yearly progress on our targets and ambitions
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	162 to 175 205 to 206	3.3 Our targets and metrics 6.1 Our yearly progress on our targets and ambitions

6.8 Assurance scope visualization

Table 39

Assurance scope

The below reference table gives an overview of the metrics which have been externally assured for the year ended December 31, 2025, unless otherwise stated. The assurance degree (reasonable, limited) and the framework or standard used are detailed for each metric.

Where	Assured metric		Assurance degree	Annual report	Framework/Standard
	Table / figures / KPI	Title			
Chapter 3: Our planet					
	Figure 8	Annual expected loss for top five peril regions	Limited	145	Zurich Insurance Group's methodology[1]
	Figure 10	Probable maximum loss by top three peril regions	Limited	146	SASB Standards
	Table 6	Insurance-associated emissions from large corporate customers for 2023 and 2024	Limited	164	PCAF
	Table 7	Engagements with our customers	Limited	165	Zurich Insurance Group's methodology[1]
	Table 9	Climate solutions	Limited	166	Zurich Insurance Group's methodology[1]
	Table 10	% green certified buildings in total real estate	Limited	167	Zurich Insurance Group's methodology[1]
	Table 11	Engagements with our investees	Limited	168	Zurich Insurance Group's methodology[1]
	Table 12	Absolute emissions of the corporate portfolio	Limited	168	Zurich Insurance Group's methodology[1]
	Table 13	Emission intensity of the corporate portfolio	Limited	168	Zurich Insurance Group's methodology[1]
	Table 14	Absolute emissions and emission intensity of the sovereign bond portfolio	Limited	169	Zurich Insurance Group's methodology[1]
	Table 15	Absolute emissions of the direct real estate portfolio	Limited	170	Zurich Insurance Group's methodology[1]
	Table 16	Emission intensity of the direct real estate portfolio	Limited	170	Zurich Insurance Group's methodology[1]
	Table 17	Investment portfolio managed by responsible investors	Limited	171	Zurich Insurance Group's methodology[1]
	Table 18	Impact investing portfolio	Limited	171	Zurich Insurance Group's methodology[1]
	Figure 18	Impact metrics	Limited	172	Zurich Insurance Group's methodology[1]
	KPI	Proxy voting	Limited	172	Zurich Insurance Group's methodology[1]
	KPI	Assets under management for Zurich Investment Solutions	Limited	172	Zurich Insurance Group's methodology[1]
	Table 20	Absolute carbon emissions coming from our own operations	Reasonable	174	GRI Standards
	Table 21	Absolute carbon emissions for entities not included in the baseline	Limited	175	Zurich Insurance Group's methodology[1]
	KPI	% of MPS with suppliers that have science-based emissions reduction targets	Limited	175	Zurich Insurance Group's methodology[1]
	KPI	% of MPS with suppliers that have net-zero targets	Limited	175	Zurich Insurance Group's methodology[1]

Where	Assured metric		Assurance degree	Annual report	Framework/Standard
	Table / figures / KPI	Title			
Chapter 4: Our customers					
	Figure 20	Revenues from sustainable solutions split by region and sustainable category	Limited	181	Zurich Insurance Group's methodology[1]
	Figure 21	Revenues from sustainable solutions by product category	Limited	182	Zurich Insurance Group's methodology[1]
	KPI	Revenues from energy efficiency and low-carbon technologies	Limited	182	SASB Standards
	KPI	Retail – customer retention rate	Limited	177	SASB Standards
	KPI	Commercial Insurance – Premium retention rate	Limited	177	Zurich Insurance Group's methodology[1]
	KPI	Corporate Life and Pensions – customer retention rate	Limited	178	SASB Standards
	KPI	Employees completing data protection and privacy training	Limited	188	Zurich Insurance Group's methodology[1]
	KPI	Employees completing information security awareness training	Limited	188	Zurich Insurance Group's methodology[1]
Chapter 5: People					
	KPI	Total Group headcount	Limited	191	Zurich Insurance Group's methodology[1]
	Table 23	New hires	Limited	192	Zurich Insurance Group's methodology[1]
	KPI	% of all promotions are women	Limited	193	Bloomberg GEI methodology
	Table 24	Internal hires	Limited	193	Zurich Insurance Group's methodology[1]
	Table 25	Average learning hours	Limited	194	Zurich Insurance Group's methodology[1]
	KPI	Total number of hours training registered on MyDevelopment	Limited	194	Zurich Insurance Group's methodology[1]
	KPI	Average training expenditure per full-time employee	Limited	195	Zurich Insurance Group's methodology[1]
	KPI	Total expenditure on training	Limited	195	Zurich Insurance Group's methodology[1]
	KPI	% of individuals voluntarily or involuntarily departing the organization are women	Limited	195	Bloomberg GEI methodology
	Table 26	Turnover	Limited	195	Zurich Insurance Group's methodology[1]
	KPI	% of our people managers are women	Limited	197	Bloomberg GEI methodology
	KPI	% of our individual contributors are women	Limited	197	Bloomberg GEI methodology
	KPI	% of our employees working in IT or engineering roles are women	Limited	197	Bloomberg GEI methodology
	KPI	Employees completing anti-corruption training overall and by region	Limited	200	Zurich Insurance Group's methodology[1]
	KPI	Completion rate of the supplier due diligence training (%)	Limited	203	Zurich Insurance Group's methodology[1]
	Table 28	Charitable cash contributions	Limited	204	Zurich Insurance Group's methodology[1]
Appendix					
	Table 37	Career level distribution of our workforce	Limited	214	Zurich Insurance Group's methodology[1]

1 Regarding performance indicators in line with Zurich Insurance Group's methodology, a description of the methodology is included in the relevant sections of the sustainability report.

7. Independent assurance report

Shape the future with confidence

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To the Executive Committee of

Zurich Insurance Group Ltd, Zurich

Zurich, 18 February 2026

Independent Assurance Report on selected Indicators in the Annual Report 2025

We have been engaged to perform assurance procedures to provide limited and reasonable assurance on selected indicators (including GHG emissions) included in Zurich Insurance Group Ltd and its consolidated subsidiaries' (the Group´s) Sustainability Report, integrated in the Annual Report 2025 for the year ended 31 December 2025 (the Report).

Our limited and reasonable assurance engagement focused on selected indicators (including GHG emissions) as presented in Appendix 6.8 - table 39 in the Report (the Appendix).

We did not perform assurance procedures on other information included in the Report, other than as described in the preceding paragraph, and accordingly, we do not express a conclusion or opinion on that information.

Applicable criteria

The Group defined as applicable criteria (the Applicable Criteria):

- Global Reporting Initiative Standards (GRI) complemented by the Group's methodology for environmental indicators having 'Reasonable' as assurance degree in the Appendix. A description of the methodology is available under 'Our approach to operational sustainability' at: https://www.zurich.com/sustainability/planet/sustainable-operations, 'Own operations and supply chain'.
- SASB Insurance reporting standard for indicators having 'SASB Standards' as framework/standard in the Appendix. The guideline is presented on the SASB webpage at: https://navigator.sasb.ifrs.org/.
- The Group's own methodology for indicators having 'Zurich Insurance Group's methodology' as framework/standard in the Appendix. A description of the methodology for these selected indicators is included in the section 6.3 "Methodologies" and within relevant sections of the sustainability report as listed in the Appendix.
- Partnership for Carbon Accounting Financials (PCAF) for indicators having 'PCAF methodology' as framework/standard in the Appendix. The guideline is presented on the PCAF webpage at https://carbonaccountingfinancials.com/en/standard.
- Bloomberg GEI methodology for indicators having 'Bloomberg GEI methodology' as framework/standard in the Appendix. The guideline is presented on the Bloomberg GEI webpage: Gender Reporting Framework at https://assets.bbhub.io/company/sites/46/2022/05/Bloomberg-Gender-Reporting-Framework.pdf.

Shape the future with confidence

Inherent limitations
The accuracy and completeness of selected indicators (including GHG emissions) are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the quantification of the non-financial matters indicators is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors related to the emissions factors and the values needed to combine e.g. emissions of different gases.

Our assurance report should therefore be read in connection with the Report, its definitions and procedures on non-financial matters reporting therein.

Responsibility of the Management
The management is responsible for the selection of the Applicable Criteria and for the preparation and presentation, in all material respects, of the selected indicators (including GHG emissions) in accordance with the Applicable Criteria. This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation of the Report that are free from material misstatement, whether due to fraud or error.

Independence and quality management
We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies ISQM 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility
Limited assurance:
Our responsibility is to express a conclusion on the selected indicators (including GHG emissions) based on the evidence we have obtained.

Reasonable assurance:
Our responsibility is to express an opinion on the presentation of the selected indicators (including GHG emissions) based on the evidence we have obtained. We believe that the evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We conducted our limited and reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform this engagement to obtain limited and reasonable assurance about whether the selected indicators (including GHG emissions) are free from material misstatement, whether due to fraud or error.

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Summary of work performed

Limited assurance:

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Our limited assurance procedures included, amongst others, the following work:

- Assessment of the suitability of the Applicable Criteria and their consistent application
- Interviews with relevant personnel to understand the business and reporting process, including the sustainability strategy, principles and management
- Interviews with the Group's key personnel to understand the sustainability or non-financial reporting system during the reporting period, including the process for collecting, collating and reporting the indicators and non-financial information
- Checking that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Applicable Criteria
- Analytical review procedures to support the reasonableness of the data
- Identifying and testing assumptions supporting calculations

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Reasonable assurance:

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about the indicators in scope of reasonable assurance. The procedures selected depend on the practitioner's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error, of the indicators in scope of reasonable assurance. In making those risk assessments, we considered internal controls relevant to the Group's preparation of the indicators in scope of reasonable assurance.

Our reasonable assurance procedures included, amongst others, in addition to the procedures listed above for the limited assurance engagement, the following work:

- Site visits (physical or virtual) in selected countries to (visually) inspect operations, perform inquiries and inspect documents on a sample basis
- Testing, on a sample basis, of underlying source information to check the accuracy of the data
- Evaluation of the overall presentation, structure and content of the environmental disclosures

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We believe that the evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Conclusion – limited assurance
Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the selected indicators (including GHG emissions) in the Report of the Group have not been prepared, in all material respects, in accordance with the Applicable Criteria.

Opinion – reasonable assurance
In our opinion, the selected indicators (including GHG emissions) in scope of reasonable assurance in the Report of the Group are presented, in all material respects, in accordance with the applicable criteria.

Ernst & Young Ltd

Mark Veser
(Qualified Signature)
Executive in charge

Yana Töngi
(Qualified Signature)
Partner

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Building resilience helps secure positive outcomes, even when risks are not immediately visible.

Risk review

Risk review 228



Message from our Group Chief Risk Officer

Throughout 2025, the risk landscape continued to evolve in sometimes unexpected ways. Geopolitical tensions persisted alongside rising concerns around digital dependency, while moderating headline inflation and policy easing in Europe and the U.S. provided some financial stability. However, social inflation continued to raise claims severity and slower growth in major economies is likely to still pose challenges in 2026.

Despite the uncertain geopolitical environment, Zurich continued to deliver on its strategic objectives while maintaining both financial and operational resilience. Our track record is underpinned by our ability to make targeted investments in core risk management capabilities, such as advanced risk modeling, enabling us to prepare for external shocks. With Zurich Resilience Solutions, we are able to extend this expertise to our customers, equipping them with the capacity to strengthen their own resilience.

We are dedicated to a strong risk culture across all levels of our organization, promoting sound risk awareness and informed decision-making. Cultivating a holistic view of the risk landscape and targeting the areas that matter most enable us to proactively manage risks which could otherwise impact achieving our strategic objectives and ambitious financial targets. By applying our Total Risk Profiling™ methodology – a cornerstone of our Enterprise Risk Management framework – we can draw on our collective knowledge to support management in identifying, assessing, and managing risks.

Turning uncertainty into competitive advantage



“Risk management provides a framework for informed risk-taking, supporting Zurich and its customers in addressing future challenges while seizing opportunities as they arise.”

Peter Giger
Group Chief Risk Officer

Navigating a shifting global order

Rising geoeconomic challenges show potential for fragmenting, or even eroding, features long seen as key to the global order. This trend generates long-term uncertainties for our customers. The increasing temptation to pursue strategic autonomy and the shifting of supply chains jeopardize open trade. We witness a scenario of increased trade constraints and a more volatile business environment for our customers.

One of the most dangerous oversights in today's environment is the fragility of critical infrastructure, which may be vulnerable to many risks, including those related to climate, conflict, cyber, and simple lack of sufficient investment. Protecting and modernizing infrastructure must remain top of mind. Addressing this challenge is crucial to safeguarding essential services for people and businesses.

The challenges the world is facing make it all the more important that we stand by our customers, helping them adapt to the structural changes that a new global order may imply.

Fostering a strong risk culture

In recent years, we have seen a notable rise in risk aversion, not least at a societal level, particularly in Europe. While policyholder protection remains the top priority, excessive risk aversion also carries risks as it can stifle innovation, restrict opportunities, and undermine economic progress.

At Zurich, we encourage thoughtful, calculated risk-taking. We believe that progress depends upon learning from mistakes and quickly adapting, based on experience. We treat risk as an integral part of innovation and we empower a positive risk culture across our organization.

Building climate resilience together

In a context still generally marked by a growing scope of regulation, sustainability-related rules receive increased scrutiny and feature prominently in the debate on striking the right balance and avoiding over-regulation. In this environment, we continue to support our customers, helping to facilitate a resilient and economically successful climate transition.

Managing climate risk requires more than just navigating regulatory changes. Lower-than-expected extreme weather losses in 2025 highlight the unpredictable nature of natural hazards. While fewer insured losses is a positive outcome in the short-term, it does not reduce underlying risks or complex exposures in our portfolio. We remain committed to managing the full spectrum of volatility by proactively preparing for the expected structural changes in exposures.

Strong financial position

Supported by the robust management of risks, our financial strength remained at very strong levels in 2025 (see page 233 for Swiss Solvency Test results), reaffirming our resilience and our ability to support our customers even through times of uncertainty.

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

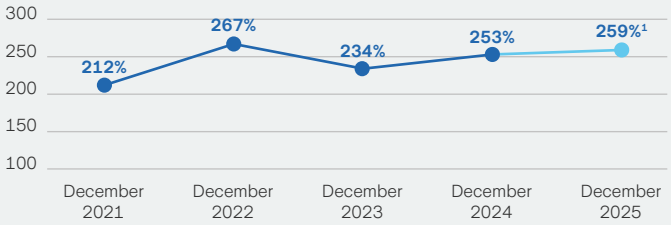


Peter Giger
Group Chief Risk Officer

Development of Swiss Solvency Test (SST) ratio

The Group Swiss Solvency Test (SST) ratio increased to 259 percent as of December 31, 2025 from 253 percent as of December 31, 2024. The development of the SST ratio in 2025 reflects strong underlying capital generation and favorable market movements, partially offset by assumption and model changes.

SST ratio
in %



1 The SST results as of December 31, 2025 are estimated and may differ from the final SST results, which will be presented in the Financial Condition Report at the end of April 2026.

Analysis of Group total risk capital
in %, as of December 31, 2025



A	Insurance risk	44%
B	Market risk, including investment credit risk	54%
C	Other credit risk	2%

Highlights by risk type

Insurance risk

The Group's insurance risk is diversified by geography, line of business, product and customer, supported by our centralized purchase of reinsurance. Combined with a benign natural catastrophe experience, this contributed to continued sound insurance outcomes in 2025 despite softening markets and inflationary pressures in select lines.

Read more: Pages 237–243

Market risk

Required capital held by the Group for investment risk-taking increased during 2025. This was largely a volume effect driven by USD depreciation against major currencies and positive equity performance offset by higher interest rate levels. The Group's investment portfolio remains well diversified across risk drivers and geographies, with compensated risk from equities and credit being the major contributors.

Read more: Pages 244–249

Other credit risk

Credit quality remained stable despite challenging macroeconomic and geopolitical conditions.

Read more: Pages 249–250

Operational risk

Zurich's operational risk management approach enables the Group to focus on high-priority matters under demanding circumstances and to maintain operational risk within acceptable levels.

Read more: Pages 251–252

Risk review

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The risk review information marked 'audited' is an integral part of the consolidated financial statements 2025.

All amounts contained within the risk review are shown in U.S. dollars and rounded 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 2025 Annual Results of the Group and in particular with its consolidated financial statements for the year ended December 31, 2025.

Risk management

Audited

The risk review information marked 'audited' is an integral part of the consolidated financial statements.

Audited

Objectives of risk management

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

The Group's objectives in managing risks are to:

- Support achievement of its business strategy and objectives, and protect capital, liquidity, earnings and reputation by identifying, assessing, responding to, monitoring and reporting risks in line with the Group's risk appetite and tolerance.
- Enable the Board of Directors (the 'Board'), senior management, and other stakeholders charged with governance and oversight to discharge their risk management responsibilities, including risk reporting and external disclosures.
- Support transparency in decision-making processes by providing consistent, reliable and timely risk information.
- Embed risk culture by promoting risk awareness, and disciplined and informed risk-taking.

Enterprise Risk Management framework

To achieve its risk management objectives, the Group manages risk according to an established Enterprise Risk Management (ERM) framework, which is comprised of six components: risk governance and risk culture, risk appetite and tolerance, risk identification and risk assessment, risk response, risk monitoring, and risk reporting. The Group's ERM framework is documented by both policy and non-policy documents, including the Zurich Risk Policy (ZRP) and related risk policy manuals and guidelines, and is complemented by training and guidance materials.

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

The ZRP is a Group policy that articulates Zurich's approach to risks and sets mandatory requirements for risk management throughout the Group. The policy describes the Group's ERM framework and provides a standardized set of risk types. Risk-specific policy manuals provide requirements and procedures to implement the principles outlined in the ZRP.

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

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

The Group's solvency position is disclosed on the basis of the Swiss Solvency Test (SST) ratio. The Group's SST internal model is approved by the Swiss Financial Supervisory Authority (FINMA). Zurich's goal is to maintain capital consistent with a 'AA' financial strength rating for the Group, which translates into an SST ratio target of 160 percent or above.

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

Risk-based remuneration

Based on the Group's remuneration rules, the Board approves the design and structure of remuneration arrangements that support the achievement of strategic and financial objectives, without encouraging inappropriate risk-taking.

Group Risk Management's role in respect of remuneration and its interaction with Board committees is described in the remuneration report.

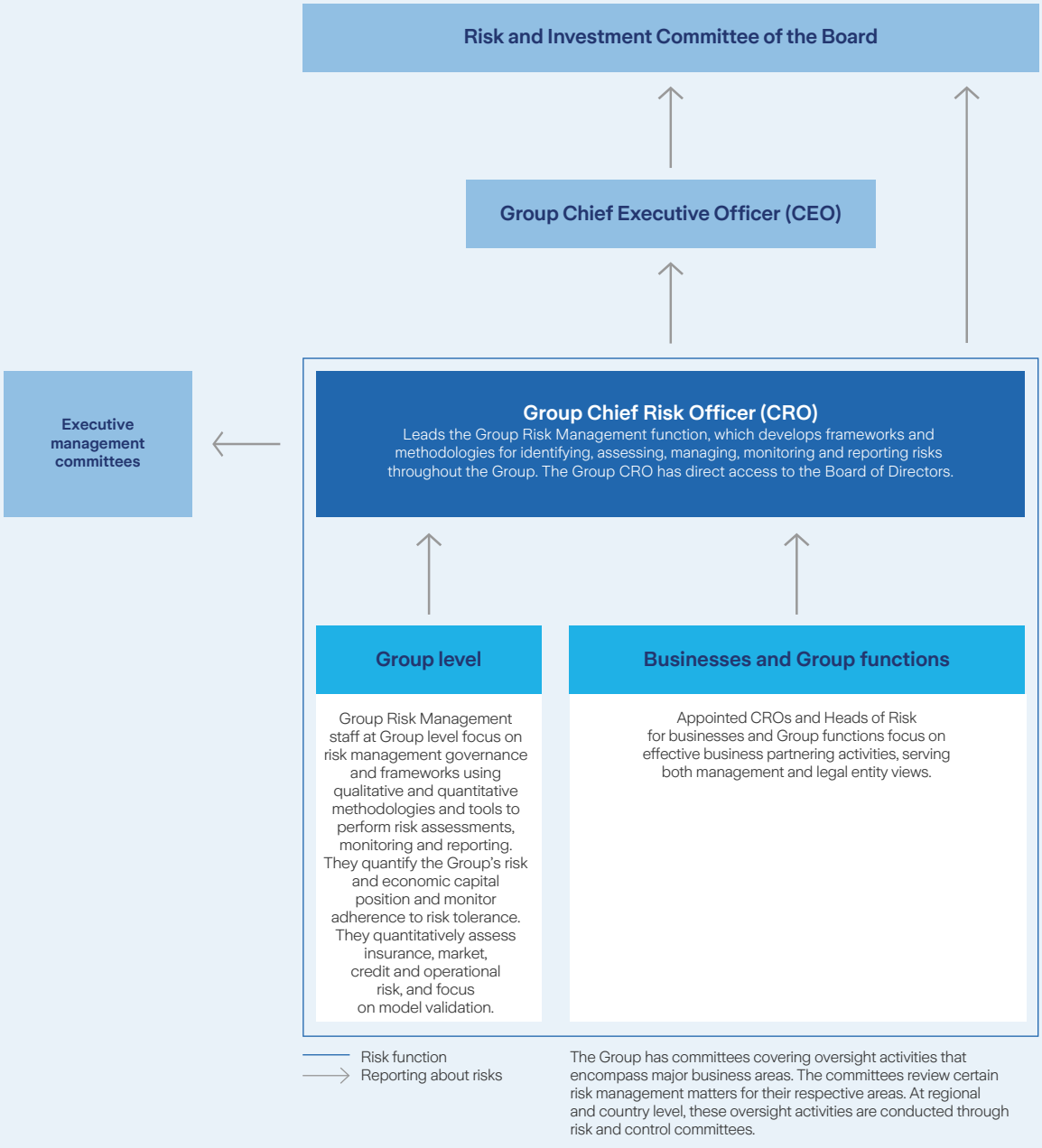
Audited

Risk governance and risk management organization

For information on the Group's overall governance, including the Board and Group executive level, see the corporate governance report (unaudited).

Risk management organization

The Group Risk Management function is a global function, led by the Group Chief Risk Officer (CRO).



The risk function is independent of the business by being a vertically integrated function. Unless otherwise required by local laws or regulations, CROs and Heads of Risk report into the Group CRO, except for the Farmers CRO, who has a matrix reporting line to the Group CRO. They independently challenge, support and advise management on business decisions from a risk perspective.

Capital management

Audited

Objectives of capital management

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

As of December 31, 2025, shareholders' equity based on IFRS Accounting Standards of USD 28.5 billion and subordinated debt of USD 9.8 billion were part of the capital available in the Group's Swiss Solvency Test (SST) available financial resources (AFR). Further adjustments to derive SST AFR typically include deductions for proposed dividends and share buybacks, goodwill and intangible assets, deferred tax assets and liabilities, as well as the market-consistent valuation of insurance liabilities, which includes market value margin (MVM) and the value of in-force business. The MVM, also known as risk margin, is the cost of future regulatory risk capital stemming from the present portfolio of assets and liabilities.

Zurich strives to simplify the Group's legal entity structure to reduce complexity and increase fungibility of capital.

Capital management framework

The Group's capital management framework forms the basis for actively managing capital within Zurich. The Group uses a number of different capital models, taking into account economic, regulatory, and rating agency constraints. The Group's capital and solvency position is monitored and regularly reported to the Executive Committee (ExCo) and Board.

Zurich's policy is to allocate capital to businesses earning the highest risk-adjusted returns, and to pool risks and capital as much as possible to operationalize its risk diversification.

The Group's executive management determines the capital management strategy and sets the principles, standards and policies to execute the strategy. Group Treasury and Capital Management executes the strategy.

Capital management program

The Group's capital management program comprises various actions to optimize shareholders' total return and to meet capital needs, while enabling Zurich to take advantage of growth opportunities. Such actions include paying and receiving dividends, capital repayments, share buybacks, issuance of shares, issuance of senior and hybrid debt, securitization, and purchase of reinsurance.

The Group seeks to maintain a balance between returns for shareholders and the security that a sound capital position provides, also for its customers. Dividends, share buybacks, and issuances and redemption of debt have a significant influence on capital levels. During 2025, the Group:

- paid a dividend out of retained earnings,
- bought own shares, and
- issued subordinated debt to refinance maturing and callable debt.

The Swiss Code of Obligations stipulates that dividends may only be paid out of freely distributable reserves or retained earnings. Apart from what is specified by the Swiss Code of Obligations, Zurich Insurance Group Ltd faces no legal restrictions on dividends it may pay to its shareholders. As of December 31, 2025, the amount of the statutory legal profit reserve was more than 51 times the paid-in share capital. The ability of the Group's subsidiaries to pay dividends may be restricted or indirectly influenced by minimum capital and solvency requirements imposed by insurance and other regulators in the countries in which the subsidiaries operate. Other limitations or considerations include foreign exchange control restrictions in some countries, and rating agencies' methodologies.

For more information on issuances and redemptions of debt, see note 17 of the consolidated financial statements. For more information on acquisitions and divestments, see note 4 of the consolidated financial statements.

Risk and solvency assessment

Audited

Regulatory capital adequacy

The Group endeavors to manage its capital so that its regulated entities meet local regulatory capital requirements. In each country in which the Group operates, the local regulator specifies the minimum amount and type of capital that each of the regulated entities must hold in addition to their liabilities. In addition to the minimum capital required to comply with the solvency requirements, the Group aims to hold an adequate buffer under local solvency requirements to ensure regulated subsidiaries can absorb a level of volatility and meet local capital requirements.

Regulatory solvency regimes

Regulatory requirements in Switzerland

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

Under the SST, insurance companies and insurance groups can apply to use company-specific internal models to calculate risk-bearing and target capital, as well as the SST ratio. The SST results as per December 31 must be submitted to the Swiss Financial Market Supervisory Authority (FINMA) annually. Zurich filed with FINMA an SST ratio of 253 percent (unaudited) as of December 31, 2024. The Group monitors its solvency position on a regular basis and discloses it quarterly. Zurich met the regulatory solvency requirements in Switzerland throughout 2025.

The estimated SST ratio as of December 31, 2025 stood at 259 percent (unaudited). The final SST ratio as of December 31, 2025 will be filed with FINMA by the end of April 2026 and is subject to review by FINMA.

Regulatory requirements in the European Economic Area (EEA)

The main regulatory framework governing the Group's subsidiaries in the EEA is Solvency II. This is an economic and risk-based framework which covers assets and liabilities valuation as well as capital requirements (pillar 1), governance and risk management (pillar 2), and supervisory reporting and public disclosure (pillar 3). All EEA-based insurance legal entities of the Group use the Solvency II standard formula for their pillar 1 requirements with the exception of Zurich Insurance Europe AG (ZIE), which applies an approved internal model.

Starting in 2020, the European Commission has undertaken a review of the Solvency II Directive based on technical advice provided by the European Insurance and Occupational Pensions Authority (EIOPA). The amended text to the Solvency II Directive has been published in the EU Official Journal on January 8, 2025. Member States of the EU must transpose the amending Directive into their national laws by January 29, 2027, and apply the measures from January 30, 2027.

Regulatory requirements in the United Kingdom (UK)

The UK operates under the Solvency UK regime which is tailored to the UK market. The regime has been simplified and allows more flexibility to UK firms while maintaining strong prudential standards. The Solvency UK and Solvency II regimes are still substantially aligned but divergences could be expected over the coming years.

Regulatory requirements in the U.S.

In the U.S., required capital is determined using the National Association of Insurance Commissioners' risk-based capital model. This method, which builds on statutory accounts, measures the minimum amount of capital for an insurance company to support its overall business operations by taking into account its size and risk profile.

Regulatory requirements in other jurisdictions

Every country has a capital standard for insurance companies. Several jurisdictions (e.g., Brazil, Mexico, Hong Kong, and Japan) have implemented approaches similar to Solvency II.

Swiss Solvency Test (SST)

SST ratio

The SST ratio is calculated as the Group's SST available financial resources (AFR) divided by the SST target capital (TC). The SST ratio of 259 percent as of December 31, 2025, is well above the Group's SST target of 160 percent or above.

The development of the SST ratio in 2025 reflects strong underlying capital generation and favorable market movements, partially offset by assumption and model changes.

SST available financial resources (AFR)

The Group's AFR are derived from the SST net assets. The net assets represent the difference between the value of assets and liabilities according to the market-consistent valuation methodology under SST.

During 2025, the Group's AFR increased by USD 6.7 billion to USD 43.2 billion as of December 31, 2025, compared to USD 36.4 billion as of December 31, 2024. The main drivers of the AFR increase in 2025 were the strong capital generation and favorable market movements as well as issuance of subordinated debt.

SST target capital (TC)

The Group uses an internal risk model to determine the required TC.

The Group's TC as of December 31, 2025 amounted to USD 16.7 billion, an increase of USD 2.3 billion compared with USD 14.4 billion as of December 31, 2024, driven by an increase in market risk and insurance risks following market movements. Model and assumption changes increased the TC.

Group Swiss Solvency Test (SST) ratio and underlying components

Table 1

in USD billions	December 31, 2025[1]	December 31, 2024
Total risk capital	21.9	19.6
Other effects on target capital (TC)[2]	(5.2)	(5.2)
Target Capital	**16.7**	**14.4**
Available financial resources (AFR)	**43.2**	**36.4**
Of which Market value margin (MVM)	(3.5)	(3.7)
Group SST ratio	**259%**	**253%**

1 The SST results as of December 31, 2025 are estimated and may differ from the final SST results, which will be presented in the Financial Condition Report at the end of April 2026.
2 Other effects are expected business development over the forecasting horizon, additional business costs and FINMA requirements.

Total risk capital by risk type and business segment

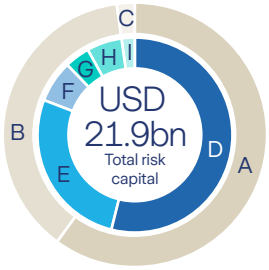
The chart below shows the total risk capital, split by risk type and business segment, as of December 31, 2025, and 2024, respectively. As of December 31, 2025, the largest components of total risk were market risk and premium and reserve risk, comprising 54 percent and 27 percent of the total risk capital, respectively.

The increase in total risk capital as of December 31, 2025 compared to December 31, 2024 was driven by an increase in market risk and insurance risks following market movements driven by USD depreciation against main currencies.

The contribution of the risk types as of December 31, 2025 remained relatively unchanged compared to December 31, 2024.

Total risk capital, split by risk type and business segment

December 31, 2025
in %



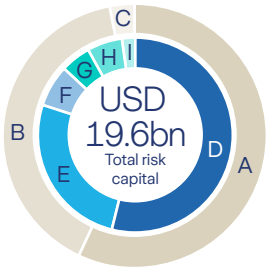
Business segments

A	P&C segment	60%
B	Life segment	38%
C	Other segments	2%

Risk types

D	Market risk	54%
E	Premium & reserve risk	27%
F	Business risk	7%
G	Life insurance risk	4%
H	Natural catastrophe risk	6%
I	Other credit risk	2%

December 31, 2024
in %



Business segments

A	P&C segment	57%
B	Life segment	40%
C	Other segments	3%

Risk types

D	Market risk	54%
E	Premium & reserve risk	27%
F	Business risk	7%
G	Life insurance risk	4%
H	Natural catastrophe risk	6%
I	Other credit risk	2%

Audited

Methods and assumptions used in the SST sensitivity analysis

The use of SST sensitivities for assessing the nature and extent of risks arising from insurance contracts is deemed appropriate as the SST represents a comprehensive framework that takes into account the interdependencies between risks and is used by the Group to assess and manage risks.

The sensitivity analysis provides information on how the Group's SST available financial resources (AFR) and solvency ratio are affected by changes in risk variables. The SST AFR and solvency ratio sensitivities are presented before tax and net of external reinsurance.

The SST AFR and related sensitivities are evaluated as instantaneous market or insurance shocks. All elements of the economic balance sheet and the required capital sensitive to a market or insurance parameter shock are recalculated. For example, values of all balance sheet and risk components change in the event of foreign exchange moves of 10 percent. However, in the event of a shock to equity markets, the Property & Casualty (P&C) net insurance liabilities and risks remain constant.

To assess the SST AFR and ratio sensitivities, the SST balance sheet positions are fully revalued under the specific shock scenarios. Each instrument is revalued separately, taking relevant product features into account. Non-linear valuation effects, where they exist, are reflected in the calculations. Valuation of the insurance liabilities under the shock scenarios is based on the replicating portfolios representing the insurance liabilities in the SST market risk model. Life business replicating portfolios are portfolios of assets that replicate the cash flows or present values of the life insurance liabilities under stochastic scenarios from the local life valuation models, according to the methodology approved by FINMA. The replicating portfolios are calibrated to match dependencies of life insurance liabilities on financial market developments in respect of interest rates, equity and property. The options and guarantees of the underlying life insurance liabilities are captured through inclusion of options in the replicating portfolios. The P&C replicating portfolios are represented by zero coupon bonds and are sensitive to interest rate shocks.

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The SST required capital and market value margin (MVM) are fully recalculated using parameters of a market shock as input to the risk calculations and taking into account impact of the market parameters on the base exposure, e.g., impact of the interest rate shocks on the insurance risk is reflected via revaluation of the risk exposure due to discounting effect.

In calculating the impact of a shock on the SST AFR and ratio, insurance liabilities' replicating portfolios, risk exposure (where not dependent on market parameters), and model parameters remain unchanged from the base case.

The SST AFR and related sensitivities aim to provide Zurich's investors with guidance on how its AFR and solvency ratio would move in a different economic environment. Such shocks are linear, and they are a simplified representation of reality as the various market parameters never move in isolation or in sync within the same market class (e.g., equites).

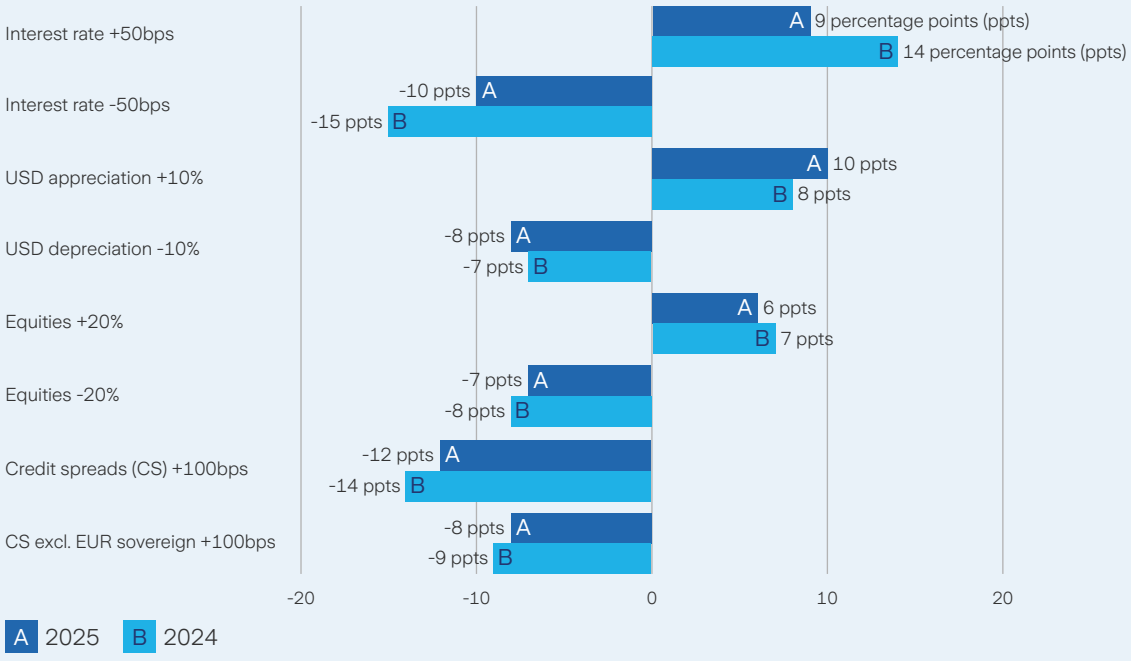
Sensitivity and scenario analysis

The Group evaluates sensitivities to, and stress scenarios on, the SST ratio, and assesses results relative to Zurich's risk appetite and tolerance. The sensitivities in the chart below capture impact on the Group SST ratio due to sensitivities to financial market movements.

Market risk sensitivities show the estimated impact on the Group's SST ratio of a half percentage-point (50 basis points, or bps) increase or decrease in yield curves, a 10 percent appreciation or depreciation in the U.S. dollar, a 20 percent rise or decline in all stock markets, and a 100 bps increase in credit spreads, with and without euro-denominated sovereign bonds. The sensitivities are considered as separate but instantaneous shocks. They are a best estimate and non-linear, for example, a change to the size of the market movement could result in disproportionally higher or lower impact on the SST ratio depending on the prevailing market conditions at the time.

SST sensitivities
as of September 30[1]

Impact on the SST ratio due to sensitivities to financial market conditions:[2]



1 Base ratio and sensitivities as of September 30, 2024 are calculated reflecting the Chile Life annuity transaction completed in the fourth quarter of 2024.
2 Sensitivities are best estimates and reflect 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. Credit spreads (CS) include mortgages, including and excluding euro sovereign spreads. CS sensitivities of available capital include changes to the volatility adjustment applied to interest rate curves.

Audited

Insurance financial strength rating (IFSR)

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

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

ZIC's financial strength ratings remained stable in 2025.

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

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

Analysis by risk type

Audited

Insurance risk

Insurance risk is the risk of deviations from what is expected in the timing, frequency or severity of insured events, leading to loss, including adverse change in the value of insurance liabilities (Life and Property & Casualty (P&C)).

This may result from inherent uncertainty of insured events or losses, inadequate or ineffective underwriting or accumulation management, inappropriate product development, pricing, claims management, reserving, or reinsurance. The profitability of insurance business is also susceptible to business risk in the form of unexpected changes in expenses, policyholders' behavior, and fluctuations in new business volumes. Zurich manages insurance risk through:

- Specific underwriting and claims standards and controls
- Robust reserving processes
- External reinsurance

Property & Casualty (P&C) insurance risk

P&C insurance risk arises from coverage provided for motor, property, liability, special lines, and worker injury. It comprises premium and reserve (P&R) risk, catastrophe risk, and business risk. P&R risk covers uncertainties in the frequency of the occurrence of the insured events as well as in the severity of the resulting claims. Catastrophe risk predominantly relates to uncertainty around natural catastrophes. Business risk predominantly relates to unexpected increases in the expenses relating to claims handling, underwriting, and administration.

Management of Property & Casualty (P&C) insurance risk

The Group's underwriting strategy takes advantage of the diversification of property and casualty risks across lines of business, customers and geographic regions. Zurich defines Group-wide governance for insurance risk including for new products. Underwriting discipline is a fundamental part of managing insurance risk. The Group sets limits on underwriting capacity and delegates authority to individuals based on their specific expertise and sets appropriate underwriting and pricing guidelines. Technical reviews assure that underwriters perform within authorities and adhere to underwriting policies.

P&C insurance reserves are regularly estimated, reviewed and monitored by qualified and experienced actuaries at local, regional and Group levels. To arrive at their reserve estimates, the actuaries take into consideration, among other things, the latest information regarding loss payments, as well as related trends and patterns.

2025 saw a significant increase in U.S. tariffs, initiated with the 'Liberation Day' tariff hike, increasing uncertainty in the global business landscape. While Zurich's direct portfolio impacts remain limited, these developments are closely monitored to inform underwriting and pricing. Supply chain disruptions, increased claims costs, and ongoing macroeconomic volatility underscore the importance of Zurich's robust risk management and governance. Continuous portfolio reviews and readiness to adjust pricing help ensure underwriting discipline and resilience. The Group remains focused on responding to evolving risks and supporting strong performance across markets.

Economic inflation has stabilized during 2025. However, inflation continues to pose challenges, and is influenced by litigation abuse and tariff pass-throughs. Zurich actively monitors inflation, with insights feeding into actuarial reserving models, underwriting processes, and pricing. The Group remains attentive to loss trends, ensuring timely responses as part of its broader risk management and governance efforts.

Additionally, the Group is committed to strengthening communication across functions, with collaboration extending beyond inflation-related challenges. To ensure a common understanding of business insights and new trends for reserve analysis, financial plans, underwriting, and pricing decisions, Zurich has fostered a culture of continuous cross-functional teamwork. Underwriting, actuarial, claims, finance, sales and distribution, risk engineering, and risk management meet quarterly at both local and Group levels to support this approach.

In support of its 2025–2027 strategy, Zurich is prioritizing diversification, portfolio optimization, and proactive risk management as core drivers of consistent performance. The Group leverages the expertise of its people, innovative applications of artificial intelligence, and advanced portfolio management to effectively identify and manage evolving risks. These strategic levers underpin Zurich's resilience and agility in today's dynamic business environment.

Zurich's Emerging and Sustainability Risk Committee (ESRC) – with cross-functional expertise from core insurance functions such as underwriting, claims and risk management – identifies, assesses and recommends actions for emerging risks.

Governance is in place to ensure appropriate focus on top-line targets and profitability. Reinsurance is deployed to help manage insurance risk. Group Risk Management also provides independent assurance through risk reviews.

Audited

The Group is exposed to losses that could arise from natural and man-made catastrophes. The main concentrations of risks arising from such potential catastrophes are regularly reported to executive management.

Natural catastrophes

The Group uses third-party models, adjusted to Zurich's view, to manage its underwriting, monitor accumulations relative to intended exposure limits, and assess the capital requirement for natural catastrophes. Consistent with this view on natural catastrophes, Zurich performs profitability assessments and strategic capacity allocations, which inform the type and quantity of reinsurance it buys.

To ensure global consistency, exposures to natural catastrophes are modeled by a dedicated Group function. Potential losses from property, engineering, motor and marine policies with material exposure in hazard-prone geographical areas are probabilistically modeled, as are worker injury policies with material exposure in U.S. seismic zones. Where material, losses for other lines of business are estimated based on adjustments to these modeled results. Risk modeling mainly addresses weather-induced perils such as wind, flood, tornado, and hail, and geologically-induced perils such as earthquake. The most important peril regions for natural catastrophes are North Atlantic hurricane, California earthquake and European windstorm.

Zurich regularly reviews and expands the scope and sophistication of its modeling and strives to improve data quality. Zurich continues to invest in a diversified, multi-vendor-based catastrophe modeling ecosystem and in expanding its catastrophe research and development capabilities to complement existing expertise in natural catastrophe risk management. This applies for example to a shifting risk landscape due to climate change.

Zurich supplements internal know-how with external knowledge (e.g., the Advisory Council for Catastrophes) and is a shareholder of PERILS AG, Switzerland, a company that specializes in collecting catastrophe exposure data as well as aggregating and estimating loss data. Zurich is a governor sponsor of the Global Earthquake Model (GEM) Foundation and is also a member of the open-source initiative, Oasis Loss Modelling Framework.

For further details on the integration of climate risks into Zurich's modeling approach, refer to the section 'our short-term approach to climate risk: natural catastrophe modeling' in the Group's sustainability report (unaudited). For more information on the assessment of the resilience of Zurich's business model to potential climate risks beyond the financial cycle, refer to the section 'our medium- and long-term approach to climate risk: scenario-based climate risk analysis' of the Group's sustainability report (unaudited).

Man-made catastrophes

Man-made catastrophes include events such as industrial accidents, terrorism and cyber-attacks. For terrorism, worker injury and property risk exposures are analyzed to identify areas with significant risk concentration. Other lines of business are assessed, although the potential exposure is not as significant. An internal scenario model is used to evaluate potential exposures in every major U.S. city. The Group's analysis for the P&C business has shown that its exposures outside of North America are lower, in a large part due to government-provided pools. Outside the modeled areas, exposure concentrations are identified in Zurich's Risk Exposure Data Store (REDS). Exposure concentrations for location-based man-made scenarios, other than terrorism, are also identified in REDS, for example, industrial explosions at global ports.

The Group uses third-party and internally developed models through a dedicated Group function to manage its underwriting and accumulations for cyber and casualty catastrophe risks. The Group actively monitors and manages its cyber exposure, assessing accumulations against intended limits, and continues to refine products to ensure their appropriateness. Improving modeling capabilities and data quality for cyber and casualty catastrophe risks remain key focus areas.

Concentration of Property & Casualty (P&C) insurance risk

The Group defines concentration risk in the P&C business as the risk of increased losses resulting from exposure aggregation. Concentration risk for a P&C insurer may arise due to a concentration of business written within a geographical area or of underlying risks covered.

The P&C business segment constitutes the largest overall allocation of risk capital, with U.S. hurricane consuming the most risk capital in terms of SST ratio sensitivity.

The relative significance of premium and reserve (P&R) risk (unaudited) remained stable at 27 percent of the total SST risk capital as of December 31, 2025, and 2024, respectively.

Audited

The relative significance of natural catastrophe risk (unaudited) has remained stable at 6 percent of the total SST risk capital as of December 31, 2025, and 2024, respectively. However, the view on U.S. hurricane and Europe windstorm marginally worsened, by 1 percentage point each.

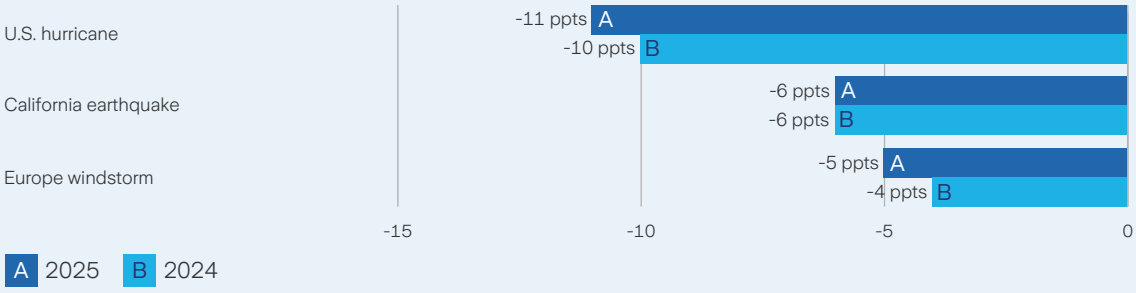
For more information about the Group's P&C business by geographic region, using IFRS Accounting Standards as a basis, see the segment information in note 26 of the Group's consolidated financial statements as of December 31, 2025.

Analysis of sensitivities for Property & Casualty (P&C) risks

The chart below shows the three largest natural catastrophe events to which the Group is exposed. Insurance risk scenarios are defined as events that have a small probability of occurring but could, if realized, negatively affect the Group's SST ratio. The impact of insurance-specific scenarios on the target capital is not taken into account.

SST P&C-specific scenarios
as of September 30

Impact on the SST ratio due to P&C risk-specific scenarios:[1]



1 Scenario impact comparable to the modeled 250-year net occurrence loss for the respective peril (equivalent to a 99.6 percent probability of non-exceedance.)

Tables 2.a and 2.b show the sensitivity of net income before tax and net assets based on IFRS Accounting Standards, using the Group effective income tax rate, as a result of adverse development in the net loss ratio by one percentage point. The sensitivities do not indicate the probability of such an event and do not consider any non-linear effects of reinsurance. Based on the assumptions applied in the sensitivity analysis in tables 2.a and 2.b, each additional percentage-point increase in the loss ratio would have a linear impact on net income before tax and net assets.

The Group also monitors insurance risk by evaluating extreme scenarios, taking into account the non-linear effects of reinsurance contracts.

For further information about the development of net insurance losses by financial year, see note 7 of the Group's consolidated financial statements.

Insurance risk sensitivity for the Property & Casualty business – current period

Table 2.a

in USD millions, for the year ended December 31, 2025	Europe, Middle East & Africa	North America	Asia Pacific	Latin America	Reinsurance	Total[2]
+1% in loss ratio[1]						
Net income before tax	(207)	(221)	(41)	(32)	(8)	(482)
Net assets	(152)	(162)	(30)	(24)	(6)	(354)

Insurance risk sensitivity for the Property & Casualty business – prior period

Table 2.b

in USD millions, for the year ended December 31, 2024	Europe, Middle East & Africa	North America	Asia Pacific	Latin America	Reinsurance	Total[2]
+1% in loss ratio[1]						
Net income before tax	(187)	(210)	(38)	(32)	(8)	(448)
Net assets	(140)	(157)	(28)	(24)	(6)	(335)

1 The loss ratio represents the level of losses, loss adjustment expenses and reinsurance service costs in relation to insurance revenue.
2 Total is inclusive of consolidation eliminations.

Audited

Life insurance risk

The risks associated with Life insurance include:

Life liability risk

- Mortality risk: when, on average, the death incidence among policyholders is higher than expected.
- Longevity risk: when, on average, annuitants live longer than expected.
- Morbidity risk: when, on average, the incidence of disability due to sickness or accident among policyholders is higher than expected, or recovery from disability is lower than expected.

Life business risk

- Policyholder behavior risk: when, on average, policyholders discontinue or reduce contributions, or withdraw benefits prior to the maturity of contracts at a rate that is different from expected.
- Expense risk: when expenses incurred in acquiring and administering policies are higher than expected.
- New business risk: when volumes of new business are insufficient to cover fixed acquisition expenses.

Market risk

- Market risk: the risk associated with the Group's balance sheet positions where the value or cash flow depends on financial markets, which is analyzed in the 'market risk, including investment credit risk' section.

Credit risk

- Credit risk: the risk associated with a loss or potential loss from counterparties failing to fulfill their financial obligations, which is analyzed in the 'market risk, including investment credit risk' and 'other credit risk' sections

Management of Life insurance risk

The Group's Life underwriting results are based on the assumptions relating to life insurance risks. The actual experience may differ to that expected at the time of writing the business. For example, mortality could be either higher or lower than anticipated due to an unexpectedly harsh or benign flu season.

To understand the potential impact of experience differing from expectations, Zurich uses models to perform sensitivity analyses. The impact of changing the assumptions is considered under different scenarios across the risk types and products. Changes relating to absolute level and trend development in assumptions are considered by product category. For example, Zurich looks at the impact of an increase in morbidity rates for protection products or changes in the level and trend of longevity for annuity products. These analyses assist in understanding how sensitive the business is to changes in various assumptions and where there are benefits of having a diversified portfolio of risks and products. Changes in the same assumption can have a positive impact on one product and a negative impact on another. For example, people living longer than expected may have a positive impact on products that offer life cover, as claims are then paid later than expected, but could have a negative impact on annuity products as payments are made for longer than expected. At Zurich, Life liability risks are managed through established processes with requirements described in the Zurich Risk Policy (ZRP).

The Group has local product development and approval committees and a Group-level committee to review potential new life products that could significantly increase or change the nature of the risks or introduce new risks. The Group also regularly reviews the continued suitability and the potential risks of existing life products open to new business to ensure sustainability of the business.

Product pricing involves setting assumptions relating to life insurance risks. Local teams have the responsibility for the pricing of the products in line with the experience and emerging trends observed in each market. The emerging experience is regularly monitored and compared against expectations. Where permitted, premiums are adjusted for factors such as age, gender, and health-related conditions to reflect the corresponding risks. Policy terms and conditions and disclosure requirements are designed to mitigate the risk arising from non-standard and unpredictable risks that could result in a severe financial loss.

The underwriting process forms an important part of risk management and risk selection for life insurance risks. This process is supported through setting standards in the ZRP and providing support through additional underwriting guidelines.

Where required and appropriate, life insurance risks are also managed using reinsurance.

Unit-linked products are designed to reduce much of the market and credit risk associated with the Group's traditional business offerings. Risks that are inherent in these products are largely passed on to the policyholder, although a portion of the Group's management fees is linked to the value of funds under management, and hence is at risk if fund values decrease. Contracts may have minimum guaranteed death benefits where the sum at risk depends on the fair value of the underlying investments. Other life insurance liabilities include conventional life insurance products, such as protection and life annuity products.

Audited

Protection products (including disability products) provide benefits linked to policyholders' life and health and mainly carry mortality and morbidity risks. Changes in, and availability of, medical treatments and lifestyle changes are among the most significant factors that could result in earlier or more claims than expected or customers claiming for longer than expected. The risk selection process is informed by medical, lifestyle and financial parameters of applicants. Access to health information can potentially be restricted through regulation or undocumented health results. Advancements in biological and genetic testing may give individuals health information inaccessible to insurers. This in turn could lead to an inability to reflect the true risk profile in pricing products, adverse claims experience and a reduced product offering. Disability, when defined in terms of the ability to perform an occupation, could also be affected by adverse economic conditions. This impact could come through, for example, an increase in claims relating to mental health conditions triggered by an economic downturn.

Life annuity products provide benefits that are paid to the customer either for a certain number of years, or until they die. Therefore, these products carry longevity risk as people living longer than expected can have a material impact on these products. Medical advances and improved social conditions that lead to increased longevity are significant risk drivers for these products. Annuitant (beneficiary) mortality assumptions include allowance for future mortality improvements. The trends in mortality improvements are monitored to ensure that changes in experience are considered. The exposure to longevity risk at a Group level is measured regularly and compared against the limit set by the Group.

The Group is exposed to risks posed by policyholder behavior and fluctuating expenses. These are mitigated by designing products that, as closely as possible, match revenue and expenses associated with the contract.

The Group is also exposed to investment and surrender risks related to bank-owned Life insurance contracts sold in the U.S.

In the past, low interest rates have led to an increase in both Life business risks and Life liability risks (especially longevity risk). Furthermore, interest rate guarantees (with concentration in traditional guaranteed business in Germany and Switzerland) expose Zurich to financial losses that may arise as a result of adverse movements in interest rates combined with potential increases in policyholders surrendering their policies. These guarantees are managed through a combination of asset-liability management and hedging.

The Group has a dynamic hedging strategy to reduce the investment risk associated with the closed book of variable annuities written by its U.S. subsidiary, Zurich American Life Insurance Company.

Higher than expected inflation could affect Life insurance business through, for example, customer affordability issues and reduced demand. The expenses to administer Life insurance business could be higher than expected, leading to higher product expense loads. This could result in a combination of higher customer premiums and reduced profitability. Potential actions to manage the effects of higher-than-expected inflation include assumption updates, customer behavior monitoring, product reviews, as well as design and customer retention initiatives.

Diversification across regions and businesses, as further described, contributes to reducing the impacts of the risks associated with the Life business described above.

Concentration of Life insurance risk

The Group defines concentration risk in the Life business as the risk of increased losses resulting from exposure aggregation. Concentration risk for a life insurer may arise with respect to investments in a geographical area, economic sector, or individual issuers, or due to a concentration of business written within a geographical area, of a product type, or of underlying risks covered. The Group's exposure to life insurance risks varies significantly by geographic region and line of business and may change over time.

In respect of the Life liability risk profile, on a non-diversified basis, mortality risk accounts for almost half, concentrated predominantly in the EMEA region, morbidity risk accounts for almost two fifths, predominantly from the APAC and EMEA regions, and longevity risk accounts for approximately a seventh, concentrated predominantly in the EMEA region.

In respect of the Life business risk profile, on a non-diversified basis, lapse up risk accounts for over four fifths, concentrated predominantly in the EMEA region, expense risk accounts for approximately one seventh, largely concentrated in the EMEA region, and lapse down risk accounts for less than a twentieth, predominantly from the EMEA and APAC regions.

Audited

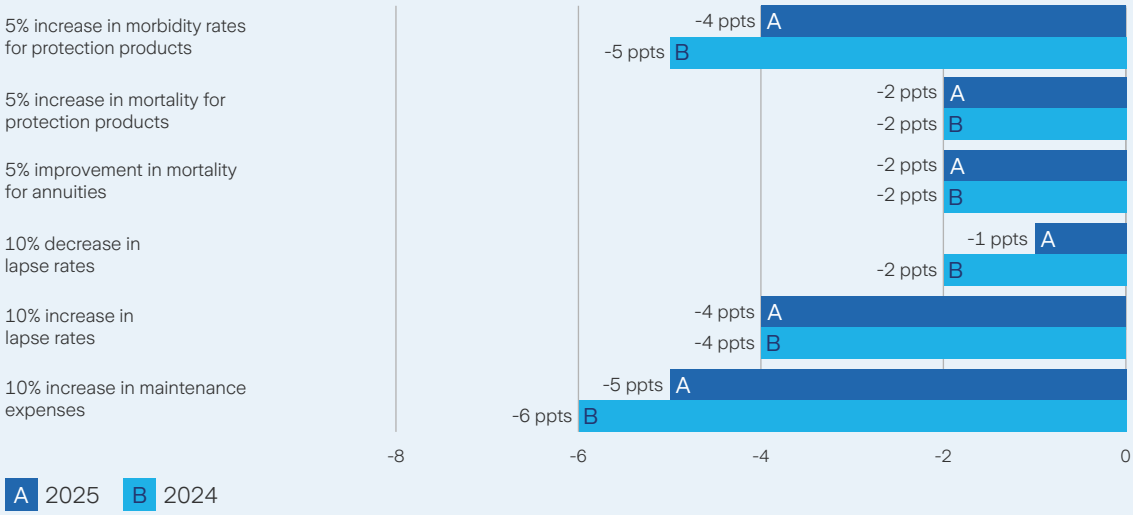
For more information about the Group's concentration of risk within the Life business by geographic region, on an IFRS Accounting Standards basis, see the segment information in note 26 of the consolidated financial statements as of December 31, 2025.

Analysis of sensitivities for Life insurance risks

The chart below shows the sensitivity of the SST ratio to changes in the key risk drivers.

SST life-specific scenarios
as of September 30

Impact on the SST ratio due to Life risk-specific scenarios:[1, 2]



1 SST ratios under sensitivities do not include recalculated target capital under the scenarios.
2 Sensitivities are calculated analogous to those sensitivities used to calculate SST Risk Capital. For increased and decreased lapse rate sensitivities, only policies for which there is a reduction in the available capital due to the change in lapse rate, are subjected to the sensitivity and contribute to the change in the SST ratio shown. Policies which will show an increase in available capital due to the change in lapse rate, are not considered in the respective sensitivities and do not contribute to the change in SST ratio shown.

Reinsurance for Property & Casualty (P&C) and Life businesses

The Group's objective in purchasing reinsurance is to provide market-leading capacity for customers while protecting the balance sheet, supporting management of earnings volatility, and achieving capital efficiency. In addition, reinsurance supports the Group underwriting strategy and risk appetite. The Group follows a centralized reinsurance purchasing strategy for both P&C and Life, and bundles programs, where appropriate, to benefit from diversification and economies of scale. To align country capacity with the Group's risk appetite and tolerance, internal reinsurance is applied.

The Group has specific facultative P&C reinsurance facilities to actively manage and reduce potential claims-recovery risks on facultative cessions and to support the strategy on operational excellence.

The Group uses traditional and collateralized reinsurance to protect itself against extreme single events, multiple event occurrences across regions, and increased frequency of events.

The Group participates in the underlying risks through its retention and co-participation in excess layers. The Group reviews its reinsurance programs on an annual basis to reflect its risk appetite and market conditions.

A global property catastrophe program is in place and includes both regional and global capacity as well as both annual and multi-year capacity.

To complement existing treaties, the Group purchases catastrophe reinsurance specific to life insurance for its exposure to natural and man-made catastrophes.

Reinsurance capital increased faster than demand in 2025, and property catastrophe pricing softened as capacity exceeded buyer needs. U.S. casualty reinsurance showed ongoing pressure from litigation and social inflation, with pricing generally stable compared to the declines in property lines.

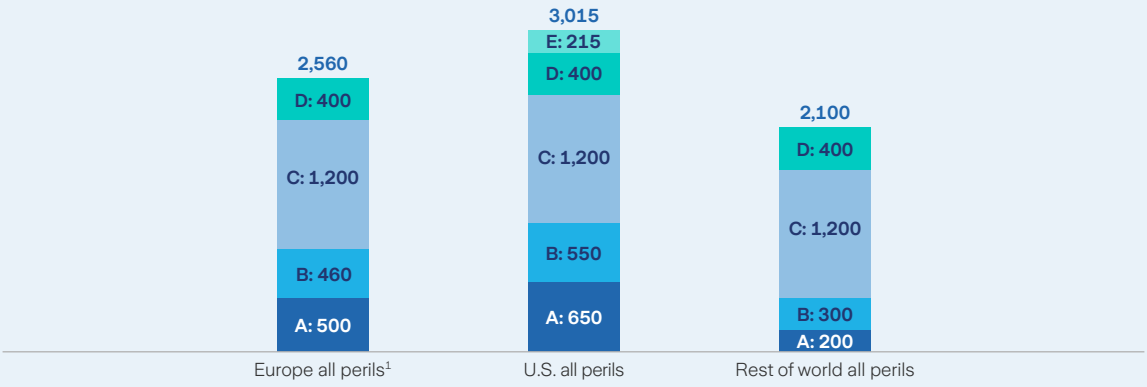
Strategic partnerships and long-term relationships continue to provide an effective path for Zurich to execute on its reinsurance strategy.

Audited

Zurich follows a strategy of diversification of reinsurance placements in order to manage its counterparty exposure. The Group's reinsurance counterparty exposure as of December 31, 2025 was within the Group's risk tolerance.

For further information on these counterparty limits, refer to section 'other credit risk'.

Group catastrophe reinsurance protection
as of July 1, 2025 (in USD millions)



A Retention B Regional catastrophe treaties C Global catastrophe treaty
D Catastrophe top layer E North America earthquake swaps

1 Calculated with EUR/USD exchange rate of EUR 1 = USD 1.1805 as of July 1, 2025.



A CAT losses exceeding USD 50m each and every occurrence B Global aggregate cat treaty C % of co-participation

Audited

Market risk, including investment credit risk

Market risk relates to the possibility of loss of value due to changes in financial market conditions.

Risk factors include:

- Equity market price changes
- Real estate market price changes
- Interest rate changes
- Credit and swap spread changes
- Defaults of issuers
- Changes in currency exchange rates

The Group manages the market risk of assets relative to liabilities on an economic total balance sheet basis. This is done to achieve the maximum risk-adjusted excess return on assets relative to the liability benchmark, while also taking into account the Group's risk tolerance and local regulatory constraints.

The Group has policies and limits to manage market risk and keep its strategic asset allocation in line with its risk capacity. Zurich centrally manages certain asset classes to control aggregation of risk and provides a consistent approach to constructing portfolios and selecting external asset managers. It diversifies portfolios, investments and asset managers, and regularly measures and manages market risk exposure. The Group defines limits on concentration of investments in single issuers and certain asset classes, as well as the degree to which asset interest rate sensitivities may deviate from liability interest rate sensitivities. The Group regularly reviews its capacity to hold illiquid investments.

The Asset/Liability Management Investment Committee reviews and monitors the Group's strategic asset allocation and tactical boundaries, and monitors Group asset/liability exposure. The Group oversees the activities of local asset/liability management investment committees and regularly assesses market risks at both Group and local business levels. The economic effect of potential extreme market moves is regularly examined and considered when setting the asset allocation.

Risk assessment reviews include the analysis of the management of interest rate risk for each major maturity bucket and adherence to the aggregate positions with risk limits. The Group follows processes to manage market risks and to analyze market risk hotspots. Actions to mitigate risks are taken, if necessary, to manage fluctuations affecting asset/liability mismatch and risk-based capital.

The Group may use derivative financial instruments to mitigate market risks arising from changes in currency exchange rates, interest rates and equity prices, from credit quality of assets, and from commitments to third parties. The Group enters into derivative financial instruments mostly for economic hedging purposes and, in limited circumstances, the instruments may also meet the definition of an effective hedge for accounting purposes.

In compliance with Swiss insurance regulation, the Group's policy prohibits speculative trading in derivatives, meaning a pattern of so-called 'in-and-out trading' activity without any reference to an underlying position. The Group addresses the risks arising from derivatives through a stringent policy that requires approval of a derivative program before transactions are initiated, and by subsequent regular monitoring by Group Risk Management of open positions and annual reviews of derivative programs.

For more information on the Group's investment result, including the treatment of selected financial instruments, see note 5 of the consolidated financial statements. For more information on derivative financial instruments and hedge accounting, see note 6 of the consolidated financial statements. For more information on the development of expected credit loss allowance by type of financial asset, see note 23 of the consolidated financial statements.

Audited

Risk from equity securities and real estate

The Group is exposed to risks from price fluctuations on equity securities and real estate. These could affect the Group's liquidity, reported income, economic surplus and regulatory capital position. Equity risk exposure includes common stocks (including equity unit trusts), private equity, common stock portfolios backing participating-with-profit policyholder contracts, and equities held for employee benefit plans. Exposure to real estate risk includes direct holdings in property and property company shares and funds. Returns on unit-linked contracts, whether classified as insurance or investment contracts, may be exposed to risks from equity and real estate, but these risks are borne by policyholders. The Group is however indirectly exposed to market movements from unit-linked contracts with respect to both earnings and economic capital; market movements affect the amount of fee income earned when the fee income level is dependent on the valuation of the asset base. Therefore, the value of in-force business for unit-linked business can be negatively affected by adverse movements in equity and real estate markets.

The Group manages its risks related to equity securities and real estate as part of the overall investment risk management process and applies limits as expressed in policies and guidelines. Specifically, Zurich limits holdings in equities, real estate and alternative investments. To realize an optimal level of risk diversification, the strategy for equities is defined through a composite of market benchmark indices. The Group has the capability and processes in place to change the exposure to key equity markets via the use of derivatives, or purchase or sale of securities within a short time frame.

For additional information on equity securities and investment property, see note 5 of the consolidated financial statements.

Risk from interest rates and credit spreads

Interest rate risk is the risk of an adverse economic impact resulting from changes in interest rates, including changes in the shape of yield curves. Yield curve changes affect the value of interest rate-sensitive investments and derivatives as well as the fair value of insurance liabilities. Other balance sheet items, such as liability investment contracts, debt issued by the Group, commercial and residential mortgages, employee benefit plans, loans and receivables, are also affected.

The Group manages credit spread risk, which is the variation in economic value due to changes in the level or the volatility of credit spreads over the risk-free interest rate. Movements of credit spreads are driven by several factors including changes in expected default probability, default losses, risk premium, liquidity and other effects.

Returns on unit-linked contracts, whether classified as insurance or investment contracts, are at the risk of the policyholder; however, the Group is exposed to fluctuations in interest rates and credit spreads insofar as they affect the amount of fee income earned if the fee income level is dependent on the valuation of the asset base.

Audited

Analysis of market risk sensitivities for interest rate, equity and credit spread risks

Group SST available financial resources sensitivities

The following section presents the sensitivities of Group available financial resources (AFR) under SST assumptions with respect to certain standard financial market scenarios.

The SST AFR impact – the difference between the impact on Group SST assets and liabilities – represents the economic risk related to changes in market risk factors to which the Group is exposed. Positive values represent an increase in the SST AFR, and values in parentheses represent a decrease.

SST AFR sensitivities are shown split by segment. The heading 'Rest of the business' includes Farmers, Group Finance and Operations, and Non-Core Businesses.

Analysis of economic sensitivities for interest rate risk

Table 3 shows the estimated impact on SST AFR of a 50 basis point (bps) increase or decrease in yield curves after consideration of hedges in place.

Economic interest rate sensitivities on the Group's SST AFR

Table 3

in USD millions, as of September 30	2025	2024
50 bps increase in the interest rate yield curves		
Property & Casualty	(195)	(91)
Life	(9)	250
Rest of the business	89	80
50 bps decrease in the interest rate yield curves		
Property & Casualty	202	87
Life	(3)	(356)
Rest of the business	(99)	(87)

Audited

Analysis of economic sensitivities for equity risk

Table 4 shows the estimated impact on SST AFR from a 20 percent decline in stock markets, after consideration of hedges in place.

Economic equity price sensitivities on the Group's SST AFR

Table 4

in USD millions, as of September 30	2025	2024
20% decline in stock markets		
Property & Casualty	(1,644)	(1,356)
Life	(1,594)	(1,464)
Rest of the business	(55)	(71)

Analysis of economic sensitivities for credit spread risk

Table 5 shows the estimated impact on SST AFR from a 100 bps increase in corporate credit spreads. The sensitivities apply to all fixed-income instruments, excluding government, supranational and similar debt securities.

Economic credit spread sensitivities on the Group's SST AFR

Table 5

in USD millions, as of September 30	2025	2024
100 bps increase in credit spreads		
Property & Casualty	(1,846)	(1,656)
Life	(1,737)	(1,676)
Rest of the business	(174)	(185)

Risks from defaults of counterparties

Debt securities

The Group is exposed to credit risk from third-party counterparties where the Group holds securities issued by those entities. Default risk is controlled by Group counterparty concentration risk limits which aim to keep the size of potential losses to an acceptable level.

Exposure level limits are in place and are based on default and recovery rates. Limits tighten progressively for lower-rated exposures. Where the Group identifies investments that are expected to trigger limit breaches, appropriate mitigating actions are implemented.

For information on the Group's debt securities by rating of issuer and the corresponding allowance for expected credit losses, see note 23 of the consolidated financial statements.

Debt securities – credit risk concentration by industry
in %, as of December 31



A	Government-related	52%
B	Financial institutions	17%
C	Industrial	16%
D	Securitized	12%
E	Utility	3%
F	Others	0%



A	Government-related	53%
B	Financial institutions	17%
C	Industrial	15%
D	Securitized	12%
E	Utility	3%
F	Others	0%

As of December 31, 2025, the largest concentration in the Group's debt securities portfolio was government-related at 52 percent of all debt securities. In all other categories, a total of USD 22 billion (36 percent) was secured.

As of December 31, 2024, 53 percent of the Group's debt portfolio was invested in government-related securities. In all other categories, a total of USD 20 billion (36 percent) was secured.

The second-largest concentration in the Group's debt securities portfolio as of December 31, 2025 and 2024, was financial institutions, comprising investments mainly in banking, finance companies and insurance.

Audited

Cash and cash equivalents

To reduce credit concentration, settlement and operational risks, the Group limits the amount of cash that can be deposited with a single counterparty. The Group also maintains an authorized list of acceptable cash counterparties.

Cash and cash equivalents amounted to USD 7.1 billion as of December 31, 2025 and USD 6.8 billion as of December 31, 2024. The risk-weighted average rating of the overall cash portfolio was 'A–' as of both December 31, 2025, and December 31, 2024. The 10 largest bank exposures represented 53 percent of the total cash and cash equivalents amount, of which the risk-weighted average rating was 'AA–'as of December 31, 2025, and 'A–' as of December 31, 2024.

Mortgage loans and other loans

Mortgage loans amounted to USD 4.3 billion as of December 31, 2025 and USD 4.0 billion as of December 31, 2024. The Group's largest mortgage loan portfolios are held in Switzerland (USD 2.8 billion), Germany (USD 0.6 billion), and in Italy (USD 0.5 billion); these are predominantly secured against residential property but also include mortgages secured by commercial property.

Derivatives

To limit credit risk, over-the-counter (OTC) derivative transactions are executed with counterparties rated 'BBB' or higher and where an International Swaps and Derivatives Association (ISDA) Master Agreement with a Credit Support Annex is in place. This mitigates credit exposures due to close-out netting and collateral posting over defined thresholds and minimum transfer amounts. Whenever possible, the Group uses exchange-traded and centrally cleared instruments. The Group regularly monitors credit risk exposures arising from derivative transactions.

Risk from currency exchange rates

The Group operates internationally and is therefore exposed to the financial impact of changes in the exchange rates of various currencies.

Assets, liabilities, income and expenses are denominated in multiple currencies, predominantly the euro, Swiss franc, British pound and U.S. dollar. On entity balance sheets, a currency mismatch may cause a balance sheet's net asset value to fluctuate, either through income or directly through equity. The Group manages this risk by matching foreign currency positions on entity balance sheets within prescribed limits. Residual mismatches are reported centrally to take advantage of netting effects across the Group. Zurich hedges these residual mismatches within an established limit through a central balance sheet. For information on net gains/losses on foreign currency transactions included in the consolidated income statements, see notes 1 and 3 of the consolidated financial statements. The monetary currency risk exposure on entity balance sheets is considered immaterial.

Table 6 shows the sensitivity of total equity based on IFRS Accounting Standards to changes in exchange rates for the main functional currencies to which the Group is exposed. Positive values represent an increase in the value of the Group's total equity.

Audited

Sensitivity of the Group's total equity to exchange rate fluctuations

Table 6

in USD millions, as of December 31	2025	2024
10% increase in		
EUR/USD rate	522	440
GBP/USD rate	97	33
CHF/USD rate	50	(327)
BRL/USD rate	107	94
AUD/USD rate	293	284
JPY/USD rate	108	96
Other currencies/USD rates	611	577

The sensitivities show only the effects of a change in exchange rates, while other assumptions remain unchanged. The sensitivity analysis does not consider management actions that might be taken to mitigate such changes. The sensitivities do not indicate the likelihood of such events occurring in the future and do not necessarily represent Zurich's expectations of future market changes. While table 6 shows the effect of a 10 percent increase in exchange rates, a 10 percent decrease would have the converse effect.

For additional information about foreign currency translation and transactions, see notes 1, 3 and 6 of the consolidated financial statements.

Other credit risk

Credit risk is the risk associated with a loss or potential loss from counterparties failing to fulfill their financial obligations. See section 'risks from defaults of counterparties' for more information. The Group's exposure to other credit risk is derived from the following main categories of assets:

- Reinsurance assets
- Receivables

The Group's objective in managing credit risk exposures is to maintain them within parameters that reflect the Group's strategic objectives, and its risk appetite and tolerance. Sources of credit risk are assessed and monitored, and the Group has policies to manage specific risks within various subcategories of credit risk. To assess counterparty credit risk, the Group uses ratings assigned by external rating agencies, qualified third parties, such as asset managers, and internal rating assessments. If the ratings of external rating agencies differ, the Group generally applies the lowest, unless other indicators justify an alternative, which may be an internal credit rating.

The Group actively uses collateral to mitigate credit risks. Underlying credit risks are managed independently from the collateral. The Group has limits and quality criteria to identify acceptable letter of credit providers. Letters of credit enable Zurich to limit the risks embedded in reinsurance, captives, deductible programs, trade credit and surety.

The Group has counterparty limits which are regularly monitored. Exposure to counterparties' parent companies and subsidiaries is aggregated to include reinsurance assets, investments, derivatives, and certain insurance products. Group aggregate concentration limits and relevant exception approvals are monitored in line with risk policy requirements.

On-balance sheet exposures are the main source of credit risk. Off-balance sheet credit exposures are related primarily to certain insurance products, reinsurance and collateral used to protect underlying credit exposures on the balance sheet. The Group had no material amount of off-balance sheet exposures related to undrawn loan commitments as of December 31, 2025. See note 21 of the consolidated financial statements for undrawn loan commitments.

Audited

Credit risk related to reinsurance assets – Reinsurance recoverables

The Group's Corporate Reinsurance Security Committee oversees the credit quality of cessions and reinsurance assets. The Group typically only cedes new business to authorized reinsurers with a minimum rating of 'A–'. Of the exposure ceded to reinsurers that are rated below 'A–' or are not rated, 50 percent was collateralized as of December 31, 2025 and 52 percent as of December 31, 2024. Of the exposure ceded to reinsurers that are rated below 'A–' or are not rated, 67 percent was ceded to captive insurance companies in 2025, and 69 percent in 2024.

Table 7 below shows reinsurance recoverables, which are also reported within reinsurance contract assets and reinsurance contract liabilities in the consolidated financial statements. As of December 31, 2025 and 2024 recoverables amounted to USD 29.1 billion and USD 27.9 billion, respectively. Reinsurance recoverables include single parent captives, consist of positions aggregated by counterparty, and are presented according to the credit rating of the reinsurer. Contractual service margin and risk adjustments are excluded.

Unsecured reinsurance recoverables are shown in Table 7 net of collateral, such as letters of credit, and represent our maximum exposure to credit risk. On average, banks issuing letters of credit for the benefit of Zurich are 'A' rated. The value of the collateral received (before haircuts applied) amounts to USD 19.7 billion and USD 18.5 billion as of December 31, 2025 and 2024, respectively.

Allowance for the risk of non-performance and expected credit losses amounted to USD 90.6 million and USD 98 million as of December 31, 2025 and 2024, respectively. The Group's policy on these allowances considers both specific charges for known situations (e.g., financial distress or litigation) and general provision.

Table 7

Reinsurance recoverable and unsecured reinsurance recoverable by rating of reinsurer and captive

as of December 31	2025				2024			
	Reinsurance recoverable		Unsecured reinsurance recoverable		Reinsurance recoverable		Unsecured reinsurance recoverable	
	USD millions	**% of total**	**USD millions**	**% of total**	USD millions	% of total	USD millions	% of total
Rating								
AAA	3	0.0%	1	0.0%	4	–	1	–
AA	5,566	19.1%	5,133	28.4%	5,870	21.0%	4,832	28.7%
A	13,110	45.1%	7,722	42.7%	12,988	46.5%	7,599	45.2%
BBB	5,651	19.4%	3,054	16.9%	3,990	14.3%	2,250	13.4%
BB	631	2.2%	378	2.1%	437	1.6%	225	1.3%
B and below	250	0.9%	71	0.4%	296	1.0%	116	0.7%
Unrated	3,866	13.3%	1,724	9.5%	4,354	15.6%	1,801	10.7%
Total	**29,077**	**100.0%**	**18,083**	**100.0%**	**27,939**	**100.0%**	**16,824**	**100.0%**

Credit risk related to receivables

The largest amount of the Group's credit risk exposure to receivables is related to third-party agents, brokers and other intermediaries.

Receivables are diversified across a large number of counterparties and do not pose significant single name concentration risk. The biggest individual exposures are related to large global insurance brokers; however, exposure to these brokers is small if compared to total receivables, and these brokers are not among the top individual counterparties where the Group has significant concentration of credit risk.

The Group has policies and standards to manage and monitor credit risk related to intermediaries.

The Group strives to keep the balance of past-due positions as low as possible.

Receivables from ceded reinsurance are part of reinsurance assets and managed accordingly. For more information about the calculation of expected credit losses, see notes 3 and 23 of the Group's consolidated financial statements. For information about reinsurance assets, see note 7 of the Group's consolidated financial statements.

Audited

Operational risk

Operational risk is the risk of financial loss, adverse reputational, legal or regulatory impact, resulting from inadequate or failed processes, people, systems or from external events, including external fraud, catastrophes, or failure in outsourcing arrangements. Zurich has a framework to identify, assess, manage, monitor, and report operational risk within the Group. Within this framework, the Group:

- Uses a scenario-based approach to assess, model, and quantify the capital required for operational risk for business units under extreme circumstances. This approach allows information to be compared across the Group and highlights the main scenarios contributing to the capital required under the Z-ECM.
- Documents and reviews operational events exceeding a threshold determined by the ZRP. Remedial action is taken to avoid the recurrence of such operational events.
- Conducts risk assessments where operational risks are identified for key business areas. Risks that are identified and assessed above a certain threshold must have a risk response. Risk mitigation plans are documented and tracked on an ongoing basis. In the assessments, the Group uses sources of information such as, but not limited to, the Total Risk Profiling™ process, internal control effectiveness, scenario modeling and operational event data.

The Group has specific processes and systems in place to focus on high-priority operational matters such as managing information security and business resilience as well as combating fraud.

Zurich embeds fraud prevention, detection, and response across its business processes. Both claims and non-claims fraud are included in the common framework for assessing and managing operational risks. For Zurich's internal model calculations, claims fraud is part of insurance risk and non-claims fraud is part of operational risk.

Group own insurance

Zurich sets up and maintains insurance programs to protect the Group from the risk of adverse financial consequences of insurable events. They comprise global insurance programs and local insurance policies.

Zurich global insurance programs are managed centrally and cover risk exposures such as:

- Property damage and business interruption/terrorism and political violence
- Commercial general liabilities including risks related to environmental accidents
- Professional indemnity and commercial crime
- Directors and officers liability
- Cyber-network security and privacy insurance

Local insurance policies are managed locally and include coverage to meet mandatory local requirements or for country-specific risks that are not part of the global insurance programs.

Data risk

The strategic relevance of data as a business asset is rising at a rapid pace and the risks associated with data management are prominent. Preventing risks such as data losses and privacy breaches, and assessing and monitoring the potential misuse of data and losses triggered by failures in data management remain in focus. Specifically, appropriate governance of data for business purposes and decision-making processes, including automation, machine learning techniques, and other advanced technologies, remains a priority. Zurich strives to inspire confidence in a digital society with its Data and Responsible AI Commitment. Assurance on the appropriate use of advanced technologies is provided from a risk management perspective for the protection and privacy of data of the Group's customers and other stakeholders.

The relevance of technological risks, such as cyber risk, is rapidly increasing across all data-driven industries. Exposure to these risks has grown in lockstep with the significant rise in digital services provided directly to customers and the increasing prevalence of digital ecosystems and cloud solutions in today's interconnected world.

Third-party risk

Outsourcing and engagement with third parties introduces risks relevant to the delivery of Zurich's strategy, such as data loss or disclosure, disruption to critical customer services, and regulatory compliance. Digitalization has increased the complexity and accelerated the pace of change within the Group's third-party ecosystem. The Group addresses risks associated with third-party engagements along its supply and value chain. Applying a consistent Group-wide approach to third-party governance is among Zurich's key priorities.

Business resilience risk

Zurich, along with the rest of the insurance industry, is going through a period of transformation in order to meet changing customer and regulatory expectations as well as an increasingly complex operating environment partly driven by fragmented supply chains. In response to these challenges – and to better protect the interests of stakeholders – the Group continues to evolve its business resilience capabilities through a number of initiatives related to the protection and recovery of critical services, addressing risks such as technology failure and potential supply chain or power interruptions. These efforts are supported by increased process automation and the development of advanced analytics capabilities.

Model risk

At Zurich, models are employed to support the Group's subject matter experts in areas such as pricing of insurance policies, risk and investment management, fraud detection, predicting customer behaviors, and providing insights that enable informed decision-making. Such models are powerful tools for managing the business as well as the risks faced by the Group. However, their effectiveness is highly dependent on inputs, methodologies, and model implementation. For this reason, Group-wide model risk governance is in place to effectively protect the Group's financial, strategic, and reputational interests.

Risk management and internal controls

The Group considers internal controls to be essential for managing operational risk. The Board of Directors (the 'Board') has overall responsibility for the Group's risk management and internal control frameworks. The objectives of the Group's internal control system are to provide reasonable assurance that Zurich's consolidated financial statements and disclosures are materially correct, support reliable operations, and ensure legal and regulatory compliance. The internal control system is designed to mitigate rather than eliminate risks that could impact the achievement of business objectives.

The Group promotes risk awareness and understanding of controls through communication and training. Risk management and internal control systems are designed at Group level and implemented across the Group. Management, as the first line of defense, is responsible for identifying, evaluating and managing risk, and designing, implementing and maintaining internal controls. Testing of the relevant internal controls also forms part of the control life cycle.

Key processes and controls in the organization are subject to review and challenge by the second and third lines of defense. The second and third lines of defense regularly report on observations, conclusions and recommendations that arise from their independent examination of internal controls. Control issues of Group-level significance and associated mitigation actions are reported regularly to the Audit Committee of the Board. The Risk and Investment Committee of the Board reviews the effectiveness of the Group's risk management system, including the Group's risk tolerance and enterprise-wide risk governance framework, in accordance with the charter for each committee.

The Group's Disclosure Committee, chaired by the Head of Group Financial Accounting and Reporting, reviews the accuracy, completeness, and timeliness as well as compliance with legal and regulatory requirements of external disclosures and the effectiveness of the respective internal controls. The conclusions result in a recommendation to the Group Chief Financial Officer (CFO) to release the disclosures to the Audit Committee of the Board, who may then challenge the disclosures further. The Board reviews and approves the announcement of the results and the annual report before they are made public.

Audited

Liquidity risk

Liquidity risk is the risk that an entity within the Group may not have sufficient liquid financial resources to meet its obligations when they fall due or would have to incur excessive costs to do so. Zurich's policy is to maintain adequate liquidity and contingent liquidity to meet its liquidity needs under normal conditions and in times of stress. To achieve this, the Group assesses, monitors and manages its liquidity needs on an ongoing basis.

Group-wide liquidity management policies and specific guidelines govern how entities plan, manage and report their entity liquidity and include regular stress tests for all major legal entities and branches within the Group. The stress tests use a standardized set of internally defined stress events, and are designed to provide an overview of the potential drain on liquidity should the Group have to recapitalize entity balance sheets. Similar guidelines apply at the Group level, and detailed liquidity forecasts are regularly conducted, based on entities' input and the Group's forecasts. As part of its liquidity management, the Group maintains sufficient cash and cash equivalents and high-quality, liquid investment portfolios to meet outflows under expected and stressed conditions.

The Group also maintains internal liquidity sources that cover the potential liquidity needs within the Group, including those that might arise in times of stress. The Group takes into account the amount, availability and speed at which these sources can be accessed. The Group has access to diverse funding sources to cover contingencies, including asset sales, external debt issuance and making use of committed borrowing facilities or letters of credit. The Group maintains a range of maturities for external debt securities. A potential source of liquidity risk is the effect of a downgrade of the credit rating of the Group. This could affect the Group's commitments and guarantees, potentially increasing liquidity needs. This risk – and mitigating actions that might be employed – are assessed on an ongoing basis within the Group's liquidity framework.

The Group regularly analyzes the liquidity of the investment assets and ensures that the liquidity of assets remains in line with liquidity requirements. In 2025, the Group's holdings in illiquid assets were within its capacity.

For more information on debt obligation maturities, see note 17 of the consolidated financial statements, and for information on commitments and guarantees, see note 21 of the consolidated financial statements.

The Group's ongoing liquidity monitoring includes regular reporting to the executive management and quarterly reporting to the Risk and Investment Committee of the Board, covering aspects such as the Group's liquidity, possible adverse scenarios that could affect the Group's liquidity and possible liquidity needs from the Group's main subsidiaries, including under conditions of stress.

For more information on the Group's other financial liabilities, see note 15 of the consolidated financial statements. See note 5 of the consolidated financial statements for information on the maturity of debt securities.

The Group has committed to contribute capital to third parties that engage in making investments in direct private equity and private equity funds. Commitments may be called by the counterparty during the term of the investment (generally three to five years) and must be funded by the Group on a timely basis. See note 21 of the consolidated financial statements for more information.

Audited

Strategic risk and risks to the Group's reputation

Strategic risk

Zurich defines strategy as the long-term plan of action designed to position the Group to achieve its goals and aspirations, aligned with Zurich's purpose and values. Strategic risk is defined as the risk that the strategy, or parts of it, may become sub-optimal or unachievable.

Strategic risks can arise from:

- Internal triggers, such as inadequate risk-reward assessments of strategic plans or changes to underlying assumptions.
- External triggers, including macroeconomic or geopolitical events or trends, regulatory or legal changes, or developments in the competitive landscape.

The Group manages risks associated with strategic business decisions through its risk assessment processes and tools, including the Total Risk Profiling™ process. As part of the annual assessment of strategic risks, the Executive Committee (ExCo) assesses potential risks from both internal and external factors, looking at the current year and beyond. The ExCo members define appropriate response actions and review the status of these actions, along with changes to key risks, at least quarterly.

The Group evaluates the risks of mergers and acquisitions (M&A) transactions both from a quantitative and a qualitative perspective. The Group conducts risk assessments of M&A transactions to evaluate risks specifically related to integrating acquired businesses.

Risks to the Group's reputation

Many factors can affect Zurich's reputation including the Group's market conduct, relationship with customers, brand image, workplace culture, corporate strategy, underwriting practices, marketing efforts, claims handling, corporate responsibility, regulatory compliance, financial performance, communications, and crisis management.

Every risk type has potential consequences for Zurich's reputation. Effectively managing these risks supports the prevention of adverse reputational outcomes.

The Group aims to preserve its reputation by:

- Adhering to applicable laws and regulations.
- Following the core values and principles of the Group's code of conduct, which promote integrity and good business practice.

The Group centrally manages certain aspects of risk to reputation, for example, communications, through functions with the appropriate expertise. Potential risks to Zurich's reputation are included in its risk assessment processes and tools, including the Total Risk Profiling™ process.

Sustainability risk

Zurich defines sustainability risks as those arising from events or conditions related to topics or trends relevant to the Group's Sustainability Framework, and which adversely impact the achievement of Zurich's business strategy or targets.

Sustainability risks often possess time horizons that extend beyond a strategic cycle, which results in a higher degree of uncertainty regarding their potential consequences. Zurich manages sustainability risks using two complementary perspectives, namely 'outside-in', where risks associated with sustainability issues and topics affect the Group, and 'inside-out', which considers the risks where Zurich's own activities have an influence on those issues and topics. Risks of the latter type typically have reputational consequences. A variety of risk management approaches is used to support identification, assessment, and responses to these risks.

The selection of approaches is informed by whether the sustainability risk is:

- An emerging outside-in risk: e.g., risks associated with climate change.
- An emerging inside-out risk: e.g., risks associated with fossil fuels or deforestation.
- A current outside-in risk: e.g., risks associated with severe weather.
- A current inside-out risk: e.g., risks associated with thermal coal, human rights (child labor, forced labor), or banned weapons.

Sustainability topics often influence other risk types (e.g., sustainability topics with respect to underwriting or investment management risks) and these are managed in accordance with the principles and requirements of the respective business and/or functions policies. For more information about how climate-related risks, in particular, are identified, assessed, and managed, refer to the section 'our view on climate risk' of the Group's sustainability report.

Sustainability risk approach

To carry out effective sustainability risk management, the Group follows its Enterprise Risk Management (ERM) framework and selects different approaches to support, for example, the identification, assessment, monitoring and response to those risks according to their relevant perspective and time horizon.

The Group's ERM framework helps to protect the Group against natural, societal, economic and financial risks, and supports the identification of potential business opportunities. The framework also helps the Group to recommend proper response strategies, which can include the development of new products and services that support Zurich's customers in managing their sustainability risks.

- Risk identification and assessment: Emerging sustainability risks are identified and assessed at least annually through the update of the Emerging Risk Radar. For risks that extend beyond the strategic cycle, scenario analysis is performed. For current sustainability risks, the identification and assessment is done in accordance with the process defined by the Emerging and Sustainability Risk Committee (ESRC) and the potential impact to the Group is done in line with the Total Risk Profiling™ methodology.
- Risk response: For emerging risks, risk responses can include the adoption of sustainability positions (e.g., with respect to coal, oil sands, and oil shales) that articulate Zurich's appetite for sustainability risk, and may also trigger the development of new policies, guidelines, products, processes, projects or other management actions. For current risks, it can entail a new Group strategic sustainability priority in line with the Total Risk Profiling™ methodology.
- Risk monitoring: Emerging sustainability risks are monitored at least annually through the ESRC, while current sustainability risks are monitored through the Group-mandated strategic Total Risk Profiling™.
- Risk reporting: Emerging and current sustainability risks are reported internally and externally as required.



Our 2025–2027 financial cycle builds on our successful strategy and provides us with a strong basis for the future.

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Message from our Group Chief Financial Officer

Delivering value, driving growth

“Our results demonstrate the power of disciplined strategy execution, with the Group delivering a record performance. Strong contributions across all business units, supported by our diversified global footprint and robust balance sheet, position us well for continued growth.”

Claudia Cordioli
Group Chief Financial Officer



The full year 2025 record results present a strong start for the 2025–2027 financial cycle. Business operating profit (BOP) increased 14 percent to a record USD 8.9 billion with a Core ROE[1] of 26.9 percent for the year. Net income attributable to shareholders (NIAS) rose 17 percent to USD 6.8 billion. Reflecting this performance, our robust capital position, and management's confidence in continued improvement over the financial cycle, the Board will propose a dividend increase of 7 percent to CHF 30 per share.

Primed for growth

Zurich expects compound annual growth in core earnings per share (EPS) to exceed 9 percent in 2025–2027, a Core ROE[1] of more than 23 percent in 2025–2027 and cumulative cash remittances in excess of USD 19 billion across the financial cycle. As outlined at our 2025 Investor Day, Zurich is on track to deliver all targets through disciplined strategy execution. The Group is driving structural growth in Middle Market, Specialty and Life Protection, leveraging competitive advantages and a proven track record while also accelerating profitable top-line growth within its Retail franchise and Farmers Exchanges[2].

A strong performance across all businesses

Property & Casualty (P&C) delivered a 22 percent increase in business operating profit (BOP) to USD 5.1 billion. Insurance revenue grew 8 percent, with strong growth from our Commercial and Retail insurance businesses, supported by continuing price increases of 2 percent over the year.

The combined ratio improved by 1.6 percentage points to 92.6 percent, driven by higher earned rate and a lower level of losses.

Favorable prior year development of 1.8 percent remained within the indicated 1 to 2 percent range. All regions delivered favorable development in 2025, underscoring 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 achieved a record BOP of USD 2.3 billion, up 2 percent year-on-year, supported by solid underlying performance.

Farmers achieved its highest BOP on record at USD 2.4 billion, with Farmers Management Services (FMS) contributing USD 2.2 billion, an increase of 4 percent versus the prior year. This reflects robust growth at the Farmers Exchanges[2] and increased contributions from the Agency Brokerages.

The Farmers Exchanges[2] continued to make excellent progress in 2025. Decisive management actions supported improved underwriting performance and further organic surplus accretion, placing the organization in a position of strength with excess capital and the capacity for sustainable growth. Gross written premiums grew 4 percent during 2025, and the strong combined ratio of 84.6 percent supported a healthy surplus ratio of 52.9 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)[3] ratio at an estimated 259 percent, well above the Group's floor of 160 percent.

The Group successfully converted earnings into distributable cash flow with cash remittances back to the Group of USD 7.4 billion over the year driven by operational earnings and remittances of excess capital.

Dividend proposal of CHF 30

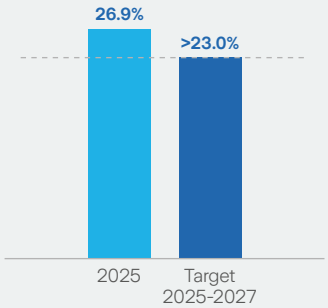
In line with our dividend policy, the Board proposes a 7 percent dividend increase to CHF 30 per share.



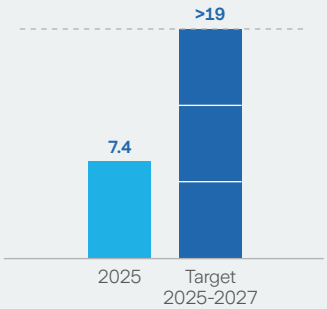
Claudia Cordioli
Group Chief Financial Officer

2025-2027 financial targets

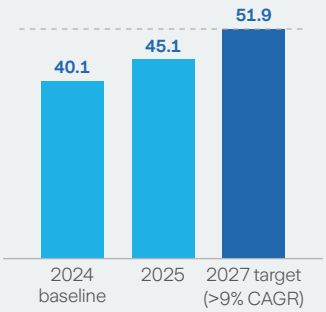
Core ROE (%)[1]



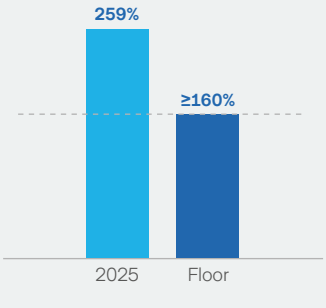
Cash remittances in USD billions



Core EPS growth[4] in USD



SST (%)[3]



1 Business operating profit after tax (BOPAT) divided by average shareholders' equity excluding unrealized gains and losses.
2 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.
3 Estimated Swiss Solvency Test (SST) ratio as of December 31, 2025, 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.
4 Core earnings per share (EPS) in U.S. dollars based on business operating profit after tax (BOPAT).

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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, 2025 and 2024. 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 2025 Annual Results of the Group and in particular with its consolidated financial statements for the year ended December 31, 2025.

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 on pages 426 to 427. 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 year ended December 31, 2025.

Financial highlights

in USD millions, for the years ended December 31	2025	2024	Change[1]
Business operating profit	**8,856**	7,751	14%
Net income attributable to shareholders	**6,798**	5,814	17%
P&C business operating profit	**5,129**	4,204	22%
P&C insurance revenue	**48,234**	44,792	8%
P&C combined ratio	**92.6%**	94.2%	1.6 pts
Life business operating profit	**2,288**	2,235	2%
Life contractual service margin (CSM)[2]	**13,760**	11,657	18%
Life present value of new business premiums (PVNBP)[3]	**19,497**	16,891	15%
Life new business CSM (NB CSM)[2]	**1,231**	1,094	13%
Life new business margin (as % of PVNBP)[4]	**6.3%**	6.5%	(0.2 pts)
Farmers business operating profit	**2,387**	2,286	4%
Managed gross earned premium margin	**7.0%**	7.0%	(0.0 pts)
Average Group investments[5]	**162,764**	148,383	10%
Net investment result on Group investments[5]	**7,552**	6,814	11%
Net investment return on Group investments[5,6]	**4.6%**	4.6%	0.0 pts
Total return on Group investments[5,6]	**3.9%**	4.3%	(0.5 pts)
Shareholders' equity	**28,515**	25,472	12%
Swiss Solvency Test ratio[7]	**259%**	253%	6 pts
Return on common shareholders' equity (ROE)[8]	**28.1%**	24.7%	3.4 pts
Core ROE[8]	**26.9%**	24.6%	2.2 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, 2025, 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 14 percent to USD 8.9 billion in 2025, driven by record performances from the P&C, Life and Farmers businesses.

Net income attributable to shareholders (NIAS) increased 17 percent in 2025, mainly due to a record BOP and elevated net capital gains.

Operating update

Property & Casualty (P&C)

in USD millions, for the years ended December 31	Total		
	2025	2024	Change
Insurance revenue	48,234	44,792	8%
Insurance service result	4,545	3,500	30%
Net investment result	1,508	1,539	(2%)
Fee result	83	98	(15%)
Other result	(848)	(779)	(9%)
Business operating profit	**5,129**	**4,204**	**22%**
Loss ratio	62.7%	65.6%	2.9 pts
Expense ratio	29.9%	28.6%	(1.3 pts)
Combined ratio	**92.6%**	**94.2%**	**1.6 pts**

Insurance revenue in Property & Casualty (P&C) for the year ended December 31, 2025 increased 8 percent, with all regions contributing toward growth. The key driver was Europe, Middle East & Africa (EMEA) which grew 11 percent due to strong performances in the motor and property portfolios.

The insurance service result increased USD 1.0 billion compared with the prior year, driven by higher insurance revenue as well as a reduction in the combined ratio of 1.6 percentage points. The main contributors to the increased insurance service result were EMEA with an increase of USD 569 million and North America with an increase of USD 359 million. This was largely the result of planned management actions particularly in the crop, motor and program portfolios, demonstrating the Group's disciplined underwriting approach.

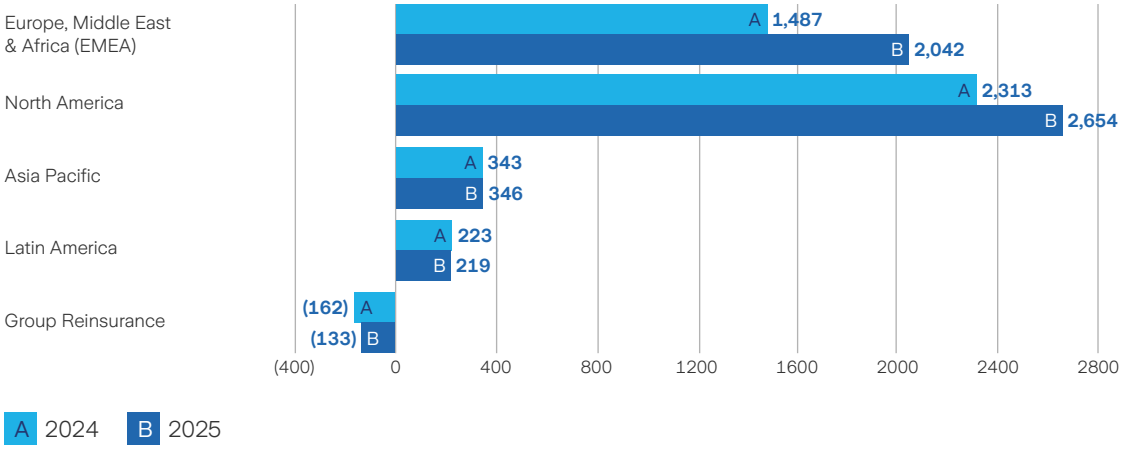
The net investment result for 2025 decreased USD 31 million compared with the prior year, mainly driven by higher realized capital gains in the prior year period.

The contribution of the fee and other result decreased by USD 83 million in 2025 compared with the prior year, mainly due to higher technical non-qualifying expenses.

Business operating profit increased 22 percent to USD 5.1 billion for the year ended 2025 compared with the prior year.

The combined ratio of 92.6 percent in 2025 improved by 1.6 percentage points compared with the prior year. The loss ratio improved by 2.9 percentage points to 62.7 percent, mainly driven by an improvement in the EMEA motor and property portfolios, as well as lower natural catastrophe losses. The expense ratio of 29.9 percent in 2025 was 1.3 percentage points higher than the prior year, mainly driven by the acquired global personal travel insurance and assistance business from AIG, as well as higher commission expenses due to business mix shifts.

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



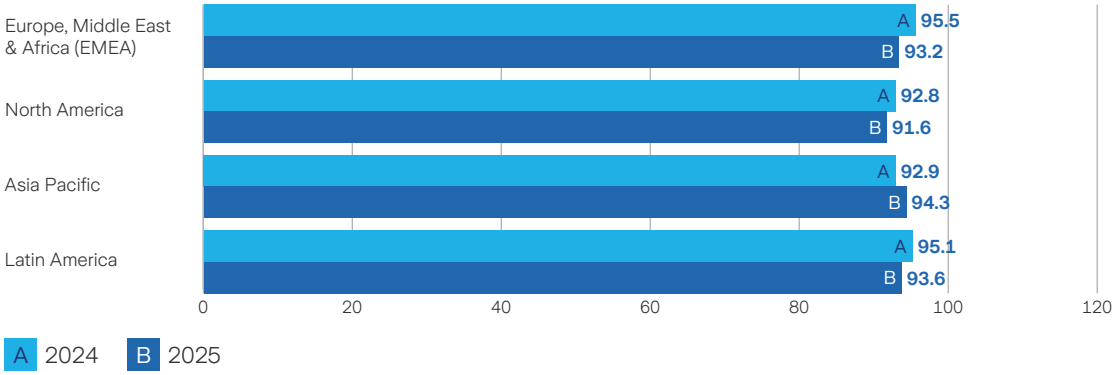
EMEA business operating profit increased USD 555 million compared with the prior year, mainly due to a better loss experience in the motor and property portfolios.

North America business operating profit for 2025 increased 15 percent or USD 340 million compared with the prior year, mainly due to lower levels of natural catastrophe losses.

Asia Pacific business operating profit for 2025 was 1 percent above the prior year, mainly driven by an improved investment result.

Latin America business operating profit for 2025 was down 2 percent compared with the prior year, as a higher insurance service result was more than offset by a weaker investment result due to lower interest rates and currency impacts.

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



In EMEA, the combined ratio improved 2.3 percentage points compared with the prior year, driven by a strong improvement in the attritional loss ratio due to improvements in the motor and property businesses.

In North America, the combined ratio improved 1.2 percentage points compared with the prior year, mainly due to a lower catastrophe loss ratio driven by a benign experience as well as continued efforts to reduce the Group's exposure.

The Asia Pacific combined ratio deteriorated 1.4 percentage points compared with the prior year, mainly due to a higher loss experience which was partially offset by lower expenses due to a favorable business mix shift and expense efficiency.

The Latin America combined ratio improved 1.6 percentage points compared with the prior year, mainly due to an overall favorable loss experience and underlying improvements in the technical result.

Life

in USD millions, for the years ended December 31	**2025**	2024	Change
Insurance service result	2,488	2,409	3%
Net investment result	656	604	9%
Fee result	363	306	19%
Business operating profit	**2,288**	**2,235**	**2%**
Assets under management[1]	321,700	278,600	15%
Contractual service margin	13,760	11,657	18%

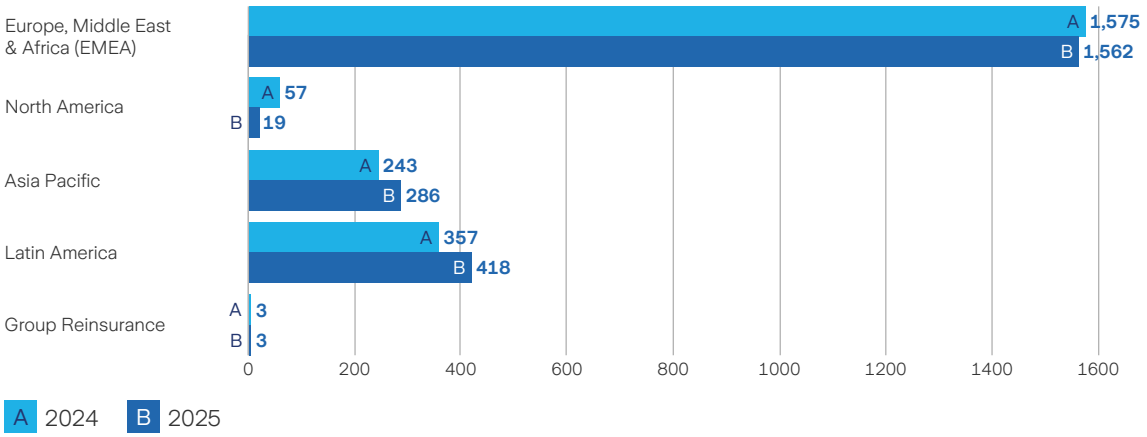
1 Assets under management are assets actively managed by the Group and comprise Group investments and unit-linked investments which are held by the Group, as well as assets held by third parties.

In 2025, the Group's Life business generated a business operating profit of USD 2.3 billion, 2 percent higher compared with the prior year, reflecting 10 percent underlying growth and the absence of USD 154 million in non-recurring benefits recorded in the prior year, which included reserve releases and the non-completion of a legacy back book disposal in Germany.

Assets under management (AuM) increased 15 percent in 2025 to USD 321.7 billion, driven by favorable market and exchange rate movements, as well as positive net inflows.

The contractual service margin (CSM) increased 18 percent to a record high of USD 13.8 billion on a reported basis in 2025. The increase was driven by favorable economic and exchange rate movements, as well as operating variances and underlying growth.

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 1 percent lower compared with the prior year, driven by the absence of USD 154 million in non-recurring benefits recorded in the prior year, which included reserve releases and the non-completion of a legacy back book disposal in Germany.

In North America, business operating profit decreased by USD 38 million compared with the prior year to USD 19 million, mainly reflecting the transfer of an individual Life portfolio to Non-Core Businesses.

In Asia Pacific, business operating profit increased 18 percent compared to the prior year to USD 286 million, primarily driven by a favorable impact from re-pricing actions in Australia.

In Latin America, business operating profit for 2025 increased 17 percent compared with the prior year, driven by a higher technical result for short-term protection as well as a lower headwind from 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]	
	2025	2024	**2025**	2024	**2025**	2024
Europe, Middle East & Africa (EMEA)	11,974	8,605	737	643	6.2%	7.5%
North America	626	694	20	19	3.3%	2.5%
Asia Pacific	2,973	2,779	362	319	12.2%	11.5%
Latin America	3,935	4,828	111	112	2.8%	2.3%
Total	**19,497**	**16,891**	**1,231**	**1,094**	**6.3%**	**6.5%**

1 For long-term life insurance contracts. Does not include short-term life insurance contracts, which are accounted for under the premium allocation approach (PAA), or investment contracts which are accounted for under 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 15 percent on a reported basis and 14 percent on a like-for-like basis (adjusting for currency movements, reclassifications and changes in scope), driven by growth in protection and capital efficient savings.

In EMEA, PVNBP grew 33 percent on a like-for-like basis, driven by growth in retail savings in Spain, unit-linked products in Italy and protection products in the UK and Switzerland.

In North America, PVNBP decreased 10 percent on a like-for-like basis compared with the prior year, driven by lower unit-linked sales.

In Asia Pacific, PVNBP grew 7 percent on a like-for-like basis compared with the prior year, driven by protection sales in Australia.

In Latin America, PVNBP decreased 13 percent on a like-for-like basis compared with the prior year, driven by lower unit-linked sales and an unfavorable impact of assumptions updates.

New business written in 2025 added USD 1.2 billion of CSM. New business CSM was 11 percent higher than in the prior year on a like-for-like basis, driven by sales growth.

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 9 percent on a like-for-like basis. Fee revenues for investment contracts, which are mainly written in EMEA, grew 13 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	2025	2024	Change
Farmers Management Services (FMS)	2,152	2,074	4%
Farmers Re	243	192	27%
Farmers Life	(7)	20	nm
Total business operating profit	**2,387**	**2,286**	**4%**

Farmers Management Services (FMS) business operating profit increased 4 percent compared with the prior year, driven by the higher gross earned premium base at the Farmers Exchanges and a stable margin, together with a growing contribution from the Agency Brokerages. The managed gross earned premium margin was 7.0 percent, consistent with the prior year.

Farmers Re reported a business operating profit of USD 243 million for 2025, due to excellent underwriting results at the Farmers Exchanges, partly offset by a lower All Line Quota Share participation rate of 8.0 percent compared with 10.0 percent in the prior year.

Farmers Exchanges

The Farmers Exchanges are owned by their policyholders. 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.

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	2025	2024	Change
Gross written premiums	29,600	28,371	4%
Gross earned premiums	28,854	28,004	3%

The Farmers Exchanges reported growth in gross written premiums of 4 percent in 2025, driven by higher new business volumes and improved retention. Gross earned premiums grew by 3 percent, reflecting ongoing expansion of the underlying portfolio.

Group Functions and Operations

in USD millions, for the years ended December 31	2025	2024	Change
Holding and Financing	(483)	(496)	3%
Headquarters	(400)	(354)	(13%)
Zurich Global Ventures[1]	(17)	(20)	15%
Total business operating profit	**(900)**	**(870)**	**(3%)**

1 Includes only central initiatives.

Group Functions and Operations reported net expenses of USD 900 million for 2025, a 3 percent increase compared with the prior year.

Non-Core Businesses

in USD millions, for the years ended December 31	2025	2024	Change
Zurich Legacy Solutions	(24)	(55)	56%
Other run-off	(24)	(49)	51%
Total business operating profit	**(48)**	**(104)**	**54%**

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 48 million for 2025, compared with a loss of USD 104 million in 2024. The lower operating loss in 2025 includes favorable year-on-year loss development and the absence of the prior year's reinsurance loss.

Financial update

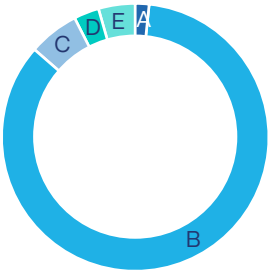
Balance sheet review

Total assets and liabilities:

The total assets of the Group stood at USD 407 billion in 2025, an increase compared with USD 358 billion in 2024. The total liabilities of the Group also increased to USD 377 billion in 2025 from USD 331 billion in 2024. The main drivers for the increase in total assets and total liabilities were the weakening of the U.S. dollar, the Group's presentation currency, against other major currencies as well as positive developments in equity markets, which resulted in an increase in both Group investments and investments for unit-linked contracts as well as the related investment and insurance contract liabilities. The overall increase in business volume led to a further increase in reinsurance contract assets and insurance contract liabilities.

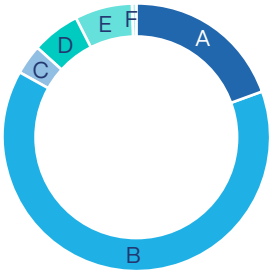
The completion of the acquisition of AIG Travel increased goodwill and other intangible assets by USD 674 million.

Group assets
Total assets as of December 31, 2025
(in USD millions)



A	Cash and cash equivalents	7,086
B	Total investments	345,060
C	(Re-)insurance contract assets	24,802
D	Intangible assets	12,445
E	Other assets	17,818

Group liabilities and equity
Total liabilities and equity as of December 31, 2025
(in USD millions)



A	Liabilities for investment contracts	79,485
B	(Re-)insurance contract liabilities	259,476
C	Debt	14,021
D	Other liabilities	24,062
E	Shareholders' equity	28,515
F	Non-controlling interests	1,651

Shareholders' equity:

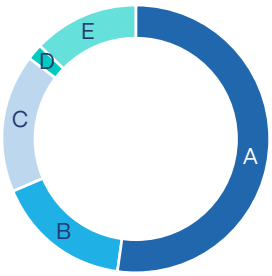
The Group's shareholders' equity was USD 28.5 billion at year-end 2025, an increase of USD 3.0 billion from USD 25.5 billion at year-end 2024, largely driven by net income attributable to shareholders of USD 6.8 billion, partially offset by the payment of the Group dividend of USD 4.7 billion and changes in fair value of underlying items held for direct participating insurance contracts.

Treasury and capital management

The Group's balance sheet remains very strong, as demonstrated by Zurich Insurance Company Ltd ratings, which have been confirmed by Moody's (Financial Strength ratings Aa2), AM Best (Issuer Credit rating aa) and S&P (Financial Strength rating AA). All three also confirmed a stable outlook. In addition, as of December 31, 2025, the Group's estimated SST ratio[1] remained very strong at 259% percent.

During 2025, the Group saw net remittances of USD 7.4 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, 2025
(in USD millions)



A	Property & Casualty	5,364
B	Life	1,678
C	Farmers	1,701
D	Non-Core Businesses	(70)
E	Group Functions and Operations	(1,281)

1 Estimated Swiss Solvency Test (SST) ratio as of December 31, 2025, 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 2025

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 622 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 opening balance sheet is presented within note 4 of the consolidated financial statements.

Spain medical malpractice portfolio

On December 9, 2021, Zurich Insurance plc (now known as Zurich Insurance Europe AG) entered into an agreement to reinsure its legacy medical malpractice portfolio in Spain to RiverStone Insurance UK Limited ('Spain Medical Malpractice portfolio') and to transfer the Spain Medical Malpractice portfolio policies to RiverStone International Ireland DAC. On November 30, 2025, the Group completed the transfer of the Spain Medical Malpractice portfolio with no material impact in profit or loss.

Being a responsible taxpayer

The shareholders' effective tax rate increased to 26.6 percent for the period ended December 31, 2025 compared with 25.1 percent for the same period of 2024. The increase was predominantly attributable to higher withholding taxes in 2025, as well as the lack of significant valuation allowance releases comparable to those recorded in 2024.

Message from our Group Chief Investment Officer

Macroeconomic environment

The global economy was remarkably resilient in 2025 despite tariff headwinds and the unpredictable policy and geopolitical environment. Robust growth was supported by further monetary policy easing as inflation continued to normalize. Capital investment was another driver, as defence, technology and AI related spending accelerated.

In addition, expansionary fiscal policy supported sentiment and activity, led by a profound change toward fiscal stimulus in Germany and Japan. Importantly, the U.S.-China trade truce was essential for avoiding a global trade war and more disruptive developments and confirmed that the mutual dependencies between the two countries would dictate policy. Despite ongoing conflicts in the Middle East and Ukraine, it was notable that the oil price declined over the year which limited the economic and financial market impact.

Seeking value amidst technological change



“Supportive fiscal and monetary policy, combined with a profound capital spending cycle, bolsters the growth outlook and offers opportunities to capture returns for our stakeholders.”

Stephan van Vliet
Group Chief Investment Officer

Global financial markets had a stellar 2025 with strong gains seen across stocks and credit markets. That noted, the year was punctuated in April with many stock markets seeing substantial double-digit drawdowns following U.S. tariff announcements. While the technology sector remained a driver of markets globally, broad U.S. stock indices lagged other global equity markets. The lag in performance of U.S. stocks was also mirrored in the weakening of the U.S. dollar in the first half as certain U.S. policy caused some investors to question the longstanding belief in U.S. exceptionalism. Credit spreads remained low, offering little in terms of risk premiums to investors, while the technology sector saw an increase in debt funding for investment as cash positions on balance sheets were reduced. Government bond markets saw a mixed performance, with yields generally higher in Europe and Japan while U.S. Treasury yields were lower.

Investment result and portfolio quality

In 2025, our net investment income on Group investments was USD 5.7 billion. Strong equity market performance and continued discipline in our asset allocation helped support results. Capital gains and revaluations resulted in a net gain of USD 1.8 billion, driven by strong equity markets and real estate. Net investment result on Group investments for 2025 was at USD 7.6 billion and a total investment return on Group investments of 3.9 percent.

Our investment portfolio remains strategically positioned with broad diversification across geographies and industries. We maintain a well-balanced allocation across multiple asset classes, such as public and private equities, real estate, private debt, and a majority weighting in fixed income. This highlights the resilience of our balance sheet, with asset classes described here demonstrating consistently strong performance in 2025:

- Our broadly diversified **equity portfolio** demonstrated its strength, delivering robust returns amid dynamic market conditions. Our allocation across regions allowed us to capitalize on favorable market trends resulting in strong equity capital gains of USD 1.3 billion.
- The **hedge fund portfolio** generated an attractive risk-adjusted return of 14.5 percent before foreign exchange translation effects, while only having a quarter of the risk of the MSCI World Equity Index. Return generation was strong and diversified, with all the different hedge fund strategies performing well and equity long/short being the l argest contributor.
- Zurich Insurance Group's **global real estate portfolio** proved resilient by delivering attractive returns, realized capital gains as well as required liquidity. We achieved a total return of 6.7 percent on the investment portfolio, which was driven by income and capital. Zurich's real estate performance compares favorably to industry benchmarks and insurance company peers. Transaction teams were active globally throughout the year, completing USD 1.2 billion of asset disposals and realizing capital gains of USD 155 million. This is a strong result given the ongoing challenges facing real estate capital markets.

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 the fixed income portfolio is comprised of 93 percent securities rated BBB or higher.

Responsible Investment

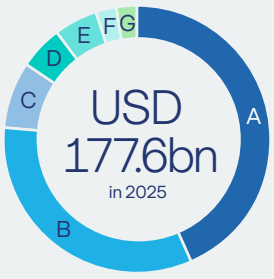
Zurich Insurance Group is continuing the journey toward net-zero and its 2030 interim climate targets. We continue to decarbonize our portfolios, increase our share of climate solutions investments and engage with companies, asset managers and policymakers. Our award-winning impact investment approach achieved, for a second consecutive year, the ambition to improve the lives of 5 million people, demonstrating our support in community resilience building.

In 2025, we observed continued growth in our sustainable and impact investment offering, with assets under management reaching new highs, supported by ongoing inflows into our Climate Focus Funds and the successful launch of the Zurich Global Green Bond Fund. More information can be found in our sustainability report.



Stephan van Vliet
Group Chief Investment Officer

Total investments[1]



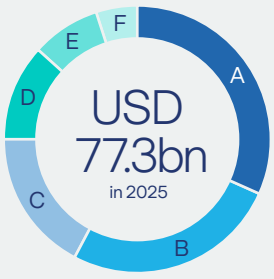
A	Credit, private debt	43.5%
B	Government and government guaranteed	33.0%
C	Real estate	7.9%
D	Cash	5.5%
E	Equities	5.2%
F	Hedge funds, private equity	2.5%
G	Mortgages	2.3%

Rating of credit, private debt securities



A	AAA	15.4%
B	AA	14.7%
C	A	31.3%
D	BBB	28.3%
E	Non-investment grade	10.3%
F	Unrated	0.0%

Credit and private debt securities per segment



A	Non-financial credit	33.5%
B	Financial credit	25.6%
C	Municipals, agencies, state credit	15.9%
D	Other	12.8%
E	Asset backed securities	7.6%
F	Covered bonds	4.6%

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

Consolidated financial statements

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Consolidated income statements

in USD millions, for the years ended December 31	Notes	2025	2024
Insurance revenue	9	62,945	59,507
Insurance service expense		(52,382)	(50,456)
Net expenses from reinsurance contracts held		(3,296)	(3,031)
Insurance service result		7,268	6,020
Net investment income on Group investments		5,742	5,730
Net capital gains/(losses) on Group investments		1,810	1,084
Net investment result on Group investments	5	7,552	6,814
Net investment result on unit-linked investments		14,795	16,384
Change in liabilities for investment contracts and other funds		(5,918)	(8,112)
Re-/insurance finance income/(expenses)		(12,958)	(12,244)
Net investment result		3,472	2,842
Fee income	10	6,373	6,011
Fee business expenses	10	(3,830)	(3,575)
Fee result		2,543	2,436
Other revenues		294	358
Net gains/(losses) on divestment of businesses	4	(7)	114
Interest expense on debt		(460)	(440)
Other expenses	11	(3,069)	(2,864)
Other result		(3,242)	(2,832)
Net income before income taxes		10,040	8,465
of which: Attributable to non-controlling interests		593	566
Income tax (expense)/benefit	16	(2,840)	(2,261)
attributable to policyholders		(229)	(179)
attributable to shareholders		(2,610)	(2,082)
of which: Attributable to non-controlling interests		(190)	(176)
Net income after taxes		**7,201**	**6,204**
attributable to non-controlling interests		403	390
attributable to shareholders		6,798	5,814
in USD			
Basic earnings per share	18	47.68	40.48
Diluted earnings per share	18	47.20	40.15
in CHF			
Basic earnings per share	18	39.52	35.62
Diluted earnings per share	18	39.12	35.33

The notes to the consolidated financial statements are an integral part of these consolidated financial statements.

Consolidated statements of comprehensive income

in USD millions, for the years ended December 31

	Net income attributable to shareholders	Net unreal. gains/ (losses) on financial assets	Change in discount rate for insurance/ reinsurance contracts	Change in fair value of underlying items through OCI	Cumulative foreign currency translation adjustment
2024					
Comprehensive income for the period	5,814	(144)	81	104	(868)
Details of movements during the period					
Change (before reclassification, tax and foreign currency translation effects and after allocation to policyholders)		(1,031)	271	299	(867)
Reclassification to income statement (before tax, foreign currency translation effects and allocation to policyholders)		390	–	–	(1)
Reclassification to retained earnings		–	–	–	–
Income tax (before foreign currency translation effects)[1]		309	(67)	(104)	–
Foreign currency translation effects		188	(123)	(91)	–
2025					
Comprehensive income for the period	6,798	(830)	245	1,592	(54)
Details of movements during the period					
Change (before reclassification, tax and foreign currency translation effects and after allocation to policyholders)		(1,033)	47	1,684	303
Reclassification to income statement (before tax, foreign currency translation effects and allocation to policyholders)		263	–	–	–
Reclassification to retained earnings		–	–	–	–
Income tax (before foreign currency translation effects)		320	(27)	(302)	(357)
Foreign currency translation effects		(380)	225	210	–

1 For 2024, USD (116) million related to the cumulative foreign currency translation adjustment were presented as part of net unrealized gains/(losses) on financial assets.

The notes to the consolidated financial statements are an integral part of these consolidated financial statements.

Total other comprehensive income to be reclassified to profit or loss	Revaluation reserve	Net actuarial gains/(losses) on pension plans	Total other comprehensive income not to be reclassified to profit or loss	Total other comprehensive income attributable to shareholders	Total comprehensive income attributable to shareholders	Total comprehensive income attributable to non-controlling interests	Total comprehensive income
(827)	(1)	368	367	(460)	5,354	211	5,566
(1,328)	(0)	395	394	(934)			
389	–	–	–	389			
–	(1)	–	(1)	(1)			
139	0	(95)	(95)	44			
(26)	–	68	68	42			
953	(28)	(123)	(152)	802	7,600	570	8,170
1,001	(0)	57	57	1,058			
263	–	–	–	263			
–	(35)	–	(35)	(35)			
(366)	7	(21)	(14)	(380)			
55	–	(159)	(159)	(104)			

Consolidated balance sheets

Assets

in USD millions, as of December 31	Notes	2025	2024
Assets			
Cash and cash equivalents		**7,086**	**6,768**
Total Group investments	5	169,006	152,562
Equity securities		17,741	14,182
Debt securities		129,583	118,415
Investment property		12,703	11,734
Mortgage loans		4,262	4,047
Other financial assets		4,474	4,039
Investments in associates and joint ventures		243	146
Investments for unit-linked contracts		176,054	148,535
Total investments		**345,060**	**301,098**
Insurance contract assets	7	909	768
Reinsurance contract assets	7	23,893	21,450
Receivables and other assets	14	12,779	11,717
Deferred tax assets	16	1,601	1,703
Assets held for sale[1]	4	1,321	1,203
Property and equipment	12	2,116	1,867
Attorney-in-fact contracts	13	2,650	2,650
Goodwill	13	5,577	4,805
Other intangible assets	13	4,218	3,977
Total assets		**407,211**	**358,005**

1 As of December 31, 2025, the Group had USD 1.3 billion of assets held for sale based on agreements signed to sell portfolios of Zurich Insurance Europe AG and Zurich Insurance Company Ltd, UK Branch (see note 4). In 2024, the Group had USD 1.2 billion of assets held for sale based on agreements signed to sell portfolios of Zurich Insurance Europe AG and Zurich Insurance Company Ltd, UK Branch (see note 4).

The notes to the consolidated financial statements are an integral part of these consolidated financial statements.

Liabilities and equity

in USD millions, as of December 31	Notes	2025	2024
Liabilities			
Liabilities for investment contracts	8	79,485	66,507
Insurance contract liabilities	7	259,043	230,479
Reinsurance contract liabilities	7	433	437
Obligation to repurchase securities		1,532	1,123
Other liabilities[1]	15, 21	17,627	16,022
Deferred tax liabilities	16	3,584	2,446
Liabilities held for sale[2]	4	1,319	1,162
Senior debt	17	4,246	4,020
Subordinated debt	17	9,775	8,871
Total liabilities		**377,045**	**331,067**
Equity			
Share capital	18	10	10
Additional paid-in capital	18	1,372	1,410
Net unreal. gains/(losses) on financial assets		(5,282)	(4,452)
Change in discount rate for (re)insurance contracts		4,618	4,372
Change in fair value of underlying items		2,750	1,158
Cumulative foreign currency translation adjustment		(10,964)	(11,103)
Revaluation reserves		225	254
Retained earnings		35,786	33,823
Shareholders' equity		28,515	25,472
Non-controlling interests		1,651	1,466
Total equity		**30,166**	**26,938**
Total liabilities and equity		**407,211**	**358,005**

1 Includes restructuring provisions, litigation and regulatory provisions and other provisions (see note 15).
2 As of December 31, 2025, the Group had USD 1.3 billion of liabilities held for sale based on agreements signed to sell portfolios of Zurich Insurance Europe AG and Zurich Insurance Company Ltd, UK Branch (see note 4). In 2024, the Group had USD 1.2 billion of liabilities held for sale based on agreements signed to sell portfolios of Zurich Insurance Europe AG and Zurich Insurance Company Ltd, UK Branch (see note 4).

The notes to the consolidated financial statements are an integral part of these consolidated financial statements.

Consolidated statements of cash flows

in USD millions, for the years ended December 31	2025	2024
Cash flows from operating activities		
Net income attributable to shareholders	6,798	5,814
Adjustments for:		
Net (gains)/losses on divestment of businesses	7	(114)
(Income)/expense from equity method accounted investments	6	3
Depreciation, amortization and impairments of fixed and intangible assets	858	911
Other non-cash items	105	(2)
Underwriting activities:	14,461	16,983
Net changes in insurance contracts assets/liabilities	9,896	7,352
Net changes in reinsurance contracts assets/liabilities	(2,073)	217
Net changes in liabilities for investment contracts	6,638	9,414
Investments:	(16,989)	(16,507)
Net capital (gains)/losses on total investments	(15,244)	(16,295)
Net changes in derivatives	(203)	63
Net changes in money market investments	156	(1,252)
Sales and maturities		
Debt securities	80,215	75,261
Equity securities	92,883	68,553
Other	5,213	4,679
Purchases		
Debt securities	(83,837)	(76,490)
Equity securities	(92,828)	(67,614)
Other	(3,343)	(3,412)
Net changes in sale and repurchase agreements	240	395
Net changes in receivables and payables	(255)	(445)
Net changes in other operational assets and liabilities	(73)	286
Net changes in deferred tax assets and liabilities	744	278
Net cash provided by/(used in) operating activities	5,903	7,603

The notes to the consolidated financial statements are an integral part of these consolidated financial statements.

in USD millions, for the years ended December 31	**2025**	2024
Cash flows from investing activities		
Additions to tangible and intangible assets	(480)	(370)
Disposals of tangible and intangible assets	41	9
(Acquisitions)/disposals of equity method accounted investments, net	(108)	(85)
Acquisitions of companies, net of cash acquired	(50)	(1,078)
Divestments of companies, net of cash divested	–	115
Dividends from equity method accounted investments	4	5
Net cash provided by/(used in) investing activities	(593)	(1,404)
Cash flows from financing activities		
Dividends paid	(5,082)	(4,467)
Net movement in treasury shares	(450)	(1,309)
Issuance of debt	744	728
Repayment of debt	(463)	(1,117)
Lease principal repayments	(220)	(207)
Net cash provided by/(used in) financing activities	(5,470)	(6,372)
Foreign currency translation effects on cash and cash equivalents	555	(382)
Change in cash and cash equivalents[1]	394	(555)
Cash and cash equivalents as of January 1	7,090	7,645
Cash and cash equivalents as of December 31	**7,484**	**7,090**
of which: Cash and cash equivalents	7,086	6,768
of which: Unit-linked[2]	398	322
Other supplementary cash flow disclosures[3]		
Other interest income received	5,316	5,119
Dividend income received	1,351	1,240
Other interest expense paid	(543)	(507)
Income taxes paid	(2,192)	(1,702)

1 There were no cash and cash equivalents reclassified to assets held for sale as of December 31, 2025 and 2024, respectively (see note 4).
2 These amounts are included within Investments for unit-linked contracts on the balance sheet.
3 These amounts are primarily included in the operating activities of the cash flow statement.

Cash and cash equivalents

in USD millions, as of December 31	**2025**	2024
Cash and cash equivalents comprise the following:		
Cash at bank and in hand	6,309	5,726
Cash equivalents	1,175	1,364
Total	**7,484**	**7,090**

For the periods ended December 31, 2025 and 2024, cash and cash equivalents held to meet local regulatory requirements were USD 232 million and USD 306 million, respectively.

The notes to the consolidated financial statements are an integral part of these consolidated financial statements.

Consolidated statements of changes in equity

in USD millions

	Share capital	Additional paid-in capital	Net unreal. gains/ (losses) on financial assets
Balance as of December 31, 2023 as previously reported	10	1,333	(4,307)
Issuance of share capital	–	–	–
Dividends to shareholders	–	–	–
Share-based payment transactions	–	77	–
Treasury share transactions	–	–	–
of which: share buy-back program[1]	–	–	–
Cumulative foreign currency translation adj. hyperinflation	–	–	–
Reclassification from revaluation reserves	–	–	–
Total comprehensive income for the period, net of tax	–	–	(144)
Net income	–	–	–
Net unreal. gains/(losses) on financial assets	–	–	(144)
Change in discount rate for insurance/reinsurance contracts	–	–	–
Change in fair value of underlying items through OCI	–	–	–
Cumulative foreign currency translation adjustment	–	–	–
Revaluation reserve	–	–	–
Net actuarial gains/(losses) on pension plans	–	–	–
Net changes in capitalization of non-controlling interests	–	–	–
Balance as of December 31, 2024	10	1,410	(4,452)
Balance as of December 31, 2024 as previously reported	10	1,410	(4,452)
Issuance of share capital	–	–	–
Dividends to shareholders[2]	–	–	–
Share-based payment transactions	–	(38)	–
Treasury share transactions	–	–	–
of which: share buy-back program	–	–	–
Cumulative foreign currency translation adj. hyperinflation	–	–	–
Reclassification from revaluation reserves	–	–	–
Total comprehensive income for the period, net of tax	–	–	(830)
Net income	–	–	–
Net unreal. gains/(losses) on financial assets	–	–	(830)
Change in discount rate for insurance/reinsurance contracts	–	–	–
Change in fair value of underlying items through OCI	–	–	–
Cumulative foreign currency translation adjustment	–	–	–
Revaluation reserve	–	–	–
Net actuarial gains/(losses) on pension plans	–	–	–
Net changes in capitalization of non-controlling interests	–	–	–
Balance as of December 31, 2025	**10**	**1,372**	**(5,282)**

1 On October 30, 2024, Zurich Insurance Group Ltd completed its public share buyback program of up to CHF 1.1 billion which it launched on June 17, 2024. 2,221,529 shares were repurchased at an average purchase price of CHF 495.15.
2 As approved by the Annual General Meeting of shareholders on April 9, 2025, the dividend of CHF 28 per share was paid out of retained earnings on April 15, 2025.

The notes to the consolidated financial statements are an integral part of these consolidated financial statements.

Change in discount rate for insurance/ reinsurance contracts	Change in fair value of underlying items through OCI	Cumulative foreign currency translation adjustment	Revaluation reserves	Retained earnings	Shareholders' equity	Non-controlling interests	Total equity
4,291	1,053	(10,616)	254	32,842	24,860	1,419	26,280
–	–	–	–	–	–	–	–
–	–	–	–	(4,156)	(4,156)	(311)	(4,467)
–	–	–	–	(1)	76	–	76
–	–	–	–	(1,090)	(1,090)	–	(1,090)
–	–	–	–	(1,275)	(1,275)	–	(1,275)
–	–	382	–	44	426	30	456
–	–	–	–	1	1	–	1
81	104	(868)	(1)	6,182	5,354	211	5,566
–	–	–	–	5,814	5,814		
–	–	–	–	–	(144)		
81	–	–	–	–	81		
–	104	–	–	–	104		
–	–	(868)	–	–	(868)		
–	–	–	(1)	–	(1)		
–	–	–	–	368	368		
–	–	–	–	–	–	117	117
4,372	1,158	(11,103)	254	33,823	25,472	1,466	26,938
4,372	1,158	(11,103)	254	33,823	25,472	1,466	26,938
–	–	–	–	–	–	–	–
–	–	–	–	(4,665)	(4,665)	(417)	(5,082)
–	–	–	–	12	(26)	–	(26)
–	–	–	–	(80)	(80)	–	(80)
–	–	–	–	–	–	–	–
–	–	193	–	(14)	179	9	188
–	–	–	–	35	35	–	35
245	1,592	(54)	(28)	6,675	7,600	570	8,170
–	–	–	–	6,798	6,798		
–	–	–	–	–	(830)		
245	–	–	–	–	245		
–	1,592	–	–	–	1,592		
–	–	(54)	–	–	(54)		
–	–	–	(28)	–	(28)		
–	–	–	–	(123)	(123)		
–	–	–	–	–	–	23	23
4,618	**2,750**	**(10,964)**	**225**	**35,786**	**28,515**	**1,651**	**30,166**

Notes to the consolidated financial statements

Zurich Insurance Group Ltd and its subsidiaries (collectively the Group) is a provider of insurance products and related services. The Group operates in Europe, Middle East & Africa (EMEA), North America, Latin America and Asia Pacific through subsidiaries, as well as branch and representative offices.

Zurich Insurance Group Ltd, a Swiss corporation, is the holding company of the Group and its shares are listed on the SIX Swiss Exchange. Zurich Insurance Group Ltd was incorporated on April 26, 2000, in Zurich, Switzerland. It is recorded in the Commercial Register of the Canton of Zurich under its registered address at Mythenquai 2, 8002 Zurich.

On February 18, 2026, the Board of Directors of Zurich Insurance Group Ltd authorized these audited consolidated financial statements for issue. These financial statements will be submitted for approval to the Annual General Meeting of shareholders to be held on April 8, 2026.

1. Basis of presentation

General information

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards and comply with Swiss Law. The accounting policies used to prepare the consolidated financial statements comply with IFRS Accounting Standards, including the adoption and implementation of new accounting standards and amendments for the financial year beginning January 1, 2025 as set out in note 2.

The accounting policies applied by the reportable segments are the same as those applied by the Group. The Group accounts for intersegment revenues and transfers as if the transactions were with third parties at current market prices. Dividends and realized capital gains and losses, as well as gains and losses on the transfer of net assets, are eliminated within the segment, whereas all other intercompany gains and losses are eliminated at Group level. In the consolidated financial statements, intersegment revenues and transfers are eliminated.

Certain amounts recorded in the consolidated financial statements reflect estimates and assumptions made by management about insurance and reinsurance contract assets and liabilities, investment valuations, interest rates and other factors. For more information about significant judgments applied, please see note 3.

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

The following balances are generally considered to be non-current: equity securities, investment property, investments in associates and joint ventures, deferred tax assets, property and equipment, goodwill, attorney-in-fact contracts, other intangible assets and deferred tax liabilities.

The following balances are mixed in nature (including both current and non-current portions): debt securities, mortgage loans, other loans, insurance and reinsurance contract assets and liabilities, other assets, investments for unit-linked contracts, liabilities for investment contracts, obligations to repurchase securities, other liabilities, and senior and subordinated debt.

Capital management and the effect of regulatory frameworks

The Group manages capital to maximize long-term value while meeting regulatory, solvency and rating agency requirements. The Group's capital management framework forms the basis for actively managing capital using a number of different capital models, taking into account economic, regulatory and rating agency constraints. The Group's capital and solvency position is monitored and regularly reported to the Executive Committee and Board of Directors.

Zurich's policy is to allocate capital to businesses earning the highest risk-adjusted returns, and to pool risks and capital as much as possible to operationalize its risk diversification. The Group's executive management determines the capital management strategy and sets the principles, standards and policies to execute the strategy, which is carried out by Group Treasury and Capital Management.

The Group's capital management program comprises various actions to optimize shareholders' total return and to meet capital needs, while enabling Zurich to take advantage of growth activities. Such activities include paying and receiving dividends, capital repayments, share buybacks, issuance of shares, issuance of senior and hybrid debt, securitization and purchase of reinsurance.

The Group endeavors to manage its capital so that its regulated entities meet local regulatory capital requirements. In each country in which the Group operates, the local regulator specifies the minimum amount and type of capital that each of the regulated entities must hold in addition to their liabilities. In addition to the minimum capital required to comply with the solvency requirements, the Group aims to hold an adequate buffer under local solvency requirements to ensure regulated subsidiaries can absorb a level of volatility and meet local capital requirements. In addition, the Group is subject to minimum capital requirements in Switzerland.

Principle exchange and discount rates

Table 1.1 summarizes the principal exchange rates used for translation purposes. Net gains/(losses) on foreign currency transactions included in the consolidated income statements were USD (41) million and USD (153) million for the years ended December 31, 2025 and 2024, respectively. Foreign currency exchange forward and swap gains/(losses) included in these amounts were USD (241) million and USD 370 million for the years ended December 31, 2025 and 2024, respectively.

Table 1.1

Principal exchange rates

USD per foreign currency unit	Consolidated balance sheets at end-of-period exchange rates		Consolidated income statements and statement of cash flows at average exchange rates	
	12/31/2025	12/31/2024	**12/31/2025**	12/31/2024
Euro	1.1741	1.0353	1.1301	1.0821
Swiss franc	1.2610	1.1035	1.2065	1.1365
British pound	1.3457	1.2520	1.3187	1.2781
Brazilian real	0.1827	0.1619	0.1791	0.1865
Australian dollar	0.6669	0.6189	0.6448	0.6599
Japanese yen	0.0064	0.0064	0.0067	0.0066

Tables 1.2 and 1.3 summarize the closing discount rates used for the Group's most relevant insurance portfolios in the measurement of the (re-)insurance contract assets and liabilities as of December 31, 2025 and 2024, by major currency:

Table 1.2

Discount rates by major currency – liquid products

as of December 31	2025				2024			
	U.S. dollar	**Swiss franc**	**Euro**	**British pound**	U.S. dollar	Swiss franc	Euro	British pound
1 year	3.43%	(0.04%)	2.08%	3.54%	4.18%	0.05%	2.24%	4.46%
5 years	3.47%	0.32%	2.48%	3.67%	4.02%	0.17%	2.14%	4.04%
10 years	3.84%	0.67%	2.86%	4.04%	4.07%	0.38%	2.27%	4.07%
20 years	4.28%	1.13%	3.21%	4.54%	4.10%	0.89%	2.26%	4.30%
40 years	4.06%	1.58%	3.27%	4.43%	3.65%	1.46%	2.54%	4.03%

Table 1.3

Discount rates by major currency – more illiquid products

as of December 31	2025				2024			
	U.S. dollar	**Swiss franc**	**Euro**	**British pound**	U.S. dollar	Swiss franc	Euro	British pound
1 year	3.81%	0.27%	2.22%	3.78%	4.55%	0.50%	2.48%	4.70%
5 years	3.85%	0.63%	2.62%	3.91%	4.39%	0.62%	2.38%	4.28%
10 years	4.22%	0.98%	3.00%	4.28%	4.44%	0.83%	2.51%	4.31%
20 years	4.66%	1.43%	3.35%	4.78%	4.47%	1.32%	2.50%	4.54%
40 years	4.40%	1.79%	3.37%	4.67%	3.99%	1.75%	2.70%	4.27%

2. New accounting standards and amendments to published accounting standards

Standards, amendments and interpretations effective or early adopted as of January 1, 2025 and relevant for the Group's operations

Table 2.1 shows new accounting standards or amendments to, and interpretations of, standards relevant to the Group that have been implemented for the financial year beginning January 1, 2025, with no impact on the Group's consolidated financial statements.

Table 2.1

Standard/ Interpretation		Effective date
Amended standards		
IAS 21	Lack of Exchangeability	January 1, 2025

Standards, amendments and interpretations issued that are not yet effective or adopted by the Group

Table 2.2 shows new accounting standards or amendments to, and interpretations of, standards relevant to the Group, which are not yet effective or adopted by the Group.

Table 2.2

Standard/ Interpretation		Effective date
New standards/interpretations		
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amended standards		
IFRS 9/IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
IFRS 9/IFRS 7	Contracts Referencing Nature-dependent Electricity	January 1, 2026
IAS 21	Translation to a Hyperinflationary Presentation Currency	January 1, 2027

IFRS 9 Amendments to the Classification and Measurement of Financial Instruments

The Group invests in sustainability-linked bonds, which include contractually defined contingencies linked to the issuer's environmental, social and governance (ESG) goals. The Group expects these investments to continue to meet the solely payments of principal and interest (SPPI) criteria, as the contingent features give rise to contractual cash flows that remain consistent with a basic lending arrangement. These amendments are not expected to have a material impact on the Group's financial position or performance.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will become effective on January 1, 2027 and will replace IAS 1 – Presentation of Financial Statements. It will impact the presentation and disclosure in the financial statements, notably by introducing defined subtotals in the consolidated income statements, adding new principles for aggregation and disaggregation of information and requiring disclosures about management-defined performance measures. These amendments will not impact the Group's financial position or performance and are not considered to be material.

Other standards, amendments and interpretations shown in table 2.2 are not expected to have a material impact on the Group's financial position or performance. Furthermore, amendments resulting from the IFRS Accounting Standards annual improvements Volume 11 will have no material impact on the Group's consolidated financial statements.

3. Summary of material accounting policies and critical accounting estimates and judgments

Material accounting policies applied in these consolidated financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Other accounting policies are presented as part of the respective note disclosures.

Critical accounting estimates and judgments

The preparation of these consolidated financial statements requires critical accounting estimates that involve discretionary judgments and the use of assumptions which are susceptible to change due to inherent uncertainties. Because of the uncertainties involved, actual results could differ significantly from the assumptions and estimates made by management.

Such critical accounting estimates are of significance to consolidation principles, measurement of insurance contracts issued and reinsurance contracts held, the determination of fair value for financial assets and liabilities, expected credit losses, impairment of goodwill and attorney-in-fact contracts, employee benefits and deferred taxes.

a) Consolidation principles

The Group's consolidated financial statements include the assets, liabilities, equity, revenues, expenses and cash flows of Zurich Insurance Group Ltd and its subsidiaries. A subsidiary is an entity that Zurich Insurance Group Ltd either directly or indirectly controls. Generally, control is achieved by holding the majority of the voting rights which allows the Group to control relevant activities of the subsidiary. The Group may hold significant interests in investment entities, where the voting rights are not the dominant factor of control. To the extent the Group is involved in the design and has significant exposure to the risks and variable returns from such investment entities, the Group is deemed to have control and consolidates such investment entities. The results of subsidiaries acquired are included in the consolidated financial statements from the date of acquisition or from the date on which control is obtained. The results of subsidiaries that have been divested during the year are included up to the date control ceased. All intra-Group balances, profits and transactions are eliminated.

Changes in ownership interests in a subsidiary that do not result in a change in control are recorded within equity.

Non-controlling interests are shown separately in equity, consolidated income statements, consolidated statements of comprehensive income and consolidated statements of changes in equity.

The consolidated financial statements are prepared as of December 31 based on individual company financial statements at the same date. In some cases, information is included with a time lag of up to three months. The impact on the Group's consolidated financial statements is not material.

Critical accounting estimates and judgments

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 (see section g) for further details). Farmers Exchanges are owned by their policyholders and directed by the Board of Governors. The Group does not consolidate the Farmers Exchanges as the Group does not have control over the relevant activities of the Farmers Exchanges.

b) Foreign currency translation and transactions

Foreign currency translation

Due to the Group's economic exposure to the U.S. dollar (USD), the presentation currency of the Group's consolidated financial statements is the U.S. dollar. Many Group companies have a different functional currency, being that of the respective primary economic environment in which these companies operate. Assets and liabilities are translated into the presentation currency at end-of-period exchange rates, while income statements, statements of comprehensive income and statements of cash flows are translated at average exchange rates for the period. The resulting foreign currency translation differences are recorded directly in other comprehensive income (OCI) as cumulative translation adjustments (CTA). The functional currency of the Group corresponds to the functional currency of the ultimate parent, Zurich Insurance Group Ltd, which is the Swiss franc (CHF).

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rate at the date of the transaction or, for practical reasons, a weighted average rate, if exchange rates do not fluctuate significantly. Foreign currency monetary items and foreign currency non-monetary items that are carried at fair value are translated at end-of-period exchange rates. The resulting foreign currency translation differences are recorded in income, except for the following:

- Foreign currency translation differences that are recognized in OCI in conjunction with the recognition of unrealized gains or losses on debt securities held to collect contractual cash flows and for sale, changes in the discount rate for insurance contracts and reinsurance contracts held, and changes in the fair value of underlying items for insurance contracts; and
- Foreign currency translation differences arising on monetary items that form part of net investments in foreign operations, as well as foreign currency translation differences arising from monetary items that are designated as hedging instruments in a qualifying net investment hedge relationship, are included directly in OCI as CTA.

Hyperinflation

The Group assesses whether a country's economy is hyperinflationary by considering several factors, including the cumulative three-year inflation rate. If an economy is determined to be hyperinflationary, the financial statements of foreign operations with that country's functional currency are restated to reflect the current purchasing power at the end of the reporting period. The restatement uses the official consumer price indices commonly applied in the respective country. All balance sheet amounts not already expressed in the current measuring unit are restated to reflect a price index that is current at the balance sheet date and items of comprehensive income for the current year are adjusted based on changes in the price index from the dates of initial recognition or last remeasurement. The restated financial statements of the foreign operation are then translated into the Group's presentation currency using closing rates. Any translation adjustment from the initial application of the hyperinflationary accounting is recognized directly in equity. The Group applies hyperinflationary accounting to foreign operations with the functional currency of Argentinian peso (from January 1, 2019) and Turkish lira (from January 1, 2023).

c) Insurance contracts issued and reinsurance contracts held

Scope

The Group applies accounting policies outlined in this section to insurance contracts issued that transfer significant insurance risk from policyholders or other insurance companies to the Group and reinsurance contracts held that transfer significant insurance risk from the Group to third-party reinsurers. The significant insurance risk transfer is determined by comparing the present value of benefits payable if an insured event occurred with the present value of benefits payable if the insured event did not occur. This assessment is made on a contract-by-contract basis at initial recognition and not subsequently reassessed unless the contract has been modified (see below). Investment contracts with discretionary participation features (DPF) are accounted for as insurance contracts if the reporting entity also issues insurance contracts. Furthermore, financial guarantee contracts and certain fixed-fee service contracts (e.g., roadside assistance) issued by the insurance entities in the normal course of business are also accounted for as insurance contracts.

Separating components

The Group assesses its insurance contracts issued and reinsurance contracts held to determine whether they contain any of the following components which need to be separated and accounted for under another IFRS Accounting Standard:

- Derivatives embedded in insurance contracts where the economic characteristics and risks of the derivative contract are not closely related to those of the host contract, and a separate financial instrument with the same terms as the embedded derivative would meet the definition of a derivative;
- Investment components that are not highly interrelated with the insurance components and for which contracts with equivalent terms are sold, or could be sold, separately in the same market or the same jurisdiction are accounted for as investment contracts; or
- Distinct service components, such as unattached risk engineering service contracts, claims handling service contracts provided to policyholders within their layer of risk retention or captive fronting services, are accounted for as service contracts.

Level of aggregation

Generally, a single contract is the smallest unit of account. However, under certain circumstances, a single contract contains components that are separated and treated as if they were stand-alone contracts, provided the criteria below are fulfilled:

- The insurance components are priced separately and are, or could be, sold separately in the same jurisdiction;
- The substance of the contract to be separated is the same as issuing multiple separate contracts; or
- There is no interdependency between the different risks covered and a lapse or cancellation of one insurance component does not cause a lapse or cancellation of another insurance component.

Similarly, for insurance and reinsurance contracts entered into with the same counterparty, the Group makes an evaluation of whether they are designed to achieve an overall commercial effect and therefore need to be combined and treated as one contract. The Group combines certain captive arrangements, where the policyholder and the captive reinsurer are the same counterparty, that are designed to achieve an overall commercial effect, which results in the net retention by the Group presented both on balance sheet and in profit or loss.

The level of aggregation is determined by dividing the business written into portfolios comprising contracts subject to similar risks and managed together. Portfolios are further divided into annual cohorts with contracts issued no more than one year apart, which are divided into groups of contracts based on their expected profitability: (i) onerous contracts, if any; (ii) contracts with no significant possibility of becoming onerous, if any; and (iii) remaining contracts, if any. Depending on the characteristics of the portfolio, an annual cohort may consist of just one group. The Group chose to group together those contracts that would fall into different groups only because law or regulation specifically constrains its practical ability to set a different price or level of benefits for policyholders with different characteristics. The effect of such grouping is not material to the Group.

Initial recognition

The Group recognizes groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder becomes due (or when the first payment is received, if there is no due date); or
- An earlier date, if facts and circumstances indicate that the group is onerous.

Contract boundary

The measurement of a group of insurance contracts includes all future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks, or
- Both of the following criteria are satisfied: (i) the Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and (ii) the pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

Insurance contract classification

The Group issues non-life products including a variety of motor, home and commercial products for individuals as well as small and large businesses on both local and global basis predominantly through its Property & Casualty (P&C) operations. The majority of such insurance contracts are short-term and either have a contract boundary of one year or less or qualify for the simplified approach (or the premium allocation approach (PAA)) because the measurement of the liability for remaining coverage under PAA does not deviate significantly from the measurement that would apply under the general model (or the building block approach (BBA)). Therefore, such contracts are measured under PAA. Some non-life entities also issue individual accident and health products with a long-term contract boundary which are accounted for under BBA. The proportion of contracts accounted for under BBA is not material in the context of P&C insurance contract assets and liabilities.

Moreover, the Group issues life insurance products on both an individual and a group basis, including annuities, endowment and term insurance, unit-linked and traditional savings products, as well as private health, supplemental health and long-term care insurance. The majority of such insurance contracts are long-term and measured under BBA. Some life entities also issue short-term protection products that fulfill the eligibility criteria and are accounted for under PAA. The proportion of contracts accounted for under PAA is not material in the context of Life insurance contract assets and liabilities. Unit-linked insurance contracts and some traditional savings contracts issued in Switzerland, Germany, Italy, Portugal and Austria include policyholder participation features. Such contracts are classified as direct participating contracts and measured under the variable fee approach (VFA) if, at inception, all of the following criteria are met:

- The contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- The Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- The Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

Some participating contracts do not meet the above criteria to be measured under VFA because of either the Group's discretion over the cash flows to be paid to policyholders (either in their timing or in their amount), or absence of a clearly identifiable pool of underlying items. Those contracts are accounted for under BBA indirect participating and presented as contracts measured under BBA in note 7. Furthermore, the Group applies BBA indirect participating measurement to certain contracts for which changes in assumptions that relate to financial risk have a substantial effect on the amounts paid to the policyholders. For example, BBA indirect participating approach is applied to contracts where contractual cash flows are adjusted for inflation based on a market-observable index of prices or rates.

Insurance acquisition cash flows (IACF)

Insurance acquisition costs are selling, underwriting and initiating costs typically incurred prior to or at the start of the coverage period of a contract that are directly attributable to the acquisition of portfolios of insurance contracts, including, for example, sales commissions, direct response marketing, premium taxes and in-house expenses directly attributable to sales and policy issuance activities.

The Group allocates IACF to groups of insurance contracts in a systematic and rational way, differentiating between groups of contracts that have been recognized as of the reporting date and groups of contracts that will be recognized in the future, including expected contract renewals. IACF allocated to groups of insurance contracts not yet recognized as of reporting date are recognized as an asset presented within the insurance contract asset or liability attributable to the portfolio of insurance contracts until they are included in the measurement of the group of contracts recognized. At each reporting date, the Group assesses the recoverability of such assets for pre-coverage IACF based on the expected fulfillment cash flows of the related groups of contracts, if facts and circumstances indicate that the asset may be impaired.

IACF are amortized in a systematic way over the coverage period using the same pattern as for insurance revenue recognition. For contracts accounted for under PAA, certain acquisition cash flows are expensed as incurred for contracts where the coverage period of each contract in the group does not exceed one year.

Insurance service expenses

These expenses consist of claims and other insurance service expenses that the Group incurs to fulfill its obligations toward the policyholders that arise within the contract boundary of the underlying (re-)insurance contracts. They also include amortization of insurance acquisition cash flows, changes in the fulfillment cash flows relating the liability for incurred claims (LIC), losses on groups of onerous contracts and reversals of such losses, and impairment and reversal of impairment of assets for pre-coverage insurance acquisition cash flows. Costs incurred that cannot be directly attributed to portfolios of insurance contracts (e.g., costs incurred in connection with future business opportunities) are excluded.

Investment components

Investment components that are not separated based on the requirements outlined above are accounted for as part of the underlying insurance contract. Such investment components, which are treated as non-distinct components, represent amounts that the Group is required to repay to a policyholder under the terms of the insurance contract in all circumstances, regardless of whether an insured event occurs. For most life products measured under VFA, particularly for unit-linked insurance contracts, the Group defines the cash surrender value as the non-distinct investment component. Any cash flows related to investment components are excluded from insurance revenue and insurance service expenses.

Measurement under PAA

For non-participating insurance contracts that are eligible for PAA, the measurement of the liability for remaining coverage (unexpired risk) is simplified as compared with the measurement under BBA and is accounted for separately from incurred claims (expired risk).

The liability for remaining coverage (LRC) is measured initially based on the premium received less any payments that relate to eligible IACF. Subsequently, the LRC is reduced by the amount recognized as insurance revenue for services provided in the period less any amortization of IACF recognized as an expense in the period. Insurance revenue is generally recognized on a straight-line basis, unless a different pattern represents a better approximation of the release from risk under the insurance contract. Certain insurance contracts (e.g., extended warranty contracts) may include a significant financing component when the premium from the policyholder is due more than 12 months before the Group provides insurance coverage. In this case, the LRC is adjusted for the time value of money.

Where facts and circumstances indicate that a group of contracts is onerous at initial recognition, the Group performs additional analysis to determine if a net outflow is expected. The net outflow is recorded immediately in profit or loss, resulting in the recognition of a loss component for the liability for remaining coverage and the carrying amount of the liability for the group of contracts being equal to the fulfillment cash flows.

The liability for incurred claims (LIC) reflects a current, explicit, unbiased and probability-weighted estimate of the present value of the expected future cash outflows considering all reasonable and supportable information available without undue cost or effort about the amount, timing, and uncertainty of those future cash flows. It includes an explicit adjustment for non-financial risk (the risk adjustment, see below). The risk adjustment is recognized as and when the claims are incurred and subsequently released to insurance service expense as the uncertainty associated with the amount and timing of claim payments is resolved.

Generally, the LIC is adjusted for the effect of time value of money and financial risk, unless the respective claims are expected to be paid within one year of being incurred. The Group selected the accounting policy to disaggregate the movement in the LIC resulting from changes in discount rates and to present this in OCI. The unwind of the discount on the LIC based on locked-in accident year discount rates is presented in profit or loss.

The Group accounts for premiums collected from the policyholders by intermediaries as future cash flows included in the measurement of corresponding groups of insurance contracts until they are settled or recovered in cash. Any premium receivables or accrued premium or claims payables that remain outstanding as of the reporting date are presented as part of the insurance contract assets or liabilities.

Measurement under BBA (including indirect participating BBA)

Each group of insurance contracts under BBA is measured as the sum of the fulfillment cash flows, comprising (i) estimates of future cash flows and (ii) risk adjustment for non-financial risk (see below), and the contractual service margin (CSM). The estimates of the future cash flows represent a current, present value, probability-weighted estimate that is consistent with observable market information and is adjusted to reflect financial risk. The CSM represents the margin the Group is charging for the service it provides in addition to the compensation it requires for bearing risk. The Group requires each group of contracts to be denominated in a single predominant currency of the cash flows within the group of contracts, which is not necessarily the same as the functional currency of the reporting entity issuing such insurance contracts.

On initial recognition, the CSM is measured as the difference between the expected present value of cash inflows and cash outflows, after adjusting for uncertainty and any cash flows received or paid before or on initial recognition.

Subsequently, at the end of each reporting period, each group of insurance contracts is measured as the sum of (i) the LRC reflecting the fulfillment cash flows related to future service; (ii) the CSM; and (iii) the LIC reflecting the fulfillment cash flows related to past service. The LIC is created when the Group has an obligation to pay valid claims for insured events that already occurred and other amounts related to past service.

The Group recognizes income and expense for the following changes in the carrying amount of the LRC:

- Insurance revenue – for the reduction in the LRC due to services provided in the period, excluding any investment components (see note 9 for the composition of insurance revenue recognized in the period);
- Insurance service expenses – for losses on groups of onerous contracts, and reversals of such losses; and
- Insurance finance income or expense – for the effect of the time value of money and financial risk.

The Group recognizes income and expense for the following changes in the carrying amount of the LIC:

- Insurance service expense – for the increase in the liability because of claims and expenses incurred in the period, excluding any investment components;
- Insurance service expense – for any subsequent changes in fulfillment cash flows relating to incurred claims and incurred expenses; and
- Insurance finance income or expense – for the effect of the time value of money and financial risk.

As part of the subsequent measurement, the fulfillment cash flows are updated to reflect current estimates, and the changes in the fulfillment cash flows are treated as follows:

- Experience adjustments that relate to current or past service are recognized immediately in profit or loss;
- Changes related to future service adjust the CSM measured using the discount rates as described below;
- Changes resulting from changes in discount rates are presented in OCI. The Group selected the accounting policy of disaggregating the movement in fulfillment cash flows between profit or loss and OCI; and
- Changes in estimates that arise as a result of changes in the application of discretion for groups of BBA indirect participating contracts, such as changes in the crediting percentage for policyholder participation, affect the future consideration that the Group will receive from the contract and adjust the CSM.

The CSM at the end of the reporting period is allocated over the current and remaining coverage period based on the coverage units. The coverage units represent the quantity of insurance contract services provided by the contracts in the group, determined by considering for each contract the quantity of the benefits provided under the contract and its expected coverage period. The Group has determined the sum assured (or annuity) in force as the main driver of coverage units for insurance contract service for non-participating contracts. The CSM allocated to coverage units provided in the period is recognized in profit or loss as insurance revenue.

The Group may provide an investment-return service in addition to insurance contract service under some traditional savings insurance contracts without direct participating features (e.g., endowment contracts). Such service is deemed to exist only if such contracts involve an investment component or the policyholder has a right to withdraw an amount. The Group expects the investment component or amount the policyholder has a right to withdraw to include an investment return and the Group expects to perform investment activity to generate that investment return. Whenever the Group provides both insurance contract and investment-return services to the policyholder, the coverage units are appropriately weighted to reflect both services to allocate the CSM over the current and remaining coverage period. The Group has determined the assets under management (or equivalent) as the main driver of coverage units for investment-return service.

The risk adjustment is released as part of insurance revenue as the uncertainty associated with the amount and timing of benefit payments is decreased or resolved.

(Re-)insurance finance income or expense recognized in profit or loss are determined by a systematic allocation of the expected total finance income or expense over the duration of the group of insurance contracts. Depending on the nature of the insurance contracts, it reflects the effect of time value of money and financial risk as follows:

- For groups of contracts for which changes in assumptions that relate to financial risk do not have a substantial effect on the amounts paid to the policyholder (e.g., term life contracts), the systematic allocation is determined using a risk-free rate, plus an illiquidity premium that is locked at the inception of the group of contracts; and
- For groups of contracts for which changes in assumptions that relate to financial risk have a substantial effect on the amounts paid to the policyholders (e.g., savings contracts with policyholder participation based on an index or a rate or other indirect participating contracts), the systematic allocation is determined using a rate that allocates the remaining revised expected insurance finance income or expense over the remaining duration of the group of contracts at a constant rate (effective yield).

Measurement under variable fee approach (VFA)

Insurance contracts that fulfill all the participating contracts criteria specified above are measured under VFA. These criteria ensure that insurance contracts with direct participation features are contracts under which the Group's obligation to the policyholder is the net of:

- The obligation to pay the policyholder an amount equal to the fair value of the underlying items; and
- A variable fee that the Group will deduct from the above in exchange for the future service provided by the insurance contract, consisting of the amount of the Group's share of the fair value of the underlying items less fulfillment cash flows that do not vary based on the returns on underlying items.

The underlying items for unit-linked insurance contracts are the unit-linked assets typically held in pooled investment vehicles that meet the specific investment objective of the policyholders, who fundamentally bear the credit, market and liquidity risk of the related investments. The underlying items for traditional savings contracts issued in Switzerland, Germany, Italy, Portugal and Austria are the net assets, or a specified subset of the net assets, of the issuing insurance entity. The net assets, or a subset of the net assets, typically include financial instruments held in the Group investment portfolio (debt securities, equity securities, investment properties, mortgage loans and other assets).

For such contracts, in addition to the insurance contract service, the Group provides an investment-related service to the policyholders managing the underlying items on their behalf. The coverage units are appropriately weighted to reflect both services to allocate the CSM over the current and remaining coverage period. For these direct participating contracts and other savings contracts, the sum assured in force and assets under management (or equivalent) are included to reflect the weighting for insurance and investment services and the pattern of delivery of those services.

Measurement under VFA reflects the nature of participating contracts; therefore, changes in the amount of the entity's share of the fair value of the underlying items relate to future service and adjust the CSM. Similarly, the change in the effect of time value of money and financial risks not arising from the underlying items (for example, the effect of financial guarantees) relates to future service and adjusts the CSM, except where risk mitigation applies.

Risk mitigation applies in limited circumstances where the Group hedges the risks associated with such financial guarantees using derivative financial instruments or reinsurance contracts held under a documented risk management objective and strategy. In such cases, the changes in the effect of financial guarantees are recognized immediately in profit or loss in the same way as the changes in fair value of the derivative instruments. Other changes in the fulfillment cash flows are treated consistently with BBA measurement, i.e., they adjust CSM if related to future service, or are recognized immediately in profit or loss if related to current or past service. However, unlike BBA, all the adjustments are measured using current discount rates.

Where the underlying items are the net assets or a specified subset of the net assets of the issuing insurance entity, in addition to the participation in the returns from underlying financial assets, the policyholder participates in the risk and/or expense results. While the risk and expense results are included within the insurance service results, the policyholder participation thereof is included within the insurance finance income or expense.

Changes in the obligation to pay the policyholder an amount equal to the fair value of the underlying items do not relate to future service and do not adjust the CSM.

For all contracts with direct participation features where the Group holds the underlying items, the Group applies the accounting policy choice of disaggregating insurance finance income or expense for the period to include in profit or loss an amount that eliminates accounting mismatches, with income or expense included in profit or loss on the underlying items held.

Reinsurance contracts held

The Group enters into reinsurance contracts in the normal course of business to limit the potential for losses arising from certain exposures. Reinsurance contracts do not relieve the Group as the originating insurer of its liability. Reinsurance contracts held are recorded separately unless the contract combination criteria specified above are fulfilled.

Similar to insurance contracts issued, reinsurance contracts held are accounted for under PAA, if the qualifying criteria for PAA are fulfilled, or BBA in all other cases. The following differences specifically apply to reinsurance contracts held:

- Classification: Reinsurance contracts held can never be classified as direct participating contracts; hence, measurement under VFA does not apply.
- Level of aggregation: Reinsurance contracts held cannot be onerous; therefore, at initial recognition, the groups of reinsurance contracts held comprise (i) contracts in a net gain position, if any; (ii) contracts with no significant possibility of turning into a net gain position subsequently, if any; and (iii) remaining contracts, if any.
- Recognition of the CSM: As reinsurance contracts held cannot be onerous, for the groups of reinsurance contracts held accounted for under BBA, the CSM is recognized regardless of whether the reinsurance contract is a net gain or a net cost for the Group.
- Recognition of the risk of non-performance: The measurement of reinsurance contracts held includes the effect of non-performance risk of the reinsurer which considers the reinsurer's credit rating and the expected recovery period.
- Presentation: The Group presents the income or expense from reinsurance contracts held, other than reinsurance finance income or expense, as a single amount in profit or loss.

Reinsurance contracts held are measured using assumptions consistent with the assumptions used for the underlying insurance contracts for the fulfillment cash flows. The risk adjustment for non-financial risk represents the amount of risk being transferred by the holder of the reinsurance contract to the issuer of that contract. Consistent with the underlying insurance contracts, the Group made an accounting policy choice of disaggregating the reinsurance finance income or expense between profit or loss and OCI.

If reinsurance contracts held cover underlying onerous insurance contracts, a loss recovery component is established if the Group enters into such reinsurance contracts at or before the date when the losses or reversals of losses on the underlying insurance contracts are recognized. The loss recovery component is measured by reference to the percentage of claims from underlying onerous insurance contracts expected to be recovered from the reinsurance contracts held.

Critical accounting estimates and judgments

Non-life contracts

The Group is required to establish a LIC for payment of losses and loss adjustment expenses that arise from the Group's non-life products. These liabilities represent the expected ultimate cost to settle claims occurring prior to, but still outstanding as of, the balance sheet date. The Group establishes its liabilities by product line, type and extent of coverage, and year of occurrence. There are two categories of the LIC: liability for reported losses, and liability for incurred but not reported (IBNR) losses. Additionally, the LIC is held for loss adjustment expenses, which contain the estimated legal and other expenses expected to be incurred to finalize the settlement of the losses.

The Group's liability for reported losses and loss adjustment expenses is based on estimates of future payments to settle reported claims. The Group bases such estimates on the facts available at the time the liability is established, considering the estimated costs of bringing pending claims to final settlement. The liability takes into account inflation, as well as other factors that can influence the amount required to fulfil the Group's obligations, some of which are subjective and some of which are dependent on future events. In determining the level of the liability, the Group considers historical trends and patterns of loss payments, pending levels of unpaid claims and types of coverage. In addition, court decisions, economic conditions and public attitudes may affect the ultimate cost of settlement and, as a result, the Group's estimation of the liability. Between the reporting and final settlement of a claim, circumstances may change which may result in changes to established liability. Items such as changes in law and interpretations of relevant case law, results of litigation or changes in medical costs, as well as costs of vehicle and home repair materials and labor rates can substantially impact ultimate settlement costs. Accordingly, the Group reviews and reevaluates claims and their liabilities on a regular basis. Amounts ultimately paid for losses and loss adjustment expenses can vary significantly from the level of liabilities originally set.

The Group establishes the liability for IBNR losses to recognize the estimated cost of losses for events which have already occurred, but for which the Group has not yet been notified. This liability is established to recognize the estimated costs required to bring such claims to final settlement. As these losses have not yet been reported, the Group relies upon historical information and statistical models, based on product line, type and extent of coverage, to estimate its IBNR liability. The Group uses reported claim trends, claim severities, exposure growth and other factors in estimating its IBNR liability. The liability is revised as additional information becomes available and as claims are actually reported.

The time required to learn of and settle claims is an important consideration in establishing the Group's LIC. Short-tail claims, such as those for motor and property damage, are normally reported soon after the incident and are generally settled within months. Long-tail claims, such as bodily injury, pollution, asbestos and product liability, can take years to develop and additional time to settle. For these claims, information concerning the event, such as the required medical treatment for bodily injury claims and the required measures to clean up pollution, may not be readily available. Accordingly, the reserving analysis of long-tail lines of business is generally more difficult and subject to greater uncertainties than for short-tail claims.

Since the Group does not establish a liability for catastrophes in advance of the occurrence of such events, these events may cause volatility in the levels of its LIC subject to the effects of reinsurance recoveries. This volatility may also be contingent upon political and legal developments after the occurrence of the event.

The Group uses a number of accepted actuarial methods to estimate and evaluate the amount of the LIC. The nature of the claims being reserved for and the geographic location of the claims influence the techniques used by the Group's actuaries. Additionally, the Group's Corporate Center actuaries perform periodic reserve reviews of the Group's businesses throughout the world. Management considers the results of these reviews and adjusts its liabilities, where necessary.

The process of establishing the amount of the LIC is complex and deals with uncertainty, requiring the use of informed estimates and judgments considering the time value of money and the uncertainty about the amount and timing of the cash flows that arise from non-financial risk. Any changes in estimates or judgments are reflected in profit or loss in the period in which estimates and judgments are changed.

Significant delays may occur in the notification and settlement of claims, and a substantial measure of experience and judgment is involved in assessing outstanding liabilities, the ultimate cost of which cannot be known with certainty as of the balance sheet date. The LIC is determined on the basis of the information available. However, it is inherent in the nature of the business written that the ultimate liabilities may vary as a result of subsequent developments.

Life contracts

The measurement of life insurance contracts involves a number of assumptions regarding mortality or longevity, lapses, surrenders, expenses, future policyholder participation (or profit sharing), discount rates and investment returns. These assumptions can vary by country, year of policy issuance and product type, and are determined with reference to past experience adjusted for new trends, current market conditions and future expectations. As such, the amounts included in future cash flows may not represent the ultimate amounts paid out to policyholders. For example:

- The estimated number of deaths determines the value of the benefit payments. The main source of uncertainty arises because of the potential for pandemics and wide-ranging lifestyle changes, such as changes in eating, smoking and exercise habits, which could result in earlier deaths for age groups in which the Group has significant exposure to mortality risk.
- For contracts that insure the risk of longevity, such as annuity contracts, an appropriate allowance is made for people living longer. Continuing improvements in medical care and social conditions could result in further improvements in longevity in excess of those allowed for in the estimates used to determine the liability for contracts where the Group is exposed to longevity risk.
- Under certain contracts, the Group has offered product guarantees (or options to take up product guarantees), including fixed minimum crediting interest rate or fixed minimum annuity benefits. In determining the value of these options and/or benefits, estimates have been made as to the percentage of policyholders that may exercise them. Changes in investment conditions could result in significantly more policyholders exercising their options and/or benefits than had been assumed.
- Estimates are made as to future investment income arising from the assets backing long-term insurance contracts. These estimates are based on current market returns as well as expectations about future economic and financial developments.

Assumptions are determined with reference to current and historical customer data, as well as industry data. Assumptions also reflect expected earnings on the assets supporting the future policyholder benefits. The information used by the Group's qualified actuaries in setting such assumptions includes, but is not limited to, pricing assumptions and available experience studies based on internal and external data. Expert judgment is involved in setting these assumptions, which are subject to a review and governance process that involves significant effort; therefore, it is generally performed on an annual basis.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts that arises from non-financial risk (insurance risk and other non-financial risk such as lapse risk). The risk adjustment is an explicit adjustment to the estimates of future cash flows to reflect the compensation the Group would require to make it indifferent between fulfilling a liability that has a range of possible outcomes arising from non-financial risk and fulfilling a liability that will generate fixed cash flows with the same expected present value as the insurance contracts.

The Group estimates the risk adjustment using a confidence level approach, taking into account the Group's internal view of the level of capital required in order to continue operating on a going-concern basis based on the Group's target Swiss Solvency Test (SST) ratio. The risk adjustment is calibrated as the value at risk (VaR) at the defined target confidence level minus the expected value of the future cash flows using simulations of the distribution of the future cash flows. This distribution is based on the SST framework and model, with a few modifications considering the different purpose of the IFRS 17 risk adjustment.

Separate target confidence levels apply to the distribution of cash flows of long-duration (predominantly life) and short-duration (predominantly non-life) (re-)insurance contracts. The confidence levels fall within the following ranges: 74 – 79 percent for short-duration and 90 – 95 percent for long-duration (re-)insurance contracts.

In line with the internal capital model used by the Group, these ranges are defined net of external reinsurance. The risk adjustment for the reinsurance contracts held is determined consistently with the risk adjustment for insurance contracts issued.

The Group disaggregates the change in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expense, and the latter between profit or loss and OCI, so that the movement in risk adjustment resulting from changes in discount rates is presented in OCI.

Critical accounting estimates and judgments

The risk adjustment is the measure of the compensation required by the Group for the uncertainty arising from non-financial risks. As such, it is based on subjective considerations that take into account Zurich's internal view of the capital required to continue operating on a going-concern basis.

To support the selection of the confidence levels, a quantitative analysis is performed. This quantitative analysis is aimed at defining ranges of justifiable percentiles for life and non-life businesses separately, determined by calculating, with different sets of assumptions, the financial compensation the Group requires on the SST capital (defined accordingly with the internal capital targets) to cover the non-financial risks over the outstanding run-off period of the insurance liabilities.

As with any other risk capital model, the SST model is subject to simplification and application of expert judgments. These include, for example, assumptions on the shape of the distributions and on the geographical and risk dependencies, among others. The full list of assumptions, simplifications and expert judgments applied in the model are outlined in the documentation regularly provided to FINMA. These are validated regularly by the Group to ensure the overall adequacy of the risk model.

The Group percentiles selected for life and non-life businesses are expected to fall within the ranges described above. However, an additional uplift factor may be applied locally to the risk adjustment for specific contracts or groups of contracts, where there is a higher level of uncertainty around the compensation required for bearing non-financial risks. For example, an uplift factor may be applied to a specific contract or group of contracts where key long-term best estimate assumptions used to project the fulfillment cashflows have been set based on expert judgment in the absence of credible experience data.

The key assumptions in the determination of the risk adjustment percentiles are:

- Assumed cost of capital rate: the long-term mean of the weighted average cost of capital is used;
- Level of group diversification: the risk adjustment allows for diversification of non-financial risks among the Group's reporting entities as well as diversification of non-financial risks with financial risks;
- Target capitalization under the Group's internal capital model: the Group's target capitalization under SST is used. Under SST, the Group has defined a minimum solvency ratio target requirement only (≥ 160 percent SST ratio); hence, assumptions are made on the level of capitalization that Zurich would be expected to maintain on a going-concern basis over and above the minimum target;
- Level of segmentation: separate percentiles are defined for life and non-life businesses; and
- Higher levels of expert judgment in the absence of credible demographic assumptions used in cashflow projection: an uplift may be applied to the risk adjustment in respect of a portfolio or product where the Group has concerns over the credibility of assumptions used.

Discount rates

The Group applies bottom-up discount rates for most groups of insurance contracts issued and reinsurance contracts held. Bottom-up discount rates are constructed using risk-free rates, plus an illiquidity premium, where applicable. Risk-free rates are determined by reference to the market interest rates (either swap rates or yields of highly liquid sovereign securities) in the currency of the underlying cash flows for the groups of (re-)insurance contracts. Whenever the expected timing of the cash flows exceeds the liquid part of the yield curve in the respective currency (the last liquid point), the risk-free interest rate is extrapolated to converge toward a long-term rate (the ultimate forward rate) using widely accepted extrapolation techniques (Smith-Wilson algorithm). The illiquidity premium is determined by reference to observable market spreads for a reference portfolio of illiquid instruments (e.g., corporate debt, etc.) adequately corrected to remove credit risk. Top-down discount rates are used for certain groups of insurance contracts (e.g., traditional savings contracts in Switzerland, Germany and Italy measured under VFA), whereby the illiquidity premium is derived from the specific asset portfolios backing such groups of contracts.

Derecognition and contract modification

The Group derecognizes an insurance contract only when the obligation specified in the insurance contract expires or is discharged or canceled, or if the contract is modified in a way that requires derecognition of the original contract and recognition of the new contract with modified terms. The exercise of a right included in the terms of a contract is not a modification.

When an insurance contract is extinguished, the entity is no longer at risk and is therefore no longer required to transfer any economic resources to satisfy the insurance contract. Typically, when the Group buys reinsurance, the underlying insurance contract(s) continue to be recognized as the respective obligations are not extinguished.

If the terms of an insurance contract are modified, for example, by agreement between the parties to the contract or by a change in regulation, the Group derecognizes the original contract and recognizes the modified contract as a new contract, if any of the conditions below are satisfied:

a) If the modified terms had been included at contract inception:

- The modified contract would not be an insurance contract; or
- The Group would have separated different components from the host insurance contract resulting in a different insurance contract; or
- The modified contract would have had a substantially different contract boundary; or
- The modified contract would have been included in a different group of contracts.

b) The original contract met the definition of an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa; or

c) The entity applied the premium allocation approach to the original contract, but the modifications indicate that the contract no longer meets PAA eligibility criteria.

If a contract modification meets none of the above conditions, the changes in cash flows caused by the modification are treated as changes in estimates of fulfillment cash flows.

A reinsurance contract is derecognized when the contractual rights to the cash flows expire.

Treatment of accounting estimates

The Group prepares interim financial statements semi-annually and applies an accounting policy choice to change the treatment of accounting estimates made in the first semi-annual financial statements when preparing the annual financial statements (i.e., applying a year-to-date approach). This accounting policy choice applies to all (re-)insurance contracts issued and reinsurance contracts held.

Summary of IFRS 17 transition approach and effect

IFRS 17 was applied to (re-)insurance contracts issued and reinsurance contracts held retrospectively from January 1, 2022. The Group determined the transition approach for groups of insurance contracts, depending on the availability of reasonable and supportable historic information. The selected transition approach affected the measurement of the CSM on initial adoption of IFRS 17 as follows:

- Fully retrospective approach – the CSM is based on initial assumptions when groups of contracts were incepted and rolled forward to the date of transition as if IFRS 17 had always been applied;
- Modified retrospective approach – the CSM is calculated using modifications allowed by IFRS 17, taking into account the actual pre-transition fulfillment cash flows; and
- Fair value approach – the CSM at transition is calculated as the difference between the fair value of a group of contracts, without the consideration of the demand deposit floor requirement, and the respective fulfillment cash flows measured at the transition date.

In applying the modified retrospective and fair value approaches for certain groups of non-life and life (re-)insurance contracts, the Group used the modifications allowed under IFRS 17, such as grouping contracts issued more than one year apart into a single group for measurement purposes or applying interest rates as of the transition date and setting the cumulative amount of (re-)insurance finance income or expense recognized in OCI to nil. In addition, the Group applied a modification for certain groups of non-life insurance contracts with long-tail outstanding claims at the transition date. The unwinding of the discount on the liability for incurred claims was based on the locked-in discount rates as of the transition date instead of the locked-in accident year discount rates. Furthermore, where the Group applied a modification for certain groups of life direct participating insurance contracts that were accounted for under VFA where the Group holds the underlying items, the cumulative difference in OCI was set equal to the cumulative amount recognized in OCI on the underlying items as of the transition date.

The relevant disclosures for (re-)insurance contracts issued and reinsurance contracts held are presented in note 7.

d) Liabilities for investment contracts (without DPF)

Investment contracts are contracts that do not transfer significant insurance risk and do not contain discretionary participation features (DPF). The Group mainly issues investment contracts without fixed terms, such as unit-linked investment contracts, and to a lesser extent, investment contracts with fixed and guaranteed terms (e.g., fixed interest rate). Liabilities for investment contracts are primarily designated at fair value through profit or loss. However, certain contracts are measured at amortized cost using the effective interest rate method.

Unit-linked investment contracts

Unit-linked investment contracts are contracts referencing unit-linked asset portfolios maintained to meet the specific investment objectives of policyholders who bear the credit, market and liquidity risks related to the investments. The liabilities are carried at fair value, which is determined by reference to the underlying financial assets. Changes in fair value are recorded in profit or loss. The related assets for unit-linked investment contracts are designated at fair value through profit or loss (FVPL) to reduce measurement inconsistencies. The services provided by the Group under such contracts are investment management and policy administration services that are provided over time and are not contingent on meeting specified performance criteria. Fees from such services are recognized ratably over the service period as fee income. Refer to note 10 for further information.

e) Group investments, investments for unit-linked contracts and other financial assets excluding derivative financial instruments

Classification, measurement and presentation of financial assets

The classification and measurement of Group investments is driven by the business model under which these assets are held and by their contractual cash flow characteristics. The combined effect of the business model and contractual terms assessment (also referred to as 'solely payments on principal and interests test' (SPPI test)) determines whether the debt instruments are measured at amortized cost, fair value with changes recognized in other comprehensive income (FVOCI) or fair value through profit or loss (FVPL).

The Group primarily holds financial assets to fund insurance liabilities. Specifically, financial assets and insurance liabilities are economically linked and jointly managed with the aim of matching the duration of the assets with the expected obligation toward policyholders. To ensure that the contractual cash flows from the financial assets are sufficient to settle insurance liabilities as they become due, the Group may undertake significant buying and selling activities on a regular basis to rebalance its asset portfolio and to meet day-to-day cash flow needs as they arise. Consequently, the majority of the financial assets, including government and supra-national bonds, mortgage- and other asset-backed securities (MBS/ABS), as well as syndicated loans and other corporate debt, are 'held to collect contractual cash flows and for sale' (HtC&S). Furthermore, the Group has identified specific portfolios that are managed with the aim of holding assets only to collect contractual cash flows over the life of the instrument. These financial assets are managed in the business model 'held to collect contractual cash flows' (HtC) and include certain private debt portfolios (for example, commercial real estate, infrastructure and other private debt), mortgage loans and other financial assets (bank deposits, lease and trade receivables), as well as high-quality government bonds held in the Zurich Italy Bank S.p.A.'s proprietary portfolio to cover structural excess liquidity.

Debt instruments with contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI) are measured at either amortized cost or FVOCI, unless they are managed on a fair value basis.

Debt instruments held under the HtC&S business model that pass the SPPI test are measured at FVOCI. Interest income is determined using the effective interest rate method and included in net investment income. The cumulative unrealized fair value gains or losses recorded in OCI are net of the expected loss allowance and income taxes. When financial assets measured at fair value through OCI are derecognized, the cumulative gains or losses are reclassified from OCI to profit or loss as net capital gains/(losses) on investments. Loss allowances for expected credit losses and any subsequent changes are recorded in profit or loss within net capital gains/(losses) on investments.

Debt instruments held under the HtC business model that pass the SPPI test are carried at amortized cost using the effective interest rate method. Loss allowances for expected credit losses and individual credit impairments are recognized in profit or loss within net capital gains/(losses) on investments, with a corresponding reduction in the carrying amount of the financial asset.

Financial assets that fail the SPPI test are always measured at fair value through profit or loss (FVPL). Such assets include equities, fund investments, callable bonds with significant prepayment features, hybrid bonds with certain cash flows at the discretion of the issuer and some MBS/ABS that do not fulfill the SPPI criteria for contractually linked instruments. The significance of the prepayment feature is assessed at the date of the initial recognition of the financial asset as well as whenever additional purchases of the same instrument occur within the same portfolio.

In addition to financial assets that fail the SPPI test, the Group designates investments held for unit-linked insurance and investment contracts as well as some other investment portfolios backing specific portfolios of insurance contracts at FVPL in order to eliminate or significantly reduce a measurement inconsistency that would otherwise arise from measuring assets or recognizing the gains and losses on these assets on a different basis to the liabilities. Realized and unrealized gains and losses arising from changes in the fair value of such investments are recognized in profit or loss within net capital gains/(losses) on investments in the period in which they arise. Interest income determined using the effective interest rate method and dividend income from non-unit-linked financial assets at FVPL are included in net investment income. Interest income and dividend income from unit-linked financial assets at FVPL are included in the net investment result on unit-linked investments.

The Group did not make use of the option to present changes in fair value of certain equity instruments that are not held for trading in OCI with no subsequent reclassification of realized gains or losses to profit or loss.

The Group recognizes regular purchases and sales of financial assets on the trade date, which is the date on which the Group commits to purchase or sell the asset.

Group investments are grouped together based on their nature and considering their shared risk characteristics as follows:

- Equity securities and unconsolidated investment funds include equity instruments held that do not result in control or significant influence by the Group, and fund investments where the Group does not have control over the investment vehicle;
- Debt securities include government and supra-national bonds, corporate debt and MBS/ABS;
- Mortgage loans include predominantly retail residential mortgages; and
- Other financial assets mainly include private debt investments (such as infrastructure and commercial real estate loans and private placements) typically managed by third-party asset managers and subject to a ratings-based approach for credit risk monitoring, as well as lease receivables and non-unit-linked deposits held as part of Group investments.

Group investments further include investment property accounted for at FVPL. Rental income from investment property is recognized on a straight-line basis over the lease term and included in net investment income, net of operating rental expenses. Please see note 5 for further information on Group investments.

Cash on hand, deposits held at call with banks, cash collateral received and other highly liquid investments with maturities of three months or less from the date of acquisition that are readily convertible into cash and are subject to an insignificant risk of changes in fair value are included in cash and cash equivalents.

Trade receivables are presented as part of other assets.

Critical accounting estimates and judgments

In determining the fair values of investments in debt and equity instruments traded on exchanges and in over-the-counter (OTC) markets, the Group makes extensive use of independent, reliable and reputable third-party pricing providers, and only in rare cases places reliance on valuations that are derived from internal models.

In addition, the Group's policy is to ensure that independently sourced prices are developed by making maximum use of current observable market inputs derived from orderly transactions and by employing widely accepted valuation techniques and models. When third-party pricing providers are unable to obtain adequate observable information for a particular financial instrument, the fair value is determined either by requesting selective non-binding broker quotes or by using internal valuation models.

Valuations can be subject to significant judgment, especially when the fair value is determined based on at least one significant unobservable input parameter; such items are classified within level 3 of the fair value hierarchy. See notes 5 and 22 for further information regarding the estimate of fair value.

Recognition of expected credit losses

Expected credit loss (ECL) is recognized for debt securities measured at amortized cost, debt securities measured at FVOCI, mortgage loans, lease and trade receivables, and reflects the difference between the contractual cash flows of the instrument and the cash flows the Group expects to receive. ECL is recognized on the following basis:

- 12-months ECL is recognized from the initial recognition of a debt instrument and reflects a portion of lifetime expected credit losses that would result from default events that are possible within 12 months after the reporting date (12-months ECL). The Group applies the low credit risk simplification to recognize 12-months ECL for all financial instruments that have an internal or external investment grade credit rating. Instruments for which 12-months ECL is recognized are referred to as stage 1; and
- Lifetime ECL is recognized in the event of a significant increase in credit risk (SICR) since initial recognition and reflects lifetime expected credit losses over the expected life of the financial instrument (lifetime ECL). The Group applies a permitted simplification to recognize lifetime ECL for all trade receivables. Instruments with lifetime ECL are referred to as stage 2. Lifetime ECL is also recognized for credit-impaired financial instruments, referred to as stage 3. Stage 3 includes instruments that are non-performing or for which a default event has occurred.

At each reporting date, an assessment is conducted to determine whether a SICR has occurred since the initial recognition of a financial asset not covered by the low credit risk practical expedient and/or whether the financial asset has become credit-impaired.

Critical accounting estimates and judgments

In the assessment for SICR, the Group considers all relevant reasonable and supportable information, including information about past events and current and future economic conditions, available either on an individual or on a collective basis.

When an external or internal rating is available, the Group applies the low credit risk practical expedient by assuming that no increase in credit risk has occurred since initial recognition for financial assets that have an external or internal rating equivalent to 'investment grade' (i.e., AAA to BBB–) at the reporting date. This approach is applied to government and supra-national bonds, mortgage- and other asset-backed securities, as well as corporate debt, including commercial real estate, infrastructure and other private debt.

For all debt instruments rated below investment grade, the Group determines SICR thresholds that vary depending on the credit rating at initial recognition and the residual life of the instruments. The SICR threshold is calibrated such that the lower the probability of default at inception, the higher the relative credit deterioration is required to trigger a SICR. If the credit rating of the instrument at the reporting date is equal to or below the trigger level, the instrument is deemed to have experienced SICR.

Irrespective of the SICR assessment based on default probabilities, credit risk is generally deemed to have significantly increased if the contractual payments are more than 30 days past due. SICR is no longer observed if the rating at the reporting date is above the trigger level indicated in the notching table and the rating has improved by at least one notch since the previous reporting date, in which case the instrument transitions back to stage 1.

For all material exposures, including those with low credit risk at the reporting date, the SICR assessment outlined above is supplemented by a qualitative assessment of the issuer's credit quality through a forward-looking watch list that includes exposures with negative rating outlook and downward rating momentum and that are close to the thresholds for stage change. This is further complemented by fundamental research and expert opinion and presented to the Credit Valuation Committee (CVC) comprising representatives of Group Investment Management, Group Risk and Group Finance. The CVC takes the final decision on the stage allocation.

The mortgage loan portfolio predominantly consists of residential and small commercial real estate loans. The exposures are grouped into homogenous buckets in terms of geographic location (mainly Switzerland, Germany, Italy) and property type (residential versus commercial). The forward-looking loan-to-value (LTV) is within the range of 40–67 percent for the Swiss portfolio and 10–25 percent for the German portfolio. The SICR is assessed using the number of past due days, the actual affordability on the customer level as well as forward-looking LTV, which is derived from the expected evolution in the property prices.

Forward-looking scenarios and measurement of expected credit losses

Expected credit losses reflect an unbiased, probability-weighted estimate based on possible default events either over the next 12 months or over the remaining life of a financial instrument. The ECL is calculated using a combination of the following main input parameters: probability of default (PD), loss given default (LGD) and exposure at default (EAD).

For originated residential and small commercial mortgage loan portfolios, the forward-looking parameters are derived from the evolution of the real estate prices by property type, as well as actual affordability of the loan for a customer. The Group records expected credit losses on mortgages; however, the ECL amount may be rather insignificant for mortgages with very low LTV.

For unrated exposures, for example, trade receivables, the ECL is measured using an expected loss rate provision matrix, based on historical observed default rates (adjusted and regularly updated for forward-looking estimates), depending on the past due status. For this purpose, the exposures are grouped into sub-portfolios that are homogeneous in terms of loss pattern, and specific loss rates are assigned depending on the number of days past due. From the provision matrix, the calculation of the ECL is determined by multiplying the gross carrying amount of the exposure by the given expected loss rate.

Critical accounting estimates and judgments

For rated debt securities, the Group determines the forward-looking inputs by evaluating a range of possible outcomes. A scenario-based approach is applied whereby three scenarios (downside scenario, base case and upside scenario) are modelled once a year, taking into consideration potential developments of relevant macroeconomic variables (GDP growth, 10-year interest rates and credit spreads) in the U.S. and eurozone over a one-year horizon. If no internal or external credit rating is available (e.g., due to timing constraints), the Group assigns a fallback rating which is used to derive the ECL parameters (i.e., exposures are assigned A– if the issuer is domiciled in a country with investment grade sovereign rating, while B– is assigned to other exposures).

Each of the forward-looking scenarios applied is based on management assumptions about future macroeconomic conditions. Additional judgment is required to assign a weight to each scenario which reflects the probabilities that the respective set of macroeconomic variables will materialize. The economic scenarios are developed by Group Investment Management – Market Strategy and Macroeconomics, which proposes the scenario weightings based on Group forward-looking expectations. The final decision on scenario weighting lies with the CVC where Group functions can challenge the selection and weights of different scenarios. Changes to the scenario weights and macroeconomic assumptions taken could have a significant effect on ECL. See note 23 for further details.

Exchange or modification of financial assets

The Group may enter into transactions involving the exchange of financial assets with one or multiple financial assets. Furthermore, the terms of financial assets may be modified subsequent to initial recognition. When the contractual terms of the financial asset(s) received in an exchange transaction or upon modification are significantly different from the original financial asset, the Group derecognizes the original asset. In certain cases, such exchange or modification results from the financial distress of the original debtor, in which case an exchange or modification of financial assets may involve recognition of purchased or originated credit-impaired (POCI) financial instruments. POCI financial instruments are initially recognized at fair value with interest income subsequently being accrued based on a credit-adjusted effective interest rate. Changes in lifetime ECL since initial recognition are recognized in profit or loss within net capital gains/(losses) on investments.

If an exchange or modification does not result in derecognition of the financial asset held, any modification gain or loss is recorded in profit or loss within net capital gains/(losses) on investments. Furthermore, the SICR assessment is performed by comparing the current risk of default with the risk of default at initial recognition based on the original and unmodified contractual terms.

Defaulted and credit-impaired financial assets

The Group considers the financial asset as defaulted when one or a combination of events with detrimental impact on the estimated cash flows of the financial asset have occurred (i.e., an incurred credit loss event). The Group places emphasis on counterparty specific factors, such as significant financial difficulty, default or delinquency on interest or principal payments. In addition, the Group usually considers that default does not occur later than when a financial asset is 90 days past due. Nevertheless, for certain exposures, such as Swiss residential mortgage loans, historical evidence indicates there is no correlation between default and payments being more than 90 days past due, but such correlation can be identified, for example, when payments are more than 180 days past due. Therefore, these latter exposures are considered defaulted when payment is overdue for more than 180 days. If one or more default events have occurred, the Group considers the financial assets as credit-impaired and recognizes individual credit impairment directly as a reduction of the gross carrying amount. In the rare case of default on mortgage loans, the Group may enter forbearance measures, including temporary postponement of contractual payments, to enable the recovery of the mortgage loan.

Financial assets and the related credit impairment allowances are partially or fully written off when the Group has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. The write-offs represent partial or full derecognition events.

f) Derivative financial instruments and hedge accounting

Derivative financial instruments are used by the Group to economically hedge risks. Derivative financial instruments are carried at fair value. The changes in fair value of derivative financial instruments are recognized in profit or loss, except where such derivative financial instruments are designated under a qualifying cash flow or net investment hedge relationship.

Derivative financial instruments that qualify for hedge accounting

In limited circumstances, derivative financial instruments are designated as hedging instruments for accounting purposes in:

- Fair value hedges, which are hedges of the exposure to changes in the fair value of a recognized asset or liability;
- Cash flow hedges, which are hedges of the exposure to variability in cash flows attributable to a particular risk either associated with a recognized asset or liability, or a highly probable forecast transaction that could affect profit or loss; or
- Net investment hedges, which are hedges of a net investment in a foreign operation.

All hedge relationships are formally documented, including the risk management objectives and strategy for undertaking the hedge, the identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and how the hedge effectiveness assessment is made, including the analysis or sources of hedge ineffectiveness and description of how the hedge ratio is determined. Differences in critical terms, the effect of credit risk or differences in the time value of money could be sources of ineffectiveness. To a limited extent, ineffectiveness may also arise from the currency basis spread of cross-currency swaps, or from the forward elements of forward contracts, if these are not excluded from the hedge designation.

At inception of a hedge, the hedge relationship is formally assessed to determine whether the hedging instruments are expected to be highly effective in offsetting changes in fair values or cash flows of hedged items attributable to the hedged risk. Subsequently, the hedge effectiveness is assessed on a quarterly basis (or upon a significant change in circumstances) on a forward-looking basis. Any ineffectiveness is recorded in profit or loss.

Hedge accounting is not discontinued on a voluntary basis as long as the risk management objective is still being pursued and other qualifying criteria are fulfilled. If the qualifying criteria for the application of hedge accounting are no longer met for the entire hedging instrument (or a part of it), the hedge relationship is discontinued prospectively, in which case the hedging instrument and the hedged item are then subsequently reported independently in accordance with the respective accounting policy.

The accounting treatment of qualifying hedge relationships is further described in note 6.

g) Goodwill and attorney-in-fact contracts (AIF)

Goodwill

Goodwill is recognized at the amount of the consideration transferred in a business combination in excess of the fair value of the identifiable assets acquired and liabilities assumed. Goodwill is not amortized but tested for impairment annually, or more frequently if there are indications that the amount of goodwill is not recoverable. For the purpose of impairment testing, goodwill is allocated to cash-generating units (CGUs) based on the level at which management monitors operations and makes decisions related to the continuation or disposal of assets and operations. The Group has defined the CGUs according to regions, separating P&C, Life businesses and other (see note 26). The CGUs which carry the majority of goodwill and AIF contracts are presented in table 3.1. If goodwill has been allocated to a CGU and an operation within that unit is disposed of, the carrying amount of the operation includes attributable goodwill when determining the gain or loss on disposal.

AIF contracts

The AIF contracts reflect the ability of the Group to generate future revenues through Farmers Group, Inc. (FGI) based on the FGI's relationship with the Farmers Exchanges. In determining that these contracts have an indefinite useful life, the Group took into consideration the organizational structure of inter-insurance exchanges, under which subscribers exchange contracts with each other and appoint an attorney-in-fact to provide non-claims services, and the historical AIF relationship between FGI and the Farmers Exchanges. The value of the AIF contracts is tested for impairment annually, or more frequently if there are indications that the carrying amount of AIF contracts is not recoverable.

The services provided by FGI under such contracts are non-claims services including risk selection, preparation and mailing of policy documents and invoices, premium collection, management of the investment portfolios and certain other administrative functions. The multiple performance obligations covered by the consideration received are considered to be a series with the same pattern of transfer; therefore, the performance obligations are not separated. The fee income for the services provided includes Farmers management fees, membership fees and revenues for ancillary services. Farmers management fees are determined as a percentage of gross premiums earned by the Farmers Exchanges, subject to an agreed margin cap, and recognized ratably over the period the services are provided. Membership fees are one-time fees charged at the time of the policy issuance that do not cover a distinct performance obligation. Such fees are recognized as revenue over the expected life of the customer relationship. The revenue for ancillary services includes remuneration for services provided that are not covered by Farmers management fees where FGI acts as a principal. Typically, these services are provided over time, so that the revenue is also recognized over time. The incremental costs incurred in connection with the customer setup activity are recognized as an asset and subsequently amortized using the same pattern as the related revenue. Please see notes 10 and 25 for further information.

Critical accounting estimates and judgments

For goodwill impairment testing, the Group estimates the recoverable amount based on the value-in-use of the CGU.

Value-in-use is determined using the present value of estimated future cash flows expected to be generated from the CGU. Cash flow projections are based on business plan projections, which are approved by management, typically covering a four-year period or, if appropriate and adequately justified, a longer period, which may be necessary to more accurately represent the nature of the cash flows used to test goodwill recoverability. Cash flows beyond this period are extrapolated using, among other inputs, estimated perpetual growth rates, which typically do not exceed the expected inflation of the geographical areas in which the cash flows supporting the goodwill are generated. If cash flows are generated in different geographical areas with different expected inflation rates, weighted averages are used. The discount rates applied reflect the respective risk-free interest rate adjusted for the relevant risk factors to the extent they have not already been considered in the underlying cash flows.

The discount rates used in the recoverable amount calculations for developed markets are based on the weighted average cost of capital (WACC). For the cost of capital, the Group considers government bond rates, which are further adjusted for market risk premium, appropriate beta and leverage ratio. In emerging markets, instead of government bond rates, the Group uses a U.S. dollar discount rate, taking into account inflation differential expectations and country risks. All input factors to the discount rates are based on observable market data.

Table 3.1 sets out for the major CGUs the applied discount rates and the perpetual nominal growth rates beyond the projection period that depend on expectations about country-specific growth rates and inflation as of the date of valuation, as well as the value of goodwill and AIF contracts as of December 31, 2025 and 2024:

Discount and perpetual growth rates for goodwill and AIF contracts for major CGUs

Table 3.1

	Business	in USD millions	Discount rates in % 2025	Discount rates in % 2024	Perpetual nominal growth rate in % 2025	Perpetual nominal growth rate in % 2024
Farmers	Farmers	3,914	10.5	10.4	2.2	2.1
North America	P&C	929	10.2	10.0	2.2	2.1
Europe, Middle East & Africa	P&C	506	9.7	9.4	2.0	2.0
Europe, Middle East & Africa	Life	245	8.6	8.6	1.6	1.7
Asia Pacific	P&C	1,147	9.5	9.7	2.3	2.3
Asia Pacific	Life	1,102	9.2	9.2	2.1	2.1
Latin America	P&C	306	22.3	22.6	3.9	4.1
Latin America	Life	67	19.8	18.8	3.6	3.4

The recoverable amount of goodwill remains contingent on future cash flows and other assumptions, particularly discount rates and the perpetual growth rate. If the estimated future cash flows and other assumptions deviate significantly from the Group's current outlook, there is a risk that the goodwill is impaired.

Quantitative sensitivity tests have been performed for all CGUs by applying a reasonably possible change to each of the key assumptions to capture potential future variations in market conditions: a decrease in cash flows of up to 20 percent, an increase in the discount rate of 2.0 percentage points and a decrease in the perpetual growth rate of 2.0 percentage points. Under each individual scenario, reasonably possible changes in key assumptions did not impair goodwill and AIF contracts.

h) Other intangible assets

Other intangible assets typically have finite lives and are carried at cost, less accumulated amortization and impairments. Such assets are generally amortized using the straight-line method over their useful lives and reviewed for impairment at least annually, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Distribution agreements

Distribution agreements may have useful lives extending up to 30 years, estimated based on the period of time over which they are expected to provide economic benefits, but for no longer than the contractual term, after taking into account all economic and legal factors such as stability of the industry, competitive position and the period of control over the assets.

Qualitative analyses have been performed on distribution agreements, typically comprising an analysis of the current financial performance and any change in the conditions in the agreement and environment that would indicate an impairment.

Software

Costs associated with research and maintenance of internally developed software are expensed as incurred. Costs incurred during the development phase are capitalized. Software under development is tested for impairment annually.

Acquired software licenses are capitalized on the basis of the costs incurred to acquire and bring the specific software into use.

The useful lives of software licenses and capitalized internal software development costs generally range from three to five years. In limited circumstances, capitalized software development costs may be amortized over a period of up to 10 years, taking into account the effects of obsolescence, technology, competition and other economic and legal factors. Changes in the expected useful life are recognized prospectively as changes in accounting estimates.

i) Employee benefits

Share-based compensation and cash incentive plans

The Group operates long-term incentive plans that are accounted for as equity-settled share-based compensation plans. The fair value of these incentive plans is measured at the grant date, considering both market and non-vesting conditions. The amount is recognized as an expense in profit or loss over the vesting period, with a corresponding increase recorded in additional paid-in capital. Under the Group's long-term incentive plan (LTIP), the market condition is based on the Group's relative 'Total Shareholder Return' (TSR) compared to a selected international peer group of insurance companies.

Subsequently, the Group may revise its estimates of the number of shares that are expected to be issued based on the expected fulfillment of the service and non-market conditions. For the Group's LTIP, these non-market conditions include:

- Average business operating profit after tax attributable to return on common shareholders' equity ('Core ROE', formerly 'BOPAT ROE');
- Compound annual growth rate of core earnings per share ('CAGR core EPS');
- Cumulative net cash remittances; and
- Targets for operational CO2 equivalent (CO2e) emissions and financed emissions reduction.

These criteria are aligned with the Group's financial and sustainability objectives. Any changes in estimates are recognized in profit or loss with a corresponding adjustment to additional paid-in capital. No adjustments are made after the vesting date.

Please see note 20 for further information regarding share-based compensation and cash incentive plans.

Post-employment benefits

The Group operates various post-employment benefit plans for its employees worldwide, which include defined benefit and defined contribution pension plans, and other post-employment benefits, such as medical care and life insurance.

Contributions to defined contribution plans are recorded as an expense in the period in which the economic benefit from the employees' service was received.

Defined benefit plan obligations and current service costs are determined by qualified actuaries using the projected unit credit method. The net defined benefit liability represents the present value of defined benefit obligation at the end of the reporting period less the fair value of plan assets with changes from remeasurements recorded in OCI. If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the recognition of the resulting net asset is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan (asset ceiling).

The Group's expense related to these plans is accrued over the employees' service periods based on the actuarially determined cost for the period. Net interest is determined by applying the discount rate to the net defined benefit liability or asset. Actuarial gains and losses and the effect of the asset ceiling are recognized in full in OCI in the period in which they occur. Past service costs, which result from plan amendments and curtailments, are recognized in profit or loss on the earlier of when the plan amendment or curtailment occurs (which is the date from which the plan change is irrevocable) and the date on which a constructive obligation arises. Settlement gains or losses are recognized in profit or loss when the settlement occurs.

Other post-employment benefits

Other post-employment benefits, such as medical care and life insurance, are also provided for certain employees and are primarily funded internally. Similar to defined benefit plans, the cost of such benefits is accrued over the service period of the employees based on the actuarially determined cost for the period.

Critical accounting estimates and judgments

In assessing the Group's liability for defined benefit plans and other post-employment plans, critical judgments include estimates of mortality rates, rates of employment turnover, disability, early retirement, discount rates, future salary and pension increases, and increases in long-term healthcare costs. Discount rates for significant plans are based on a yield curve approach. The Group sets the discount rate by creating a hypothetical portfolio of high-quality corporate bonds for which the timing and amount of cash flows approximate the estimated pay-outs of the defined benefit plan. These assumptions may differ from actual results due to changing economic conditions, higher or lower withdrawal rates, or longer or shorter life spans of participants. These differences may result in variability of pension income or expense recorded in future years. Please see note 19 for further information on employee benefits.

j) Leases

The Group is typically acting as a lessee in property, car or equipment leases. Furthermore, the Group is acting as a lessor in leases of investment property.

When acting as a lessee, the Group recognizes a right-of-use asset and a corresponding lease liability at the lease commencement date when the leased asset is available for use by the Group. The lease liability is measured at the present value of the lease payments due over the lease term, discounted using the Group's incremental borrowing rate. Any options to extend or terminate a lease that the Group is reasonably certain to exercise are included in the lease term. The right-of-use asset is initially recognized at an amount equal to the lease liability adjusted for lease prepayments made or lease incentives received, initial direct costs and any estimated costs to dismantle or restore the leased asset.

The right-of-use asset is depreciated over the shorter of the leased asset's useful life or the lease term on a straight-line basis. The right-of-use asset is included in property and equipment and disclosed separately in note 12. The carrying amount of the lease liability is increased to reflect the unwinding of the discount so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period and is reduced by the lease payments made during the period. Lease payments include fixed payments and variable payments that depend on a non-leveraged index or a rate. Lease liabilities are included within other liabilities.

The Group records short-term leases and leases of low-value assets as an expense on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less. Low-value assets include hardware and smaller office equipment. The lease expense is included in other expenses.

When acting as a lessor of investment property in an operating lease, the Group follows the accounting policy in paragraph 3e) for the recognition of rental income.

k) Current and deferred taxes

Current income taxes payables (receivables) are measured at the amount expected to be paid (recovered) in accordance with the rules established by the taxation authorities, using the tax rates and tax laws that are enacted or substantively enacted as of the reporting date.

Deferred tax assets are recognized if sufficient future taxable income, including income from the reversal of existing taxable temporary differences and available tax planning strategies, is available for realization. The utilization of deferred tax assets arising from temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their tax bases depends on the generation of sufficient taxable profits in the period in which the underlying asset or liability is recovered or settled. If applicable tax law acknowledges different types of expenses to be tax deductible, deferred tax assets are only recognized if they give rise to deductions against the same type of taxable income. The utilization of deferred tax assets arising from unused tax losses or tax credits depends on the generation of sufficient taxable profits before the unused tax losses or tax credits expire.

Deferred tax liabilities are recognized for all taxable temporary differences unless they arise:

- From the initial recognition of goodwill; or
- An asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; or
- Are associated with investments in subsidiaries, branches, associates and interest in joint ventures if the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Critical accounting estimates and judgments

As of each balance sheet date, management evaluates the recoverability of deferred tax assets and, if it is considered probable that all or a portion of the deferred tax asset will not be utilized, then a valuation allowance is recognized. Please see note 16 for further information on deferred taxes.

4. Acquisitions and divestments

Transactions in 2025

Acquisitions

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 622 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 existing 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 insurance service result from the acquired operations is mainly included in P&C North America.

Table 4.1 shows the opening balance sheet as of the acquisition date, representing the fair value of tangible and intangible assets.

AIG Travel balance sheet as of the acquisition date

Table 4.1

in USD millions, as of December 2, 2024	Total
Cash and cash equivalents	112
Receivables and other assets	58
Deferred tax assets	2
Goodwill	532
Other intangible assets	142
Assets acquired	**847**
Other liabilities	132
Deferred tax liabilities	1
Liabilities acquired	**132**
Net assets acquired	715
Cash consideration	622
Earn-out liability	93
Total consideration	**715**

Divestments

Spain medical malpractice portfolio

On December 9, 2021, Zurich Insurance plc (now known as Zurich Insurance Europe AG) entered into an agreement to reinsure its legacy medical malpractice portfolio in Spain to RiverStone Insurance UK Limited ('Spain Medical Malpractice portfolio') and to transfer the Spain Medical Malpractice portfolio policies to RiverStone International Ireland DAC. On November 30, 2025, the Group completed the transfer of the Spain Medical Malpractice portfolio with no material impact in profit or loss.

Held for sale

As of December 31, 2025, the total assets and liabilities classified as held for sale were USD 1.3 billion and USD 1.3 billion, respectively, as per transactions below.

France legacy motor and indemnity portfolio

On December 16, 2024, Zurich Insurance Europe AG (ZIE) and Zurich Insurance Company Ltd entered into an agreement to reinsure the legacy motor insurance and architects and engineers professional indemnity portfolios of ZIE French Branch to RiverStone International Bermuda Limited ('France Legacy portfolio') and to transfer the France Legacy portfolio policies from ZIE French Branch to RiverStone International Ireland DAC. The transfer has received regulatory approval and is expected to be completed in the first half of 2026. As of December 31, 2025, assets and liabilities classified as held for sale were USD 132 million and USD 151 million, respectively.

UK Employers' liability portfolio

On December 14, 2018, Zurich Insurance plc (now known as Zurich Insurance Europe AG) entered into an agreement with Catalina Holdings (Bermuda) Ltd and certain of its subsidiaries to transfer a portfolio of pre-2007 United Kingdom legacy employers' liability policies to Catalina Worthing Insurance Limited ('UK Employers' Liability portfolio'), subject to regulatory and court approvals. With effect from January 1, 2023, the UK Employers' Liability portfolio was transferred to Zurich Insurance Company Ltd, UK Branch, under a Part VII transfer together with the rights and obligations of Zurich Insurance plc under the agreement. The transfer to Catalina Worthing Insurance Limited is expected to be completed in the first half of 2026. As of December 31, 2025, assets and liabilities classified as held for sale were USD 1.2 billion and USD 1.2 billion, respectively.

Transactions in 2024

Acquisitions

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 (subsequently renamed Zurich Kotak General Insurance Company (India) Limited) for a consideration of approximately USD 657 million, through a combination of capital injections and share purchases.

Table 4.2 shows the opening balance sheet as of the acquisition date, representing the fair value of tangible and intangible assets.

Table 4.2

Kotak Mahindra General Insurance Company Limited balance sheet as of the acquisition date[1]

in USD millions, as of June 18, 2024	Total
Group investments	283
Reinsurance contract assets	28
Receivables and other assets	13
Deferred tax assets	12
Goodwill[2]	383
Intangible assets	173
Assets acquired	**893**
Liabilities for insurance contracts	231
Other liabilities	13
Deferred tax liabilities	52
Liabilities acquired	**295**
Net assets acquired including non-controlling interests	598
Non-controlling interest	(117)
Capital injection	176
Net assets acquired	657
Cash consideration	**657**

1 Note the presentation of certain acquired assets and liabilities has been amended to align with Group accounting policies.
2 Adjustments in the purchase price allocation subsequent to acquisition resulted in a reduction of goodwill of CHF 8 million, driven by additional deferred taxes and changes in the valuation of insurance liabilities.

Divestments

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.

5. Group investments

Group investments are those for which the Group bears part or all of the investment risk. They include investments related to insurance and investment contracts other than unit-linked insurance and investment contracts where the investment risk is borne by the holders of such contracts. Net investment result on Group investments includes returns on investment-related cash, which is included in cash and cash equivalents in the audited consolidated balance sheets.

Net investment result on Group investments

Table 5.1

in USD millions, for the years ended December 31	Net investment income		Net capital gains/(losses)				Net investment result	
			Change of ECL allowance		Other net capital gains/(losses)			
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
Investment-related cash	35	49	–	–	–	–	35	49
Equity securities at fair value through profit or loss	463	414	–	–	1,510	1,485	1,973	1,899
Debt securities:								
Fair value through profit or loss[1]	294	328	–	–	174	(62)	468	266
Fair value through comprehensive income	4,221	4,098	26	(3)	(277)	(378)	3,970	3,717
Amortized cost	176	173	2	(2)	4	–	182	172
Total debt securities	4,690	4,599	28	(5)	(98)	(440)	4,620	4,155
Investment property[2]	436	471	–	–	384	69	820	540
Mortgage loans at amortized cost	75	92	–	(2)	(1)	(1)	74	90
Other financial assets at amortized cost	227	280	1	–	(7)	61	221	341
Investments in associates and joint ventures	(6)	(3)	–	–	–	–	(6)	(3)
Derivative financial instruments	2	9	–	–	34	68	37	77
Investment result on Group investments, gross	5,922	5,911	28	(6)	1,823	1,242	7,773	7,148
Investment expenses on Group investments	(180)	(181)	–	–	–	–	(180)	(181)
Foreign currency gains/(losses)	–	–	–	–	(41)	(153)	(41)	(153)
Investment result on Group investments, net	**5,742**	**5,730**	**28**	**(6)**	**1,782**	**1,090**	**7,552**	**6,814**

1 Net capital gains/(losses) related to debt securities designated at fair value through profit or loss amounted to USD 72 million and USD (55) million for the years ended December 31, 2025 and 2024, respectively.
2 Rental operating expenses for investment property amounted to USD (152) million and USD (150) million for the years ended December 31, 2025 and 2024, respectively.

Details of Group investments by classification category

Table 5.2

as of December 31	2025		2024	
	USD millions	**% of total**	USD millions	% of total
Equity securities at fair value through profit or loss	17,741	10.5	14,182	9.3
Debt securities:				
Fair value through profit or loss[1]	7,389	4.4	8,146	5.3
Fair value through comprehensive income	117,214	69.4	105,878	69.4
Amortized cost	4,981	2.9	4,392	2.9
Total debt securities	129,583	76.7	118,415	77.6
Investment property	12,703	7.5	11,734	7.7
Mortgage loans at amortized cost	4,262	2.5	4,047	2.7
Other financial assets at amortized cost	4,474	2.6	4,039	2.6
Investments in associates and joint ventures	243	0.1	146	0.1
Total Group investments	**169,006**	**100.0**	**152,562**	**100.0**

1 Includes debt securities designated at fair value through profit or loss of USD 2.8 billion and USD 3.8 billion as of December 31, 2025 and 2024, respectively.

Investments with a carrying value of USD 5.1 billion and USD 5.3 billion were held to meet local regulatory requirements as of December 31, 2025 and 2024, respectively.

Debt securities maturity analysis

Table 5.3

in USD millions, as of December 31	Fair value through profit or loss		Fair value through OCI		Amortized cost		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
Bonds and corporate securities:								
< 1 year	196	395	10,273	9,700	284	415	10,753	10,510
1 to 5 years	1,347	1,362	38,036	34,577	1,606	1,579	40,989	37,518
5 to 10 years	1,635	1,665	28,752	23,271	1,823	1,109	32,209	26,045
> 10 years	3,053	3,208	30,253	29,075	1,267	1,289	34,574	33,572
Subtotal	6,230	6,631	107,314	96,623	4,981	4,392	118,524	107,646
Mortgage and asset-backed securities:								
< 1 year	–	4	27	19	–	–	27	24
1 to 5 years	128	216	836	813	–	–	964	1,028
5 to 10 years	111	161	1,700	1,848	–	–	1,811	2,009
> 10 years	919	1,134	7,338	6,575	–	–	8,257	7,708
Subtotal	1,159	1,515	9,900	9,255	–	–	11,059	10,770
Total	**7,389**	**8,146**	**117,214**	**105,878**	**4,981**	**4,392**	**129,583**	**118,415**

The analysis in table 5.3 is provided by contractual maturity. Actual maturities may differ from contractual maturities because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Investment property

Table 5.4

in USD millions	Total	
	2025	2024
Carrying value as of January 1	11,734	13,684
Additions and capital improvements	336	280
Disposals	(1,001)	(1,019)
Market value revaluation	228	(131)
Transfer from/(to) assets held for sale	23	(320)
Foreign currency translation effects[1]	1,383	(759)
As of December 31	**12,703**	**11,734**

1 In 2025, the increase was mainly driven by foreign exchange-related impacts on real estate in Germany and Switzerland as the U.S. dollar weakened against the Euro and Swiss franc. In 2024, the decrease was mainly driven by foreign exchange-related impacts on real estate in Germany and Switzerland as the U.S. dollar strengthened against the Euro and Swiss franc.

Investment property consists of investments in commercial, residential and mixed-use properties primarily located in Switzerland, Germany and the U.S.

Net changes on financial assets and (re-)insurance contracts included in other comprehensive income[1]

Table 5.5

in USD millions, as of December 31	Total	
	2025	2024
Debt securities:		
Fair value through comprehensive income	(5,346)	(4,531)
ECL allowance on fair value through comprehensive income	67	83
Total debt securities	(5,279)	(4,448)
Other[2]	(3)	(4)
Total net unrealized gains/(losses) on financial assets	(5,282)	(4,452)
Less other amounts recognized in other comprehensive income attributable to:		
Net change in discount rate for (re-)insurance contracts	4,618	4,372
Net change in fair value of underlying items through OCI	2,750	1,158
Total	**2,085**	**1,078**

1 Changes in financial assets and (re-)insurance contracts included in other comprehensive income are presented net of tax and non-controlling interests.
2 Net unrealized gains/(losses) on financial assets include net losses recorded in the cash flow hedge reserve of USD (2) million and USD (4) million as of December 31, 2025 and 2024, respectively.

Repurchase agreements and reverse repurchase agreements

Table 5.6

in USD millions, as of December 31	Total	
	2025	2024
Repurchase agreements		
Securities sold under repurchase agreements[1]	1,535	1,129
Obligations to repurchase securities	1,532	1,123
Reverse repurchase agreements		
Securities purchased under reverse repurchase agreements[2]	3,489	2,663
Receivables under reverse repurchase agreements	3,503	2,662

1 Non-cash collateral pledged on repurchase agreements amounted to USD 1.5 billion and USD 1.1 billion as of December 31, 2025 and 2024, respectively. The Group's counterparties had the right to sell or repledge, in the absence of default, assets pledged as collateral with a fair value of USD 0 million and USD 32 million as of December 31, 2025 and 2024, respectively. The majority of these assets were debt securities.
2 Non-cash collateral held on reverse repurchase agreements amounted to USD 3.5 billion and USD 2.7 billion as of December 31, 2025 and 2024, respectively. The Group had the right to sell or repledge, in the absence of default by its counterparties, securities received as collateral with a fair value of USD 0 million and USD 146 million as of December 31, 2025 and 2024, respectively.

Under the terms of securities lending or repurchase agreements, the Group retains substantially all the risks and rewards of ownership of the transferred securities, and also retains contractual rights to the cash flows from these securities. These securities are therefore not derecognized from the Group's balance sheet. Cash received as collateral is recorded as an asset, and a corresponding liability is established. Interest expense is charged to profit or loss using the effective interest rate method over the life of the agreement. Securities lending was nil in 2025 and 2024.

Under a reverse repurchase agreement, the securities received are not recognized on the balance sheet, as long as the risk and rewards of ownership have not been transferred to the Group. The cash delivered by the Group is derecognized and a corresponding receivable is recorded within receivables and other assets. Interest income is recognized in profit or loss using the effective interest rate method over the life of the agreement.

6. Group derivative financial instruments and hedge accounting

The Group uses derivative financial instruments mainly for economic hedging purposes to mitigate risks. Such risks result from changes in interest rates, equity prices and exchange rates. Derivative financial instruments with a positive fair value are reported in receivables and other assets (please see note 14) and those with a negative fair value are reported in other liabilities (please see note 15).

Table 6.1 shows the fair value and notional amounts for all group derivatives as of December 31, 2025 and 2024, separated by risks. While these notional amounts express the extent of the Group's involvement in derivative transactions, they do not, however, represent the amounts at risk.

Table 6.1

Maturity analysis of notional amounts and fair values of Group derivative financial instruments

in USD millions, as of December 31	2025						2024		
	Maturity by notional amount								
	< 1 year	1 to 5 years	> 5 years	**Notional amounts**	**Positive fair values**	**Negative fair values**	Notional amounts	Positive fair values	Negative fair values
Interest rate contracts[1]	2,842	4,413	1,811	9,066	599	(530)	10,225	553	(643)
Equity contracts	855	1	879	1,735	19	(19)	2,499	68	(8)
Foreign exchange contracts	22,784	400	96	23,280	157	(130)	19,665	264	(190)
Total Group derivative financial instruments	**26,482**	**4,813**	**2,786**	**34,081**	**774**	**(679)**	**32,389**	**885**	**(840)**
Thereof exchange-traded	182	–	–	182	1	(0)	165	3	(1)
Thereof OTC (over the counter)	26,300	4,813	2,786	33,898	773	(678)	32,224	882	(839)

1 Include USD 1.7 billion and USD 1.8 billion notional related to derivatives which are centrally cleared as of December 31, 2025 and 2024, respectively. Please note that derivatives centrally cleared that are not designated under a qualifying hedge accounting relationship are presented net of corresponding variation margin payments under 'Amounts due from investment brokers' (see note 14) and 'Amounts due to investment brokers' (see note 15) as of December 31, 2025 and 2024, respectively.

Interest rate contracts

Interest rate contracts are used to hedge risks from changes in interest rates and to manage asset-liability mismatches. Whenever possible, the Group enters into exchange-traded and centrally cleared contracts, which are standardized and regulated. Furthermore, because of the structure of the exchanges and central clearing houses, exchange-traded and centrally cleared contracts do not carry material counterparty risk. Over-the-counter (OTC) contracts are otherwise entered into and consist of forward contracts, swaps and swaptions.

Equity contracts

Equity contracts are entered into, either on a portfolio or on a macro level, to protect the fair value of equity investments against a decline in equity market prices or to manage the risk return profile of equity exposures. Short positions are always covered and sometimes used to mitigate hedging costs.

Foreign exchange contracts

Swaps and forward contracts are used to hedge the Group's foreign currency exposures and to manage balance sheet mismatches.

Derivative financial instruments applying hedge accounting

Under certain conditions, derivative financial instruments meet the requirements of an effective hedge for accounting purposes. Where this is the case, hedge accounting may be applied. Financial information for these instruments is set out in table 6.2.

Table 6.2

Notional and fair values of Group hedge accounting derivative financial instruments

in USD millions, as of December 31	2025			2024		
	Notional principal amounts	**Positive fair values**	**Negative fair values**	Notional principal amounts	Positive fair values	Negative fair values
Fair value hedge:						
Interest rate contracts[1]	470	13	(10)	415	12	(11)
Total fair value hedges	**470**	**13**	**(10)**	**415**	**12**	**(11)**
Cash flow hedge:						
Interest rate contracts	14	5	(5)	13	5	(5)
Foreign currency contracts	426	30	(66)	371	28	(64)
Total cash flow hedges	**440**	**35**	**(71)**	**384**	**33**	**(68)**
Net investment hedge:						
Foreign currency contracts	616	8	(1)	1,891	–	(23)
Total net investment hedges	**616**	**8**	**(1)**	**1,891**	**–**	**(23)**

1 Fair value hedges include USD 440 million and USD 415 million of notional related to derivatives which are centrally cleared as of December 31, 2025 and 2024, respectively.

Fair value hedges

The Group enters into fair value hedge relationships consisting of interest rate swaps to protect the Group from interest rate exposure arising from certain debt securities.

Changes in the fair value of the derivative financial instruments designated as fair value hedges and changes in the fair value of the hedged item in relation to the risk being hedged are both recognized in income and are not material. The critical terms of the designated derivatives closely match the terms of the hedge items, so that the hedges are highly effective.

Cash flow hedges

The Group uses interest rate swaps and cross-currency swaps for cash flow hedging to protect against the exposure to variability of cash flows attributable to interest rate and currency risk arising predominantly from debt securities. The hedging instrument is measured at fair value, with the effective portion of changes in its fair value recognized in OCI. The effective portion is reclassified to profit or loss in the same period or periods in which the hedged cash flows affect profit or loss.

The net change of (losses)/gains deferred in OCI on derivative financial instruments designated as cash flow hedges was USD (11) million and USD 7 million before tax for the years ended December 31, 2025, and 2024, respectively.

The Group recognized hedging losses for interest rate risk of USD (5) million and USD (12) million in the consolidated income statements within net investment income on Group investments for the years ended December 31, 2025, and 2024, respectively. The Group also recognized net hedging losses for currency risk of USD (7) million and USD (1) million within other net capital gains/(losses) on Group investments for the years ended December 31, 2025, and 2024, respectively, as an offset to the foreign currency revaluation on the underlying hedged items.

Ineffectiveness of cash flow hedges of USD (0.5) million and USD 0.4 million was recognized in net capital gains/(losses) for the years ended December 31, 2025 and 2024, respectively.

Net investment hedges

The Group applies net investment hedge accounting to protect against the effects of changes in exchange rates in its net investments in foreign operations.

The Group has designated certain foreign exchange forwards and swaps and debt issuances as hedging instruments in net investment hedges.

Measurement of hedge effectiveness is based on changes in spot foreign exchange rates. Gains and losses on the designated hedging derivative and non-derivative financial instruments related to the effective portion of the hedge are recognized in OCI as cumulative foreign currency translation together with the translation gains and losses on the hedged net investment. The accumulated gains and losses in OCI are reclassified to income on disposal or partial disposal of the foreign operation.

The notional amount of debt issuances designated as hedging instruments was USD 11 billion and USD 10 billion for the years ended December 31, 2025 and 2024, respectively (for further information, please see note 17).

The net change of gains/(losses) deferred in OCI related to net investment hedges were USD 877 million and USD (567) million before tax for the years ended December 31, 2025 and 2024, respectively.

Ineffectiveness of net investment hedges of USD 0 million and USD 1 million was recognized in foreign currency translation within other net capital gains/(losses) on Group investments for the years ended December 31, 2025 and 2024, respectively.

Offsetting of derivative financial assets and liabilities

Table 6.3 shows the net asset and liability position of Group derivative financial instruments subject to enforceable master netting arrangements and collateral agreements. Master netting arrangements are used by the Group to provide protection against loss in the event of bankruptcy or other circumstances that result in a counterparty being unable to meet its obligations. These arrangements commonly create a right of offset that becomes enforceable and affects the realization or settlement of individual financial assets and financial liabilities only following a specified event of default or other circumstances which would not be expected to arise in the normal course of business.

Group derivative financial instruments subject to enforceable master netting arrangements and collateral agreements

Table 6.3

in USD millions, as of December 31	Derivative assets		Derivative liabilities	
	2025	2024	**2025**	2024
Netting recognized on the balance sheet				
Gross amounts of financial assets and liabilities[1]	774	885	(708)	(870)
Cash collateral (received)/pledged that are set off[2]	–	–	28	29
Net amount recognized as presented in the balance sheet	**774**	**885**	**(680)**	**(841)**
Netting potential not recognized on the balance sheet[3]				
Related amounts not offset	(81)	(132)	73	105
Cash collateral (received)/pledged	(688)	(751)	126	236
Non-cash collateral (received)/pledged	(4)	(3)	480	499
Net amount[4]	**–**	**–**	**–**	**–**

1 Includes USD 3.0 million and USD 1.2 million of derivative assets and USD 29.1 million and USD 29.7 million of derivative liabilities centrally cleared before netting against variation margin as of December 31, 2025 and 2024, respectively.
2 Includes USD 28.1 million and USD 29.3 million of cash collateral for derivative liabilities centrally cleared through central counterparty (CCP) as of December 31, 2025 and 2024, respectively. There was no cash collateral for derivative assets centrally cleared in 2025 and 2024.
3 For the purpose of this disclosure, the amounts of financial instruments and cash and non-cash collateral are limited to the net amount of financial assets presented on the balance sheet; i.e., any over-collateralization is not reflected.
4 Includes USD 2.0 million and USD 0.8 million of total potential exposure to centrally cleared derivatives as of December 31, 2025 and 2024, respectively.

7. Insurance and reinsurance contracts

Insurance and reinsurance contracts presented within this note include (re-)insurance contracts issued, including investment contracts with discretionary participation features and reinsurance contracts held.

Portfolios of (re-)insurance contracts issued are presented separately from portfolios of reinsurance contracts held. Portfolios of (re-)insurance contracts issued are presented within insurance contract liabilities, unless such portfolios are in a net asset position, in which case they are reclassified and presented as insurance contract assets. Similarly, portfolios of reinsurance contracts held are presented within reinsurance contract assets, unless such portfolios are in a net liability position, in which case they are reclassified and presented as reinsurance contract liabilities.

Unless specifically indicated, the disclosures within this note exclude the impacts of hyperinflation and are presented separately for groups of (re-)insurance contracts issued and reinsurance contracts held depending on the measurement model (please see note 3 for further details):

- Simplified or premium allocation approach (PAA) – for short-term (re-)insurance contracts issued and reinsurance contracts held that are eligible for PAA;
- General model (BBA) – for non-participating and indirect participating (re-)insurance contracts issued and reinsurance contracts held; and
- Variable fee approach (VFA) – for direct participating insurance contracts issued.

A summary of key financial figures for (re-)insurance contracts issued and reinsurance contracts held are shown in table 7.1a by asset and liability positions and by measurement model applied:

Table 7.1a

Overview of insurance contracts issued and reinsurance contracts held

in USD millions, as of December 31	2025				2024			
	Measured under PAA	**Measured under BBA**	**Measured under VFA**	**Total**	Measured under PAA	Measured under BBA	Measured under VFA	Total
Insurance contract assets	–	(890)	(19)	(909)	–	(759)	(10)	(768)
Insurance contract liabilities	72,181	29,858	157,004	259,043	65,850	26,410	138,220	230,479
Insurance contract (assets)/liabilities	**72,181**	**28,968**	**156,985**	**258,134**	**65,850**	**25,651**	**138,210**	**229,711**
Reinsurance contract assets	(15,377)	(8,515)	–	(23,893)	(13,798)	(7,652)	–	(21,450)
Reinsurance contract liabilities	–	433	–	433	–	437	–	437
Reinsurance contract (assets)/liabilities	**(15,377)**	**(8,083)**	**–**	**(23,460)**	**(13,798)**	**(7,215)**	**–**	**(21,013)**

Table 7.1b

Overview of CSM

in USD millions, as of December 31	2025			2024		
	Measured under BBA	**Measured under VFA**	**Total**	Measured under BBA	Measured under VFA	Total
CSM included in insurance contract assets	1,540	75	1,615	1,022	24	1,046
CSM included in insurance contract liabilities	6,080	11,224	17,304	6,117	9,738	15,855
CSM included in insurance contract (assets)/liabilities	**7,620**	**11,299**	**18,919**	**7,138**	**9,762**	**16,901**
CSM included in reinsurance contract assets	(2,570)	–	(2,570)	(2,646)	–	(2,646)
CSM included in reinsurance contract liabilities	(1,117)	–	(1,117)	(1,201)	–	(1,201)
CSM included in reinsurance contract (assets)/liabilities	**(3,687)**	**–**	**(3,687)**	**(3,848)**	**–**	**(3,848)**

Table 7.2a

Reconciliation of insurance contracts issued, measured under PAA – current period

in USD millions	Liability for remaining coverage		Liability for incurred claims			
	Excluding loss component	Loss component	Estimate of the present value of future cash flows	Risk adjustment	Assets for insurance acquisition cash flows	Total
Insurance contract liabilities, as of January 1, 2025	9,294	276	55,520	1,332	(572)	65,850
Insurance contract assets, as of January 1, 2025	–	–	–	–	–	–
Net insurance contracts as of January 1, 2025	9,294	276	55,520	1,332	(572)	65,850
Insurance revenue	(52,037)	–	–	–	–	(52,037)
Insurance service expenses						
Incurred claims and other incurred insurance service expenses	–	–	36,113	434	–	36,547
Amortization of insurance acquisition cash flows	8,402	–	–	–	–	8,402
Changes that relate to past service	–	–	(579)	(465)	–	(1,045)
Losses and reversal of losses on onerous contracts	–	(47)	–	–	–	(47)
Impairment and reversal of impairment of assets for insurance acquisition cash flows	–	–	–	–	(13)	(13)
Insurance service expenses	8,402	(47)	35,533	(31)	(13)	43,844
Total gross insurance service result	(43,635)	(47)	35,533	(31)	(13)	(8,193)
Cash in/(out)flows in the period						
Premiums received	53,975	–	–	–	–	53,975
Insurance acquisition cash flows	(8,646)	–	–	–	(562)	(9,208)
Claims and other insurance service expenses paid, including investment components	–	–	(35,588)	–	–	(35,588)
Net cash inflows/(outflows)	45,329	–	(35,588)	–	(562)	9,179
Allocation from assets for insurance acquisition cash flows to insurance contracts	(435)	–	–	–	435	–
Investment components	(800)	–	800	–	–	–
Insurance finance (income)/expense recognized in P&L	136	–	1,631	33	–	1,800
Insurance finance (income)/expense recognized in OCI	–	–	330	10	–	340
Acquisitions/(divestments) and transfers[1]	12	–	(127)	(4)	–	(119)
Foreign currency translation effects	565	23	2,869	64	(74)	3,447
Other changes[2]	(88)	–	(30)	(3)	(2)	(123)
Total changes not related to provision of insurance service	(610)	23	5,474	99	359	5,345
Insurance contract liabilities, as of December 31, 2025	10,379	252	60,939	1,400	(789)	72,181
Insurance contract assets, as of December 31, 2025	–	–	–	–	–	–
Net insurance contracts as of December 31, 2025	**10,379**	**252**	**60,939**	**1,400**	**(789)**	**72,181**

1 In 2025, the movement is mainly related to the transfer of France Legacy portfolio policies from ZIE French Branch to RiverStone International Ireland DAC (see note 4).
2 Other changes are mainly related to balance sheet reclassifications as well as hyperinflation adjustments.

Table 7.2b

Reconciliation of insurance contracts issued, measured under PAA – prior period

in USD millions	Liability for remaining coverage		Liability for incurred claims			
	Excluding loss component	Loss component	Estimate of the present value of future cash flows	Risk adjustment	Assets for insurance acquisition cash flows	Total
Insurance contract liabilities, as of January 1, 2024	9,595	259	55,176	1,310	(645)	65,694
Insurance contract assets, as of January 1, 2024	–	–	–	–	–	–
Net insurance contracts as of January 1, 2024	9,595	259	55,176	1,310	(645)	65,694
Insurance revenue	(49,128)	–	–	–	–	(49,128)
Insurance service expenses						
Incurred claims and other incurred insurance service expenses	–	–	35,487	443	–	35,929
Amortization of insurance acquisition cash flows	7,481	–	–	–	–	7,481
Changes that relate to past service	–	–	(532)	(427)	–	(959)
Losses and reversal of losses on onerous contracts	–	25	–	–	–	25
Impairment and reversal of impairment of assets for insurance acquisition cash flows	–	–	–	–	5	5
Insurance service expenses	7,481	25	34,954	16	5	42,481
Total gross insurance service result	(41,647)	25	34,954	16	5	(6,647)
Cash in/(out)flows in the period						
Premiums received	50,057	–	–	–	–	50,057
Insurance acquisition cash flows	(7,794)	–	–	–	(321)	(8,115)
Claims and other insurance service expenses paid, including investment components	–	–	(35,228)	–	–	(35,228)
Net cash inflows/(outflows)	42,263	–	(35,228)	–	(321)	6,714
Allocation from assets for insurance acquisition cash flows to insurance contracts	(314)	–	–	–	314	–
Investment components	(385)	–	385	–	–	–
Insurance finance (income)/expense recognized in P&L	129	–	1,506	36	–	1,671
Insurance finance (income)/expense recognized in OCI	–	–	157	5	–	162
Acquisitions/(divestments) and transfers[1]	126	7	205	2	(1)	340
Foreign currency translation effects	(430)	(15)	(1,723)	(41)	75	(2,134)
Other changes[2]	(43)	–	89	4	1	51
Total changes not related to provision of insurance service	(916)	(7)	618	6	389	90
Insurance contract liabilities, as of December 31, 2024	9,294	276	55,520	1,332	(572)	65,850
Insurance contract assets, as of December 31, 2024	–	–	–	–	–	–
Net insurance contracts as of December 31, 2024	**9,294**	**276**	**55,520**	**1,332**	**(572)**	**65,850**

1 In 2024, the increase relates to the acquisition of Kotak Mahindra General Insurance Company Limited (see note 4).
2 Other changes are mainly driven by short-term life portfolio reclassification from BBA to PAA measurement model as well as hyperinflation adjustments.

Table 7.3a

Reconciliation of reinsurance contracts held, measured under PAA – current period

in USD millions

	Assets for remaining coverage		Assets for incurred claims		
	Excluding loss-recovery component	Loss-recovery component	Estimate of the present value of the future cash flows	Risk adjustment	Total
Reinsurance contract assets, as of January 1, 2025	2,025	31	11,475	267	13,798
Reinsurance contract liabilities, as of January 1, 2025	–	–	–	–	–
Net reinsurance contracts as of January 1, 2025	2,025	31	11,475	267	13,798
Reinsurance premiums	(8,901)	–	–	–	(8,901)
Amounts recovered from reinsurance					
Recoveries of incurred claims and other insurance service expenses	–	–	5,902	93	5,995
Changes to recoveries of incurred claims that relate to past service	–	–	(21)	(80)	(101)
Changes that relate to onerous underlying contracts	–	(15)	–	–	(15)
Changes that relate to future services	(5)	–	–	–	(5)
Amounts recovered from reinsurance	(5)	(15)	5,881	13	5,874
Total reinsurance service result	(8,905)	(15)	5,881	13	(3,026)
Cash (in)/outflows in the period					
Reinsurance premiums paid	9,440	–	–	–	9,440
Amounts received under reinsurance contracts held, including investment components	–	–	(5,545)	–	(5,545)
Net cash (inflows)/outflows	9,440	–	(5,545)	–	3,895
Effect of changes in the risk of non-performance of reinsurers	–	–	4	–	4
Reinsurance finance income/(expense) recognized in P&L	46	–	335	3	384
Reinsurance finance income/(expense) recognized in OCI	1	–	94	2	96
Acquisitions/(divestments) and transfers[1]	(151)	–	32	–	(119)
Foreign currency translation effects	84	–	270	7	361
Other changes	(11)	–	(5)	–	(16)
Total changes not related to provision of reinsurance services	(32)	–	731	11	711
Reinsurance contract assets, as of December 31, 2025	2,527	17	12,542	291	15,377
Reinsurance contract liabilities, as of December 31, 2025	–	–	–	–	–
Net reinsurance contracts as of December 31, 2025	**2,527**	**17**	**12,542**	**291**	**15,377**

1 In 2025, the movement is mainly related to the transfer of France Legacy portfolio policies from ZIE French Branch to RiverStone International Ireland DAC (see note 4).

Table 7.3b

Reconciliation of reinsurance contracts held, measured under PAA – prior period

in USD millions	Assets for remaining coverage		Assets for incurred claims		
	Excluding loss-recovery component	Loss-recovery component	Estimate of the present value of the future cash flows	Risk adjustment	Total
Reinsurance contract assets, as of January 1, 2024	1,749	12	11,868	275	13,903
Reinsurance contract liabilities, as of January 1, 2024	–	–	–	–	–
Net reinsurance contracts as of January 1, 2024	1,749	12	11,868	275	13,903
Reinsurance premiums	(8,484)	–	–	–	(8,484)
Amounts recovered from reinsurance					
Recoveries of incurred claims and other insurance service expenses	–	–	5,956	95	6,051
Changes to recoveries of incurred claims that relate to past service	–	–	(310)	(109)	(418)
Changes that relate to onerous underlying contracts	–	18	–	–	18
Changes that relate to future services[1]	127	–	–	–	127
Amounts recovered from reinsurance	127	18	5,646	(14)	5,777
Total reinsurance service result	(8,357)	18	5,646	(14)	(2,707)
Cash (in)/outflows in the period					
Reinsurance premiums paid	8,581	–	–	–	8,581
Amounts received under reinsurance contracts held, including investment components	–	–	(6,325)	–	(6,325)
Net cash (inflows)/outflows	8,581	–	(6,325)	–	2,256
Reinsurance investment components	(1)	–	1	–	–
Effect of changes in the risk of non-performance of reinsurers	–	–	11	–	11
Reinsurance finance income/(expense) recognized in P&L	50	–	354	9	413
Reinsurance finance income/(expense) recognized in OCI	1	–	17	1	18
Acquisitions/(divestments) and transfers[2]	36	3	98	1	137
Foreign currency translation effects	(18)	(1)	(179)	(4)	(202)
Other changes	(16)	–	(15)	–	(32)
Total changes not related to provision of reinsurance services	52	2	287	5	346
Reinsurance contract assets, as of December 31, 2024	2,025	31	11,475	267	13,798
Reinsurance contract liabilities, as of December 31, 2024	–	–	–	–	–
Net reinsurance contracts as of December 31, 2024	**2,025**	**31**	**11,475**	**267**	**13,798**

1 Increase in retroactive reinsurance recoveries reflecting adverse gross movements.
2 Increase related to an agreement signed to sell the employers' liability policies of Zurich Insurance Company Ltd, UK Branch (see note 4).

Development of insurance losses, measured under the PAA, net

Table 7.4

in USD millions, as of December 31	2016	2017	2018	2019	2020	2021	2022	2023	2024	**2025**
Undiscounted liabilities for incurred claims, net of reinsurance	52,458	55,623	50,627	48,223	50,094	50,031	50,091	53,259	52,959	57,756
Effects of discounting							(9,110)	(9,951)	(8,915)	(9,359)
Effect of the risk adjustment for non-financial risk							1,163	1,035	1,066	1,110
Total liabilities for incurred claims, net of reinsurance	52,458	55,623	50,627	48,223	50,094	50,031	42,143	44,343	45,110	49,506
Cumulative claims paid, net of reinsurance:										
One year later	*(10,994)*	*(11,586)*	*(10,831)*	*(9,921)*	*(9,756)*	*(10,592)*	*(11,665)*	*(12,843)*	*(13,153)*	
Two years later	*(17,808)*	*(18,277)*	*(16,727)*	*(15,594)*	*(15,858)*	*(16,995)*	*(18,649)*	*(19,624)*		
Three years later	*(22,540)*	*(22,606)*	*(20,805)*	*(20,285)*	*(20,732)*	*(21,980)*	*(23,445)*			
Four years later	*(25,764)*	*(25,662)*	*(24,348)*	*(24,188)*	*(24,600)*	*(25,574)*				
Five years later	*(28,012)*	*(28,222)*	*(27,439)*	*(27,180)*	*(27,285)*					
Six years later	*(29,902)*	*(30,599)*	*(29,847)*	*(29,348)*						
Seven years later	*(31,729)*	*(32,453)*	*(31,563)*							
Eight years later	*(33,262)*	*(33,862)*								
Nine years later	*(34,410)*									
Undiscounted liabilities for incurred claims re-estimated, net of reinsurance:										
One year later	*52,131*	*54,949*	*50,044*	*47,815*	*49,494*	*49,958*	*49,889*	*53,133*	*52,433*	
Two years later	*51,415*	*54,108*	*49,197*	*47,150*	*49,247*	*49,792*	*49,762*	*52,614*		
Three years later	*50,462*	*53,251*	*48,610*	*47,021*	*49,204*	*49,693*	*49,376*			
Four years later	*49,538*	*52,597*	*48,180*	*47,086*	*49,149*	*49,350*				
Five years later	*48,971*	*52,040*	*48,158*	*47,030*	*48,807*					
Six years later	*48,418*	*51,885*	*48,083*	*46,624*						
Seven years later	*48,275*	*51,855*	*47,751*							
Eight years later	*48,333*	*51,664*								
Nine years later	*48,211*									

Table 7.4 summarizes the cumulative paid claims compared with previous estimates of the undiscounted amount of the incurred claims, net of reinsurance. The Group presents the information by financial year, not by accident year (i.e., insurance losses and the development thereof are for all accident years in that financial year).

The top section of the table shows the estimated undiscounted amount of future payments for losses and loss adjustment expenses incurred in that year and in prior years and the corresponding effects of discounting and risk adjustment for non-financial risk, which correspond to the liability for incurred claims (LIC), net of reinsurance.

The cumulative claims paid, net of reinsurance section of the table presents the cumulative amounts paid in each subsequent year in respect of the LIC established at each year end. The undiscounted liabilities for incurred claims re-estimated, net of reinsurance, show the re-estimation of the initially recorded liabilities as of each subsequent year end. The amounts are presented gross of non-distinct investment component. The figures disclosed in this table for information published from 2021 and prior are as published previously and have not been restated for changes resulting from the application of IFRS 17. The effects from the application of IFRS 17 did not have a material effect and were primarily attributable to scope changes (e.g., incurred claims and expenses from short-term life insurance contracts were previously not included).

Changes to incurred claims estimates are made as more information becomes known about the actual insurance losses for which the initial LIC were established. Conditions and trends that have affected the development of insurance losses in the past may or may not necessarily occur in the future, and accordingly, conclusions about future results cannot be derived from the information presented in this table.

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Table 7.5a

Reconciliation of insurance contracts issued, measured under BBA – current period

in USD millions	Liability for remaining coverage				
	Excluding loss component	Loss component	Liability for incurred claims	Assets for insurance acquisition cash flows	Total
Insurance contract liabilities, as of January 1, 2025	20,310	1,421	5,082	(404)	26,410
Insurance contract assets, as of January 1, 2025	(759)	76	286	(361)	(759)
Net insurance contracts, as of January 1, 2025	19,551	1,497	5,368	(764)	25,651
Insurance revenue					
Insurance revenue	(6,701)	–	–	–	(6,701)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	–	–	4,776	–	4,776
Amortization of insurance acquisition cash flows	727	–	–	–	727
Changes that relate to past services	–	–	121	–	121
Losses on onerous contracts and reversal of those losses	–	(78)	–	–	(78)
Impairment and reversal of impairment of assets for insurance acquisition cash flows	–	–	–	8	8
Insurance service expenses	727	(78)	4,897	8	5,554
Total gross insurance service result	(5,974)	(78)	4,897	8	(1,146)
Cash in/(out)flows in the period					
Premiums received	13,314	–	–	–	13,314
Insurance acquisition cash flows	(825)	–	–	(261)	(1,086)
Claims and other insurance service expenses paid, including investment components	(4)	–	(10,308)	–	(10,312)
Net cash inflows/(outflows)	12,485	–	(10,308)	(261)	1,916
Allocation from assets for insurance acquisition cash flows	(205)	–	–	205	–
Investment components	(4,856)	–	4,856	–	–
Insurance finance (income)/expenses recognized in P&L	584	59	104	–	747
Insurance finance (income)/expenses recognized in OCI	(386)	–	(8)	–	(394)
Acquisitions/(divestments) and transfers	3	–	3	–	6
Foreign currency translation effects	1,890	82	280	(59)	2,193
Other changes	2	1	(9)	–	(5)
Total changes not related to provision of insurance services	(2,968)	143	5,227	146	2,547
Insurance contract liabilities, as of December 31, 2025	24,302	1,161	4,835	(440)	29,858
Insurance contract assets, as of December 31, 2025	(1,208)	400	349	(430)	(890)
Net insurance contracts, as of December 31, 2025	**23,094**	**1,561**	**5,183**	**(870)**	**28,968**

Table 7.5b

Reconciliation of insurance contracts issued, measured under BBA – prior period

in USD millions	Liability for remaining coverage				
	Excluding loss component	Loss component	Liability for incurred claims	Assets for insurance acquisition cash flows	Total
Insurance contract liabilities, as of January 1, 2024	21,278	1,491	4,908	(5)	27,672
Insurance contract assets, as of January 1, 2024	(411)	3	634	(797)	(571)
Net insurance contracts, as of January 1, 2024	20,867	1,494	5,542	(802)	27,101
Insurance revenue					
Insurance revenue	(6,477)	–	–	–	(6,477)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	–	–	4,563	–	4,563
Amortization of insurance acquisition cash flows	653	–	–	–	653
Changes that relate to past services	–	–	21	–	21
Losses on onerous contracts and reversal of those losses	–	13	–	–	13
Impairment and reversal of impairment of assets for insurance acquisition cash flows	–	–	–	3	3
Insurance service expenses	653	13	4,584	3	5,254
Total gross insurance service result	(5,824)	13	4,584	3	(1,223)
Cash in/(out)flows in the period					
Premiums received	8,538	–	–	–	8,538
Insurance acquisition cash flows	(937)	–	–	(130)	(1,068)
Claims and other insurance service expenses paid, including investment components	10	–	(6,821)	–	(6,811)
Net cash inflows/(outflows)	7,611	–	(6,821)	(130)	659
Allocation from assets for insurance acquisition cash flows	(89)	–	–	89	–
Investment components	(2,261)	–	2,261	–	–
Insurance finance (income)/expenses recognized in P&L	640	66	39	–	745
Insurance finance (income)/expenses recognized in OCI	(147)	–	(21)	–	(168)
Acquisitions/(divestments) and transfers[1]	(165)	4	–	–	(161)
Foreign currency translation effects	(1,060)	(84)	(190)	76	(1,258)
Other changes	(21)	3	(26)	–	(44)
Total changes not related to provision of insurance services	(3,104)	(10)	2,063	165	(886)
Insurance contract liabilities, as of December 31, 2024	20,310	1,421	5,082	(404)	26,410
Insurance contract assets, as of December 31, 2024	(759)	76	286	(361)	(759)
Net insurance contracts, as of December 31, 2024	**19,551**	**1,497**	**5,368**	**(764)**	**25,651**

1 In 2024, the decrease related to an agreement entered into by Inversiones Suizo-Chilena S.A. to sell the annuity book of Zurich Chile Seguros de Vida S.A. (see note 4).

Table 7.6a

Reconciliation of measurement components of insurance contracts issued, measured under BBA – current period

in USD millions	Present value of future cash flows	Risk adjustment	Contractual service margin	Total
Insurance contract liabilities, as of January 1, 2025	18,697	1,596	6,117	26,410
Insurance contract assets, as of January 1, 2025	(1,990)	210	1,022	(759)
Net insurance contracts, as of January 1, 2025	16,707	1,806	7,138	25,651
Changes that relate to future services				
Changes in estimates that adjust the CSM	71	(53)	(18)	–
Changes in estimates that result in onerous contract losses or reversal of losses	21	(12)	–	8
Contracts initially recognized in the period	(1,385)	241	1,158	13
Changes that relate to current services				
CSM recognized for the services provided	–	–	(1,176)	(1,176)
Risk adjustment recognized for the risk expired	–	(185)	–	(185)
Experience adjustments	71	–	–	71
Changes that relate to past services				
Changes in fulfilment cash flows relating to incurred claims	150	(29)	–	121
Changes related to provision of insurance services	(1,073)	(39)	(35)	(1,146)
Cash in/(out)flows in the period				
Premiums received	13,314	–	–	13,314
Insurance acquisition cash flows	(1,086)	–	–	(1,086)
Claims and other insurance service expenses paid, including investment components	(10,312)	–	–	(10,312)
Net cash inflows/(outflows)	1,916	–	–	1,916
Insurance finance (income)/expenses	204	(13)	162	353
Foreign currency translation effects	1,771	69	353	2,193
Other changes	(1)	–	2	1
Total changes not related to provision of insurance services	1,974	56	517	2,547
Insurance contract liabilities, as of December 31, 2025	22,638	1,141	6,080	29,858
Insurance contract assets, as of December 31, 2025	(3,113)	683	1,540	(890)
Net insurance contracts, as of December 31, 2025	**19,525**	**1,824**	**7,620**	**28,968**

Table 7.6b

Reconciliation of measurement components of insurance contracts issued, measured under BBA – prior period

in USD millions	Present value of future cash flows	Risk adjustment	Contractual service margin	Total
Insurance contract liabilities, as of January 1, 2024	19,014	1,833	6,825	27,672
Insurance contract assets, as of January 1, 2024	(1,339)	178	590	(571)
Net insurance contracts, as of January 1, 2024	17,675	2,011	7,415	27,101
Changes that relate to future services				
Changes in estimates that adjust the CSM	(47)	(69)	117	–
Changes in estimates that result in onerous contract losses or reversal of losses	137	(38)	–	98
Contracts initially recognized in the period	(1,130)	226	914	11
Changes that relate to current services				
CSM recognized for the services provided	–	–	(1,158)	(1,158)
Risk adjustment recognized for the risk expired	–	(175)	–	(175)
Experience adjustments	(21)	–	–	(21)
Changes that relate to past services				
Changes in fulfilment cash flows relating to incurred claims	53	(32)	–	21
Changes related to provision of insurance services	(1,008)	(89)	(127)	(1,223)
Cash in/(out)flows in the period				
Premiums received	8,538	–	–	8,538
Insurance acquisition cash flows	(1,068)	–	–	(1,068)
Claims and other insurance service expenses paid, including investment components	(6,811)	–	–	(6,811)
Net cash inflows/(outflows)	659	–	–	659
Insurance finance (income)/expenses	421	(11)	167	577
Foreign currency translation effects	(842)	(111)	(305)	(1,258)
Other changes[1]	(198)	5	(12)	(205)
Total changes not related to provision of insurance services	(619)	(117)	(150)	(886)
Insurance contract liabilities, as of December 31, 2024	18,697	1,596	6,117	26,410
Insurance contract assets, as of December 31, 2024	(1,990)	210	1,022	(759)
Net insurance contracts, as of December 31, 2024	**16,707**	**1,806**	**7,138**	**25,651**

1 In 2024, the decrease mainly related to an agreement entered into by Inversiones Suizo-Chilena S.A. to sell the annuity book of Zurich Chile Seguros de Vida S.A. (see note 4).

Table 7.7a

Reconciliation of insurance contracts issued, measured under VFA – current period

in USD millions	Liability for remaining coverage			
	Excluding loss component	Loss component	Liability for incurred claims	Total
Insurance contract liabilities, as of January 1, 2025	137,447	94	679	138,220
Insurance contract assets, as of January 1, 2025	(10)	–	–	(10)
Net insurance contracts, as of January 1, 2025	137,437	94	679	138,210
Insurance revenue				
Insurance revenue	(4,194)	–	–	(4,194)
Insurance service expenses				
Incurred claims and other incurred insurance service expenses	–	–	2,446	2,446
Amortization of insurance acquisition cash flows	574	–	–	574
Changes that relate to past services	–	–	(27)	(27)
Losses on onerous contracts and reversal of those losses	–	(17)	–	(17)
Insurance service expenses	574	(17)	2,419	2,976
Total gross insurance service result	(3,620)	(17)	2,419	(1,218)
Cash in/(out)flows in the period				
Premiums received	13,107	–	–	13,107
Insurance acquisition cash flows	(571)	–	–	(571)
Claims and other insurance service expenses paid, including investment components	(41)	–	(15,959)	(16,000)
Net cash inflows/(outflows)	12,495	–	(15,959)	(3,464)
Investment components	(14,053)	–	14,053	–
Insurance finance (income)/expenses recognized in P&L	11,017	9	(6)	11,020
Insurance finance (income)/expenses recognized in OCI	(1,684)	–	(1)	(1,685)
Foreign currency translation effects	14,086	4	23	14,113
Other changes	79	–	(71)	8
Total changes not related to provision of insurance services	9,446	13	13,998	23,457
Insurance contract liabilities, as of December 31, 2025	155,776	90	1,138	157,004
Insurance contract assets, as of December 31, 2025	(19)	–	–	(19)
Net insurance contracts, as of December 31, 2025	**155,757**	**90**	**1,137**	**156,985**

Table 7.7b

Reconciliation of insurance contracts issued, measured under VFA – prior period

in USD millions	Liability for remaining coverage			
	Excluding loss component	Loss component	Liability for incurred claims	Total
Insurance contract liabilities, as of January 1, 2024	122,167	106	1,324	123,596
Insurance contract assets, as of January 1, 2024	(9)	–	–	(9)
Net insurance contracts, as of January 1, 2024	122,157	106	1,324	123,587
Insurance revenue				
Insurance revenue	(3,890)	–	–	(3,890)
Insurance service expenses				
Incurred claims and other incurred insurance service expenses	–	–	2,204	2,204
Amortization of insurance acquisition cash flows	534	–	–	534
Changes that relate to past services	–	–	(1)	(1)
Losses on onerous contracts and reversal of those losses	–	(21)	–	(21)
Insurance service expenses	534	(21)	2,203	2,717
Total gross insurance service result	(3,356)	(21)	2,203	(1,173)
Cash in/(out)flows in the period				
Premiums received	12,314	–	–	12,314
Insurance acquisition cash flows	(522)	–	–	(522)
Claims and other insurance service expenses paid, including investment components	(15)	–	(15,615)	(15,631)
Net cash inflows/(outflows)	11,777	–	(15,615)	(3,838)
Investment components	(12,992)	–	12,992	–
Insurance finance (income)/expenses recognized in P&L	10,207	12	(13)	10,206
Insurance finance (income)/expenses recognized in OCI	156	–	–	156
Acquisitions/(divestments) and transfers[1]	19,898	–	(101)	19,798
Foreign currency translation effects	(10,481)	1	(30)	(10,511)
Other changes	71	(3)	(81)	(14)
Total changes not related to provision of insurance services	6,859	9	12,767	19,635
Insurance contract liabilities, as of December 31, 2024	137,447	94	679	138,220
Insurance contract assets, as of December 31, 2024	(10)	–	–	(10)
Net insurance contracts, as of December 31, 2024	**137,437**	**94**	**679**	**138,210**

1 In 2024, the increase mainly related to the reversal of the amounts previously held for sale regarding the legacy traditional life insurance book of Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft.

Table 7.8a

Reconciliation of measurement components of insurance contracts issued, measured under VFA – current period

in USD millions	Present value of future cash flows	Risk adjustment	Contractual service margin	Total
Insurance contract liabilities, as of January 1, 2025	127,764	718	9,738	138,220
Insurance contract assets, as of January 1, 2025	(35)	1	24	(10)
Net insurance contracts, as of January 1, 2025	127,729	719	9,762	138,210
Changes that relate to future services				
Changes in estimates that adjust the CSM	(925)	(18)	943	–
Changes in estimates that result in onerous contract losses or reversal of losses	(8)	(2)	–	(10)
Contracts initially recognized in the period	(497)	45	455	3
Changes that relate to current services				
CSM recognized for the services provided	–	–	(978)	(978)
Risk adjustment recognized for the risk expired	–	(61)	–	(61)
Experience adjustments	(145)	–	–	(145)
Changes that relate to past services				
Changes in fulfilment cash flows relating to incurred claims	(27)	–	–	(27)
Changes related to provision of insurance services	(1,602)	(37)	420	(1,218)
Cash in/(out)flows in the period				
Premiums received	13,107	–	–	13,107
Insurance acquisition cash flows	(571)	–	–	(571)
Claims and other insurance service expenses paid, including investment components	(16,000)	–	–	(16,000)
Net cash inflows/(outflows)	(3,464)	–	–	(3,464)
Insurance finance (income)/expenses	9,320	16	–	9,335
Foreign currency translation effects	12,921	76	1,117	14,113
Other changes	8	–	–	8
Total changes not related to provision of insurance services	22,249	91	1,117	23,457
Insurance contract liabilities, as of December 31, 2025	145,010	770	11,224	157,004
Insurance contract assets, as of December 31, 2025	(98)	3	75	(19)
Net insurance contracts, as of December 31, 2025	**144,912**	**773**	**11,299**	**156,985**

Reconciliation of measurement components of insurance contracts issued, measured under VFA – prior period

Table 7.8b

in USD millions	Present value of future cash flows	Risk adjustment	Contractual service margin	Total
Insurance contract liabilities, as of January 1, 2024	113,624	689	9,283	123,596
Insurance contract assets, as of January 1, 2024	(49)	1	39	(9)
Net insurance contracts, as of January 1, 2024	113,575	690	9,322	123,587
Changes that relate to future services				
Changes in estimates that adjust the CSM	(1,322)	(18)	1,340	–
Changes in estimates that result in onerous contract losses or reversal of losses	(12)	(2)	–	(14)
Contracts initially recognized in the period	(425)	32	397	4
Changes that relate to current services				
CSM recognized for the services provided	–	–	(860)	(860)
Risk adjustment recognized for the risk expired	–	(54)	–	(54)
Experience adjustments	(249)	–	–	(249)
Changes that relate to past services				
Changes in fulfilment cash flows relating to incurred claims	(1)	–	–	(1)
Changes related to provision of insurance services	(2,009)	(41)	877	(1,173)
Cash in/(out)flows in the period				
Premiums received	12,314	–	–	12,314
Insurance acquisition cash flows	(522)	–	–	(522)
Claims and other insurance service expenses paid, including investment components	(15,631)	–	–	(15,631)
Net cash inflows/(outflows)	(3,838)	–	–	(3,838)
Insurance finance (income)/expenses	10,339	23	–	10,362
Foreign currency translation effects	(9,861)	(40)	(609)	(10,511)
Other changes[1]	19,523	88	173	19,783
Total changes not related to provision of insurance services	20,001	70	(437)	19,635
Insurance contract liabilities, as of December 31, 2024	127,764	718	9,738	138,220
Insurance contract assets, as of December 31, 2024	(35)	1	24	(10)
Net insurance contracts, as of December 31, 2024	**127,729**	**719**	**9,762**	**138,210**

1 In 2024, the increase mainly related to the reversal of the amounts previously held for sale regarding the legacy traditional life insurance book of Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft.

FV of the underlying items for participating contracts

Table 7.9

in USD millions, for the years ended December 31	**2025**	2024
Cash and cash equivalents	(1,627)	(1,239)
Equity securities	(4,921)	(3,815)
Debt securities	(40,262)	(38,031)
Mortgage loans	(3,036)	(2,886)
Other investments	(2,135)	(2,234)
Unit-linked investments	(96,974)	(82,831)
Real estate	(7,104)	(6,603)
Other assets and liabilities	(1,753)	(1,736)
Total	**(157,812)**	**(139,374)**

Table 7.10a

Reconciliation of reinsurance contracts held, measured under BBA – current period

in USD millions	Assets for remaining coverage		Assets for incurred claims	Total
	Excluding loss-recovery component	Loss-recovery component		
Reinsurance contract assets, as of January 1, 2025	5,252	253	2,148	7,652
Reinsurance contract liabilities, as of January 1, 2025	(567)	–	130	(437)
Net reinsurance contracts, as of January 1, 2025	4,684	253	2,278	7,215
Reinsurance premiums	(1,826)	–	–	(1,826)
Amounts recovered from reinsurance				
Recoveries of incurred claims and other insurance service expense	23	–	1,491	1,514
Changes to recoveries of incurred claims that relate to past services	–	–	17	17
Changes that relate to onerous underlying contracts	–	25	–	25
Amounts recovered from reinsurance	23	25	1,509	1,557
Total reinsurance service result	(1,804)	25	1,509	(270)
Cash (in)/outflows in the period				
Reinsurance premiums paid	2,959	–	–	2,959
Amounts received under reinsurance contracts held, including investment components	385	–	(2,497)	(2,111)
Net cash (inflows)/outflows	3,344	–	(2,497)	848
Reinsurance investment components	(558)	–	558	–
Effect of changes in the risk of non-performance of reinsurers	2	–	1	3
Reinsurance finance income/(expenses) recognized in P&L	233	8	9	250
Reinsurance finance income/(expenses) recognized in OCI	(118)	–	(1)	(119)
Foreign currency translation effects	65	7	83	155
Other changes	(2)	–	2	–
Total changes not related to reinsurance services received	(378)	15	652	289
Reinsurance contract assets, as of December 31, 2025	6,551	293	1,671	8,515
Reinsurance contract liabilities, as of December 31, 2025	(704)	–	272	(433)
Net reinsurance contracts, as of December 31, 2025	**5,847**	**293**	**1,943**	**8,083**

Table 7.10b

Reconciliation of reinsurance contracts held, measured under BBA – prior period

in USD millions	Assets for remaining coverage			
	Excluding loss-recovery component	Loss-recovery component	Assets for incurred claims	Total
Reinsurance contract assets, as of January 1, 2024	6,112	174	1,753	8,039
Reinsurance contract liabilities, as of January 1, 2024	(650)	–	146	(504)
Net reinsurance contracts, as of January 1, 2024	5,462	174	1,899	7,535
Reinsurance premiums	(1,744)	–	–	(1,744)
Amounts recovered from reinsurance				
Recoveries of incurred claims and other insurance service expense	16	–	1,316	1,332
Changes to recoveries of incurred claims that relate to past services	–	–	3	3
Changes that relate to onerous underlying contracts	–	85	–	85
Amounts recovered from reinsurance	16	85	1,319	1,420
Total reinsurance service result	(1,728)	85	1,319	(324)
Cash (in)/outflows in the period				
Reinsurance premiums paid	1,931	–	–	1,931
Amounts received under reinsurance contracts held, including investment components	(571)	–	(1,396)	(1,967)
Net cash (inflows)/outflows	1,360	–	(1,396)	(36)
Reinsurance investment components	(568)	–	568	–
Effect of changes in the risk of non-performance of reinsurers	(2)	–	1	(1)
Reinsurance finance income/(expenses) recognized in P&L	186	8	3	197
Reinsurance finance income/(expenses) recognized in OCI	35	–	–	35
Acquisitions/(divestments) and transfers	(2)	–	–	(2)
Foreign currency translation effects	(91)	(14)	(72)	(177)
Other changes	31	–	(44)	(13)
Total changes not related to reinsurance services received	(410)	(6)	456	40
Reinsurance contract assets, as of December 31, 2024	5,252	253	2,148	7,652
Reinsurance contract liabilities, as of December 31, 2024	(567)	–	130	(437)
Net reinsurance contracts, as of December 31, 2024	**4,684**	**253**	**2,278**	**7,215**

Table 7.11a

Reconciliation of measurement components of reinsurance contracts held, measured under BBA – current period

in USD millions	Estimate of the present value of the future cash flows	Risk adjustment	Contractual service margin	Total
Reinsurance contract assets, as of January 1, 2025	4,425	581	2,646	7,652
Reinsurance contract liabilities, as of January 1, 2025	(2,033)	395	1,201	(437)
Net reinsurance contracts, as of January 1, 2025	2,391	976	3,848	7,215
Changes that relate to future services				
Changes in estimates that adjust the CSM	280	(44)	(235)	–
Changes in estimates that relates to loss-recovery and reversal of loss-recovery on onerous underlying contracts	58	(11)	–	46
Contracts initially recognized in the period	(266)	110	158	2
Changes that relate to current services				
CSM recognized in P&L for services received	–	–	(330)	(330)
Changes in the risk adjustment for non-financial risk	–	(79)	–	(79)
Experience adjustments	74	–	–	74
Changes that relate to past services				
Changes that relate to assets for incurred claims	24	(7)	–	17
Changes related to reinsurance services received	169	(31)	(408)	(270)
Cash (in)/outflows in the period				
Reinsurance premiums paid	2,959	–	–	2,959
Amounts received under reinsurance contracts held, including investment components	(2,111)	–	–	(2,111)
Net cash (inflows)/outflows	848	–	–	848
Effect of changes in the risk of non-performance of reinsurers	3	–	–	3
Reinsurance finance income/(expenses)	5	11	115	131
Foreign currency translation effects	(2)	24	133	155
Total changes not related to reinsurance services received	6	36	247	289
Reinsurance contract assets, as of December 31, 2025	5,341	605	2,570	8,515
Reinsurance contract liabilities, as of December 31, 2025	(1,926)	376	1,117	(433)
Net reinsurance contracts, as of December 31, 2025	**3,415**	**981**	**3,687**	**8,083**

Table 7.11b

Reconciliation of measurement components of reinsurance contracts held, measured under BBA – prior period

in USD millions	Estimate of the present value of the future cash flows	Risk adjustment	Contractual service margin	Total
Reinsurance contract assets, as of January 1, 2024	4,803	434	2,802	8,039
Reinsurance contract liabilities, as of January 1, 2024	(2,334)	402	1,428	(504)
Net reinsurance contracts, as of January 1, 2024	2,469	836	4,230	7,535
Changes that relate to future services				
Changes in estimates that adjust the CSM	359	(7)	(352)	–
Changes in estimates that relates to loss-recovery and reversal of loss-recovery on onerous underlying contracts	106	(8)	–	98
Contracts initially recognized in the period	(528)	263	266	2
Changes that relate to current services				
CSM recognized in P&L for services received	–	–	(355)	(355)
Changes in the risk adjustment for non-financial risk	–	(69)	–	(69)
Experience adjustments	(3)	–	–	(3)
Changes that relate to past services				
Changes that relate to assets for incurred claims	12	(8)	–	3
Changes related to reinsurance services received	(53)	170	(441)	(324)
Cash (in)/outflows in the period				
Reinsurance premiums paid	1,931	–	–	1,931
Amounts received under reinsurance contracts held, including investment components	(1,967)	–	–	(1,967)
Net cash (inflows)/outflows	(36)	–	–	(36)
Effect of changes in the risk of non-performance of reinsurers	(1)	–	–	(1)
Reinsurance finance income/(expenses)	102	(3)	133	232
Foreign currency translation effects	(65)	(27)	(84)	(177)
Other changes	(25)	–	10	(15)
Total changes not related to reinsurance services received	11	(30)	59	40
Reinsurance contract assets, as of December 31, 2024	4,425	581	2,646	7,652
Reinsurance contract liabilities, as of December 31, 2024	(2,033)	395	1,201	(437)
Net reinsurance contracts, as of December 31, 2024	**2,391**	**976**	**3,848**	**7,215**

Amounts in tables 7.12a and 7.12b are included within the reconciliations of insurance and reinsurance contracts within this note.

Effect of insurance and reinsurance contracts initially recognized, measured under the BBA and VFA – current period

Table 7.12a

In USD millions, as of December 31, 2025	Insurance contracts issued – profitable contracts	Insurance contracts issued – onerous contracts	Reinsurance contracts held[1]
Estimates of present value of future cash outflows, excluding insurance acquisition cash flows	18,991	404	2,471
Estimates of insurance acquisition cash flows	1,563	63	–
Estimates of present value of future cash inflows	(22,440)	(463)	(2,205)
Risk adjustment for non-financial risk	273	12	(110)
CSM	1,613	–	(158)
Losses/(loss recoveries) recognized at initial recognition	**–**	**16**	**(2)**

1 In 2025, relates to the reinsurance of the run-off life insurance book of Zurich American Life Insurance Company and Zurich American Life Insurance Company of New York.

Effect of insurance and reinsurance contracts initially recognized, measured under the BBA and VFA – prior period

Table 7.12b

In USD millions, as of December 31, 2024	Insurance contracts issued – profitable contracts	Insurance contracts issued – onerous contracts	Reinsurance contracts held[1]
Estimates of present value of future cash outflows, excluding insurance acquisition cash flows	14,460	440	3,215
Estimates of insurance acquisition cash flows	1,481	24	–
Estimates of present value of future cash inflows	(17,507)	(453)	(2,687)
Risk adjustment for non-financial risk	255	4	(263)
CSM	1,311	–	(266)
Losses/(loss recoveries) recognized at initial recognition	**–**	**15**	**(2)**

1 In 2024, relates to the reinsurance of the in-force life insurance book of Zurich Life Insurance Japan Company Ltd.

Table 7.13 shows the expected pattern of recognition of the CSM from existing contracts in profit or loss.

Expected recognition of the CSM in the P&L

Table 7.13

In USD millions, as of December 31	2025			2024		
	Insurance contracts measured under BBA	Insurance contracts measured under VFA	Reinsurance contracts measured under BBA	Insurance contracts measured under BBA	Insurance contracts measured under VFA	Reinsurance contracts measured under BBA
< 1 year	834	676	(211)	769	526	(224)
1 to 2 years	618	655	(211)	566	523	(219)
2 to 3 years	543	614	(199)	503	498	(210)
3 to 4 years	488	576	(189)	453	466	(200)
4 to 5 years	442	540	(181)	410	448	(188)
5 to 10 years	1,709	2,242	(792)	1,601	1,931	(810)
> 10 years	2,986	5,997	(1,904)	2,837	5,370	(1,997)
Total amount of unamortized CSM	**7,620**	**11,299**	**(3,687)**	**7,138**	**9,762**	**(3,848)**

For insurance contracts measured under the BBA, a large proportion of the CSM is expected to be released within the next 10 years, consistent with the coverage period of the respective insurance contracts in force. The expected pattern for the CSM recognition for reinsurance contracts held is consistent with insurance contracts under the BBA. Due to significantly longer coverage period of insurance contracts measured under the VFA, the expected CSM release pattern is much slower, with a significant proportion of CSM to be recognized in profit or loss after 10 years.

On transition to IFRS 17, the Group applied transition modifications as described in note 3, including those affecting the amount of OCI recognized for groups of (re-)insurance contracts under the modified retrospective or fair value approaches. Table 7.14 below provides a reconciliation of the cumulative amounts included in OCI for financial assets measured at fair value through OCI (FVOCI) related to these groups of (re-)insurance contracts as of December 31, 2025 and 2024, respectively.

Reconciliation of the cumulative amounts in OCI for financial assets measured at FVOCI

Table 7.14

in USD millions	2025	2024
Cumulative amount included in OCI for financial assets measured at FVOCI as of January 1	(2,830)	(2,231)
Gains/(losses) recognized in OCI in the period	(1,586)	(439)
Gains/(losses) previously recognized in OCI in previous periods reclassified in the period to P&L	70	150
Foreign currency translation effects	(328)	96
Other changes[1]	99	(407)
Cumulative amount included in OCI for financial assets measured at FVOCI as of December 31	**(4,576)**	**(2,830)**

1 Other changes are mainly related to assets and liabilities held for sale based on agreements signed to sell portfolios of Zurich Insurance Europe AG and Zurich Insurance Company Ltd, UK Branch (see note 4), as well as the reversal of the amounts previously held for sale regarding the legacy traditional life insurance book of Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft.

The following tables provide a summary of the movement in the CSM by transition approach for the years ended December 31, 2025 and 2024, respectively:

CSM by transition approach for groups of insurance contracts issued – current period

Table 7.15a

in USD millions	Modified retrospective	Fair value	All other insurance contracts	Total
Contractual service margin as of January 1, 2025	7,519	1,685	7,696	16,901
Changes that relate to future services				
Changes in estimates that adjust the CSM	813	15	97	925
Contracts initially recognized in the period	–	–	1,613	1,613
Changes that relate to current services				
CSM recognized for services provided in P&L	(748)	(194)	(1,211)	(2,153)
Changes related to provision of insurance services	64	(179)	499	385
Foreign currency translation effects	880	76	513	1,470
Insurance finance (income)/expense	12	21	129	162
Other changes	–	–	2	2
Total other changes	893	97	644	1,633
Contractual service margin as of December 31, 2025	**8,476**	**1,604**	**8,840**	**18,919**

CSM by transition approach for groups of insurance contracts issued – prior period

Table 7.15b

in USD millions	Modified retrospective	Fair value	All other insurance contracts	Total
Contractual service margin as of January 1, 2024	7,561	2,363	6,813	16,737
Changes that relate to future services				
Changes in estimates that adjust the CSM	925	(84)	615	1,456
Contracts initially recognized in the period	–	–	1,311	1,311
Changes that relate to current services				
CSM recognized for services provided in P&L	(681)	(221)	(1,116)	(2,017)
Changes related to provision of insurance services	244	(304)	810	750
Foreign currency translation effects	(466)	(64)	(384)	(914)
Insurance finance (income)/expense	11	27	129	167
Other changes	169	(336)	329	161
Total other changes	(287)	(373)	73	(587)
Contractual service margin as of December 31, 2024	**7,519**	**1,685**	**7,696**	**16,901**

Table 7.16a

CSM by transition approach for groups of reinsurance contracts held – current period

in USD millions	Modified retrospective	Fair value	All other insurance contracts	Total
Contractual service margin as of January 1, 2025	(65)	(65)	3,978	3,848
Changes that relate to future services				
Changes in estimates that adjust the CSM	81	(103)	(213)	(235)
Contracts initially recognized in the period	–	–	158	158
Changes that relate to current services				
CSM recognized in P&L to reflect the transfer of services	(49)	(65)	(216)	(330)
Changes related to provision of reinsurance services received	32	(168)	(271)	(408)
Foreign currency translation effects	10	14	109	133
Reinsurance finance income/(expense)	9	25	81	115
Other changes	29	–	(29)	–
Total other changes	48	38	161	247
Contractual service margin as of December 31, 2025	**15**	**(194)**	**3,867**	**3,687**

Table 7.16b

CSM by transition approach for groups of reinsurance contracts held – prior period

in USD millions	Modified retrospective	Fair value	All other insurance contracts	Total
Contractual service margin as of January 1, 2024	56	199	3,975	4,230
Changes that relate to future services				
Changes in estimates that adjust the CSM	(114)	(125)	(113)	(352)
Contracts initially recognized in the period	–	–	266	266
Changes that relate to current services				
CSM recognized in P&L to reflect the transfer of services	(17)	(110)	(227)	(355)
Changes related to provision of reinsurance services received	(131)	(235)	(75)	(441)
Foreign currency translation effects	(1)	(14)	(69)	(84)
Reinsurance finance income/(expense)	5	32	96	133
Other changes	6	(46)	51	10
Total other changes	9	(28)	78	59
Contractual service margin as of December 31, 2024	**(65)**	**(65)**	**3,978**	**3,848**

Table 7.17 shows the maturity analysis for portfolios of insurance contracts issued and reinsurance contracts held that are liabilities as of December 31, 2025 and 2024, respectively. The insurance contract liabilities measured under PAA represent the present value of future cash flows for the liability for incurred claims. The insurance contract liabilities measured under BBA and VFA represent the present value of future cash flows, which exclude risk adjustment and CSM. Table 7.18 shows the maturity analysis for assets for insurance acquisition cash flows for portfolios of insurance contracts measured under PAA and measured under BBA and VFA as of December 31, 2025 and 2024, respectively.

Table 7.17

Maturity analysis of insurance and reinsurance contract liabilities

in USD millions, as of December 31	2025				2024			
	Insurance contract liabilities			Reinsurance contract liabilities	Insurance contract liabilities			Reinsurance contract liabilities
	Measured under PAA	Measured under BBA	Measured under VFA	Measured under BBA	Measured under PAA	Measured under BBA	Measured under VFA	Measured under BBA
< 1 year	18,304	6,517	7,616	(42)	16,126	3,645	6,146	62
1 to 2 years	9,490	858	5,896	207	8,501	683	4,281	179
2 to 3 years	6,595	604	5,483	189	5,791	566	4,041	170
3 to 4 years	4,635	524	5,248	170	4,483	452	3,872	162
4 to 5 years	3,324	562	4,576	152	2,974	457	3,830	153
> 5 years	18,590	14,012	116,191	1,250	17,644	13,298	105,593	1,307
Total maturity	**60,939**	**23,077**	**145,010**	**1,926**	**55,520**	**19,101**	**127,764**	**2,033**

Table 7.18

Expected derecognition of assets for insurance acquisition cash flows

In USD millions, as of December 31	2025		2024	
	Contracts measured under PAA	**Contracts measured under BBA and VFA**	Contracts measured under PAA	Contracts measured under BBA and VFA
< 1 year	137	61	96	40
1 year	134	48	118	43
2 years	115	46	80	42
3 years	84	45	65	40
4 years	84	43	38	38
5 to 10 years	137	187	66	167
> 10 years	100	441	108	394
Total	**789**	**870**	**572**	**764**

Nature and extent of risks that arise from (re-)insurance contracts

(Re-)insurance contracts issued and reinsurance contracts held give rise to insurance and financial risks that the Group manages using the internal model approved by the Swiss Financial Market Supervisory Authority FINMA for use under the Swiss Solvency Test (SST). Insurance risks arising from short-term contracts are covered by premium and reserve risk, as well as natural catastrophe risk, while business risk and life insurance risk cover insurance risks arising from long-term contracts, including contracts with policyholder participation accounted for as direct participating contracts. Market risks arise from assets backing insurance contracts, asset/liability mismatches and credit risk of investments. From a risk perspective, long-term life contracts include investment contracts that do not transfer significant insurance risk and are accounted for as investment contracts.

The approaches implemented by the Group to manage these risks and risk concentrations are further described in the audited sections of the 2025 risk review, which forms an integral part of the consolidated financial statements. Furthermore, the 2025 risk review provides a comprehensive overview of the exposures per risk type and the Group's strategy to mitigate insurance risk concentrations through reinsurance contracts.

The tables below provide sensitivities to changes in essential risk variables arising from (re-)insurance contracts issued on a net basis, which is how exposures are presented to key management personnel.

Insurance risk sensitivity

Tables 7.19a and 7.19b show the sensitivity of net income before tax and net assets as a result of adverse development in the net loss ratio by one percentage point. The income tax impact is estimated using the Group effective income tax rate. The sensitivities do not indicate the probability of such an event and do not consider any non-linear effects of reinsurance. Based on the assumptions applied in the sensitivity analysis in tables 7.19a and 7.19b, each additional percentage point increase in the loss ratio would have a linear impact on net income before tax and net assets. The Group also monitors insurance risk by evaluating extreme scenarios, taking into account the non-linear effects of reinsurance contracts.

Table 7.19a

Insurance risk sensitivity for the Property & Casualty business – current period

in USD millions, for the year ended December 31, 2025	**Europe, Middle East & Africa**	**North America**	**Asia Pacific**	**Latin America**	**Reinsurance**	**Total[2]**
+1% in loss ratio[1]						
Net income before tax	(207)	(221)	(41)	(32)	(8)	(482)
Net assets	(152)	(162)	(30)	(24)	(6)	(354)

1 The loss ratio represents the level of losses, loss adjustment expenses and reinsurance service costs in relation to insurance revenue.
2 Includes the impact of eliminations upon consolidation.

Table 7.19b

Insurance risk sensitivity for the Property & Casualty business – prior period

in USD millions, for the year ended December 31, 2024	Europe, Middle East & Africa	North America	Asia Pacific	Latin America	Reinsurance	Total[2]
+1% in loss ratio[1]						
Net income before tax	(187)	(210)	(38)	(32)	(8)	(448)
Net assets	(140)	(157)	(28)	(24)	(6)	(335)

1 The loss ratio represents the level of losses, loss adjustment expenses and reinsurance service costs in relation to insurance revenue.
2 Includes the impact of eliminations upon consolidation.

The Group is exposed to risk arising from natural catastrophes, with U.S. hurricane, California earthquake and Europe windstorm being the most material in terms of risk concentration. The impacts of insurance-specific scenarios for these events are a decrease of net income before tax and net assets of USD 1.9 billion, USD 1.0 billion and USD 0.8 billion, respectively. Note that the scenario impacts are comparable to the modelled 250-year net occurrence loss as of September 30, 2025 for the respective peril (equivalent to a 99.6 percent probability of non-exceedance).

Market risk sensitivity

The Group manages the market risk of assets relative to liabilities on an economic total balance sheet basis. This is done to achieve the maximum risk-adjusted excess return on assets relative to the liability benchmark, while also taking into account the Group's risk tolerance and local regulatory constraints. Therefore, economic risk sensitivities are evaluated by the Group based on their effects on available financial resources (AFR) or available capital in SST, taking into account interdependencies between the effects of the shocks on financial assets held by the Group and (re-) insurance contracts issued net of reinsurance contracts held. The sensitivities as a result of predefined interest rate yield curve, stock market, and credit spread shocks are presented in tables 7.20 to 7.22.

Economic interest rate sensitivities on the Group's SST AFR

Table 7.20

in USD millions, as of September 30	2025	2024
50 bps increase in the interest rate yield curves		
Property & Casualty	(195)	(91)
Life	(9)	250
Rest of the business	89	80
50 bps decrease in the interest rate yield curves		
Property & Casualty	202	87
Life	(3)	(356)
Rest of the business	(99)	(87)

Economic equity price sensitivities on the Group's SST AFR

Table 7.21

in USD millions, as of September 30	2025	2024
20% decline in stock markets		
Property & Casualty	(1,644)	(1,356)
Life	(1,594)	(1,464)
Rest of the business	(55)	(71)

Economic credit spread sensitivities on the Group's SST AFR

Table 7.22

in USD millions, as of September 30	2025	2024
100 bps increase in credit spreads		
Property & Casualty	(1,846)	(1,656)
Life	(1,737)	(1,676)
Rest of the business	(174)	(185)

8. Liabilities for investment contracts

Liabilities for investment contracts

Table 8.1

in USD millions, as of December 31	2025	2024
Unit-linked investment contracts	79,007	65,900
Non-unit-linked investment contracts	478	607
Total	**79,485**	**66,507**

Unit-linked (UL) investment contracts issued by the Group are recorded at a value reflecting the returns on investment funds which include selected equities, debt securities and derivative financial instruments. Non-UL investment contracts include other investment contracts that are recorded at fair value through profit or loss, and to a lesser extent, contracts that are recorded at amortized cost and valued based on a discounted cash flow valuation technique.

Development of liabilities for investment contracts

Table 8.2

in USD millions	2025	2024
As of January 1	66,507	60,270
Premiums	7,717	7,923
Claims	(6,407)	(6,131)
Fee income and other expenses	(581)	(483)
Interest and bonuses credited to policyholders	5,909	8,105
Acquisitions/(divestments) and transfers[1]	(972)	–
Foreign currency translation effects	7,312	(3,177)
As of December 31	**79,485**	**66,507**

1 Includes amounts related to portfolio transfers to third parties of USD 976 million.

Tables 8.3a and 8.3b provide an analysis of investment contract liabilities according to maturity, based on contractual cash flows as of December 31, 2025 and 2024. The undiscounted contractual cash flows for investment contract liabilities are USD 80 billion as of December 31, 2025 and 67 billion as of December 31, 2024. Liabilities for unit-linked investment contracts amounted to USD 79 billion and USD 66 billion as of December 31, 2025 and 2024, respectively. Policyholders of unit-linked investment contracts can generally surrender their contracts at any time, leading the underlying assets to be liquidated. Risks arising from liquidation of unit-linked assets are borne by the policyholders. The Group actively manages the Life in-force business to improve persistency and retention.

Expected maturity analysis for liabilities for investment contracts – current period

Table 8.3a

in USD millions, as of December 31, 2025	Liabilities related to unit-linked investment contracts	Liabilities related to non-unit-linked investment contracts	Total
< 1 year	4,382	65	4,446
1 to 5 years	10,718	65	10,783
5 to 10 years	11,189	305	11,494
10 to 20 years	18,063	13	18,075
> 20 years	34,655	31	34,686
Total	**79,007**	**478**	**79,485**

Expected maturity analysis for liabilities for investment contracts – prior period

Table 8.3b

in USD millions, as of December 31, 2024	Liabilities related to unit-linked investment contracts	Liabilities related to non-unit-linked investment contracts	Total
< 1 year	3,568	232	3,801
1 to 5 years	7,696	68	7,763
5 to 10 years	9,927	278	10,205
10 to 20 years	15,928	14	15,943
> 20 years	28,781	15	28,796
Total	**65,900**	**607**	**66,507**

9. Insurance revenue

Analysis of insurance revenue recognized

Table 9.1

in USD millions, for the years ended December 31	2025	2024
Insurance revenue recognized in the period – PAA	52,037	49,128
Change in the liability for remaining coverage, consisting of:		
Amortization of CSM	2,156	2,019
Release of risk adjustment for non-financial risk	273	261
Release of expected insurance service expenses	7,099	6,846
Allocation of insurance acquisition cash flows	1,305	1,191
Premium experience adjustments	72	60
Other	3	1
Insurance revenue recognized in the period – BBA and VFA	10,908	10,379
Total insurance revenue	**62,945**	**59,507**

Insurance revenue by transition approach measured under BBA and VFA

Table 9.2

In USD millions, for the years ended December 31	2025		2024	
	Contracts measured under BBA	**Contracts measured under VFA**	Contracts measured under BBA	Contracts measured under VFA
Contracts measured under the modified retrospective approach	271	2,836	372	2,701
Contracts measured under the fair value approach	1,140	449	1,288	416
All other contracts	5,295	918	4,817	785
Insurance revenue measured under BBA and VFA	**6,706**	**4,203**	**6,477**	**3,902**

10. Fee result

Table 10

Fee result

in USD millions, for the years ended December 31	2025	2024
Fee income		
Farmers management fees and other related revenues[1]	4,528	4,399
Investment contracts related fee income	837	717
Risk engineering and other fee income	1,008	895
Total fee income	6,373	6,011
Fee business expenses		
Fee related expenses	(3,830)	(3,575)
Fee result	**2,543**	**2,436**

1 See table 25.2 for further details.

11. Expenses

Table 11 shows administrative and operating expenses (excluding impacts from financing) by functional area and by type of expense.

Table 11

Expenses

in USD millions, for the years ended December 31	2025	2024
Insurance related expenses		
Administrative and other operating expenses	3,724	3,377
Underwriting and policy acquisition costs	13,729	12,246
Claims handling expenses	3,607	3,500
Investment expenses	146	146
Reinsurance-related expenses	(613)	(453)
Investment expenses	180	181
Fee business expenses	3,830	3,575
Other expenses	2,982	2,779
Total	**27,584**	**25,349**
of which:		
Personnel and other related costs	8,358	7,583
Building, infrastructure and related costs	464	456
Brand and marketing expense	591	470
Commissions (net of IACF)	11,298	10,049
Premium taxes (net of IACF)	675	689
Asset and other non-income taxes	105	79
IT expenses	2,229	2,180
Outsourcing and professional services	2,445	2,444
Other	1,419	1,400
Total	**27,584**	**25,349**

12. Property and equipment

Buildings held for own use and equipment are carried at cost less accumulated depreciation and any accumulated impairment loss. Generally, these assets are depreciated on a straight-line basis to profit or loss over the following estimated useful lives:

- buildings 25 to 50 years;
- furniture and fixtures 5 to 10 years;
- equipment 3 to 6 years;
- other equipment 6 to 10 years (or determined by the term of lease).

Land held for own use is carried at cost less any accumulated impairment loss.

The right-of-use asset is measured at cost less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated over the shorter of the leased asset's useful life or the lease term on a straight-line basis.

Property and equipment overview

Table 12.1

in USD millions, as of December 31	Real Estate		Equipment		Total	
	2025	2024	**2025**	2024	**2025**	2024
Right-of-use	1,174	1,023	81	71	1,255	1,093
Owned	450	385	411	388	861	773
Total	**1,624**	**1,408**	**492**	**459**	**2,116**	**1,867**

Property and equipment – current period

Table 12.2a

in USD millions	Real Estate				Equipment			Total	
	Owned	Right-of-use	Total	Owned incl. operating lease	Right-of-use	Total	Owned incl. operating lease	Right-of-use	Total
Gross carrying value as of January 1, 2025	497	2,345	2,842	1,292	102	1,394	1,790	2,447	4,236
Less: accumulated depreciation/impairments	(112)	(1,322)	(1,434)	(904)	(31)	(935)	(1,016)	(1,353)	(2,370)
Net carrying value as of January 1, 2025	**385**	**1,023**	**1,408**	**388**	**71**	**459**	**773**	**1,093**	**1,867**
Additions and improvements	16	134	150	94	41	135	110	175	285
Lease modifications	–	98	98	–	(10)	(10)	–	88	88
Depreciation and impairments	(11)	(151)	(161)	(98)	(23)	(121)	(109)	(173)	(282)
Acquisitions/(divestments) and transfers	7	(15)	(8)	(1)	–	(1)	6	(15)	(9)
Foreign currency translation effects	53	84	137	28	3	31	80	87	168
Net carrying value as of December 31, 2025	**450**	**1,174**	**1,624**	**411**	**81**	**492**	**861**	**1,255**	**2,116**
Plus: accumulated depreciation/impairments	135	1,449	1,585	844	51	895	979	1,500	2,480
Gross carrying value as of December 31, 2025	585	2,623	3,208	1,255	132	1,387	1,840	2,755	4,596

Property and equipment – prior period

Table 12.2b

in USD millions	Real Estate			Equipment			Total		
	Owned	Right-of-use	Total	Owned incl. operating lease	Right-of-use	Total	Owned incl. operating lease	Right-of-use	Total
Gross carrying value as of January 1, 2024	532	2,476	3,008	1,368	89	1,457	1,900	2,564	4,465
Less: accumulated depreciation/impairments	(109)	(1,291)	(1,400)	(940)	(33)	(972)	(1,049)	(1,324)	(2,373)
Net carrying value as of January 1, 2024	**423**	**1,184**	**1,608**	**428**	**56**	**484**	**851**	**1,241**	**2,092**
Additions and improvements	1	38	39	80	31	112	82	69	151
Lease modifications	–	81	81	–	4	4	–	86	86
Depreciation and impairments	(10)	(178)	(189)	(103)	(18)	(121)	(113)	(196)	(310)
Acquisitions/(divestments) and transfers	–	(54)	(54)	–	(2)	(3)	–	(56)	(57)
Foreign currency translation effects	(29)	(48)	(77)	(17)	(1)	(18)	(46)	(49)	(95)
Net carrying value as of December 31, 2024	**385**	**1,023**	**1,408**	**388**	**71**	**459**	**773**	**1,093**	**1,867**
Plus: accumulated depreciation/impairments	112	1,322	1,434	904	31	935	1,016	1,353	2,370
Gross carrying value as of December 31, 2024	497	2,345	2,842	1,292	102	1,394	1,790	2,447	4,236

Lessee – lease expenses and income

Table 12.3

in USD millions, for the years ended December 31	**2025**	2024
Lease expenses[1]		
Interest expense on lease liabilities[2]	45	42
Other lease expenses[3]	34	35
Lease income	15	8

1 Total cash outflow for leases amounts to USD 299 million and USD 283 million as of December 31, 2025 and 2024, respectively, excluding future cash outflows due to extension and termination options of USD 1.6 billion and USD 1.8 billion as of December 31, 2025 and 2024, respectively.
2 Included within 'Other expenses.'
3 Includes short-term and low-value asset leases.

Lessor – finance lease and operating lease income

Table 12.4

in USD millions, for the years ended December 31	**2025**	2024
Finance lease		
Interest income on finance lease receivables	15	70
Operating lease		
Operating lease income – investment property	596	625

Maturity analysis – operating lease payments to be received

Table 12.5

in USD millions, as of December 31	**Undiscounted cash flows**	
	2025	2024
< 1 year	471	491
1 to 2 years	348	347
2 to 3 years	297	290
3 to 4 years	246	235
4 to 5 years	201	194
> 5 years	792	717
Total	**2,355**	**2,273**

13. Attorney-in-fact contracts, goodwill and other intangible assets

Table 13.1

Intangible assets by business – current period

in USD millions, as of December 31, 2025	Attorney-in-fact contracts	Goodwill	Distribution agreements	Software	Other	Total
Property & Casualty	–	2,889	565	753	222	4,428
Life	–	1,414	1,360	67	156	2,996
Farmers	2,650	1,264	–	293	740	4,946
Group Functions and Operations	–	11	–	64	–	74
Net carrying value	**2,650**	**5,577**	**1,925**	**1,175**	**1,117**	**12,445**

Table 13.2

Intangible assets by business – prior period

in USD millions, as of December 31, 2024	Attorney-in-fact contracts	Goodwill	Distribution agreements	Software	Other	Total
Property & Casualty	–	2,245	486	725	171	3,627
Life	–	1,286	1,236	57	138	2,716
Farmers	2,650	1,264	–	332	786	5,032
Group Functions and Operations	–	10	–	46	–	56
Net carrying value	**2,650**	**4,805**	**1,722**	**1,160**	**1,095**	**11,432**

Table 13.3

Intangible assets – current period

in USD millions	Attorney-in-fact contracts	Goodwill	Distribution agreements	Software[1]	Other	Total
Gross carrying value as of January 1, 2025	2,650	5,055	3,542	5,717	1,476	18,440
Less: accumulated amortization/impairments	–	(250)	(1,819)	(4,557)	(381)	(7,008)
Net carrying value as of January 1, 2025	**2,650**	**4,805**	**1,722**	**1,160**	**1,095**	**11,432**
Additions and acquisitions	–	593	88	378	87	1,146
Amortization[2]	–	–	(73)	(398)	(80)	(550)
Impairments	–	–	–	(26)	–	(26)
Foreign currency translation effects	–	179	188	62	16	444
Net carrying value as of December 31, 2025	**2,650**	**5,577**	**1,925**	**1,175**	**1,117**	**12,445**
Plus: accumulated amortization/impairments	–	233	2,113	4,988	455	7,789
Gross carrying value as of December 31, 2025	2,650	5,809	4,038	6,163	1,572	20,234

1 For the year ended December 31, 2025 Farmers Group, Inc. had USD 1.4 billion of fully amortized software, which is still in use.
2 Amortization of distribution agreements is included within underwriting and policy acquisition costs.

As of December 31, 2025, distribution agreements related to non-controlling interests were USD 865 million.

In 2025, as a result of the acquisition of AIG's global personal travel insurance and assistance business (AIG Travel) in 2024, intangible assets increased by USD 674 million, of which USD 532 million is goodwill, USD 68 million is distribution agreements and USD 75 million is other intangible assets (please see note 4).

Intangible assets – prior period

Table 13.4

in USD millions	Attorney-in-fact contracts	Goodwill	Distribution agreements	Software[1]	Other	Total
Gross carrying value as of January 1, 2024	2,650	4,807	3,836	5,764	1,417	18,474
Less: accumulated amortization/impairments	–	(265)	(2,016)	(4,390)	(274)	(6,945)
Net carrying value as of January 1, 2024	**2,650**	**4,541**	**1,820**	**1,374**	**1,143**	**11,529**
Additions and acquisitions	–	383	132	300	39	854
Divestments and transfers	–	(13)	(15)	(6)	(2)	(36)
Amortization[2]	–	–	(60)	(357)	(69)	(486)
Impairments	–	–	(4)	(107)	(4)	(116)
Foreign currency translation effects	–	(106)	(150)	(44)	(13)	(314)
Net carrying value as of December 31, 2024	**2,650**	**4,805**	**1,722**	**1,160**	**1,095**	**11,432**
Plus: accumulated amortization/impairments	–	250	1,819	4,557	381	7,008
Gross carrying value as of December 31, 2024	2,650	5,055	3,542	5,717	1,476	18,440

1 For the year ended December 31, 2024 Farmers Group, Inc. had USD 1.4 billion of fully amortized software, which is still in use.
2 Amortization of distribution agreements is included within underwriting and policy acquisition costs.

As of December 31, 2024, distribution agreements related to non-controlling interests were USD 794 million.

In 2024, as a result of the acquisition of Kotak Mahindra General Insurance Company Limited, intangible assets increased by USD 556 million, of which USD 383 million is goodwill, USD 132 million is distribution agreements, USD 41 million is other intangible assets and USD 1 million is software (please see note 4). Table 13.4 does not include goodwill and other intangible assets related to the acquisition of AIG Travel.

The Group performs quantitative tests of recoverability of goodwill and intangible assets with indefinite useful lives annually during the third quarter unless there is an indication that goodwill or an intangible asset with an indefinite useful life is impaired. As of December 31, 2025, the Group had not identified any triggers impacting the carrying value of the goodwill and intangible assets with indefinite useful lives.

14. Receivables and other assets

Receivables and other assets

Table 14

in USD millions, as of December 31	2025	2024
Financial assets		
Group derivative assets	774	885
Reverse repurchase agreements	3,503	2,662
Amounts due from investment brokers[1]	346	469
Other receivables	2,281	2,035
Accrued investment income	1,465	1,267
Assets for defined benefit plans[2]	354	382
Other financial assets	506	431
Non-financial assets		
Current income tax receivables	1,129	937
Prepaid expenses	888	831
Other non-financial assets	1,532	1,819
Total receivables and other assets	**12,779**	**11,717**

1 There were no cash variation margin payments related to derivatives which are centrally cleared as of December 31, 2025 and 2024, respectively.
2 Please see note 19.

15. Other liabilities

Other liabilities

Table 15.1

in USD millions, as of December 31	2025	2024
Other financial liabilities		
Group derivative liabilities	679	840
Amounts due to investment brokers[1]	946	999
Bank deposits	1,869	1,533
Liabilities for defined benefit plans[2]	917	1,043
Other liabilities for employee benefit plans	172	150
Lease liabilities	1,660	1,537
Other accrued liabilities	1,419	1,258
Other financial liabilities	6,611	5,665
Other non-financial liabilities		
Current income tax payables	1,386	1,232
Provisions[3]	735	692
Other non-financial liabilities	1,234	1,074
Total other liabilities	**17,627**	**16,022**

1 Include cash variation margin payments related to derivatives which are centrally cleared, USD 1 million and USD 0 million as of December 31, 2025 and 2024, respectively (see note 6).
2 Please see note 19.
3 Include restructuring provisions, litigation and regulatory provisions and other provisions (see table 15.4 for further details).

Table 15.2 shows the maturity schedule of other financial liabilities, excluding liabilities for defined benefit plans and lease liabilities, as of December 31, 2025 and 2024. The allocation to the time bands is based on the expected maturity date for the carrying value and the earliest contractual maturity for the undiscounted cash flows.

Maturity analysis – other financial liabilities

Table 15.2

in USD millions, as of December 31	2025		2024	
	Carrying value	**Undiscounted cash flows**	Carrying value	Undiscounted cash flows
< 1 year	11,426	11,432	10,221	10,232
1 to 2 years	23	23	13	13
2 to 3 years	21	21	27	27
3 to 4 years	18	19	3	3
4 to 5 years	62	106	23	26
> 5 years	146	232	157	284
Total	**11,696**	**11,834**	**10,444**	**10,585**

Maturity analysis – lease liabilities

Table 15.3

in USD millions, as of December 31	2025		2024	
	Carrying value	**Undiscounted cash flows**	Carrying value	Undiscounted cash flows
< 1 year	212	253	194	231
1 to 2 years	194	230	178	208
2 to 3 years	171	202	156	185
3 to 4 years	163	189	134	159
4 to 5 years	138	160	117	140
> 5 years	782	912	758	897
Total	**1,660**	**1,948**	**1,537**	**1,820**

Provisions

Table 15.4

in USD millions	Restructuring provisions		Litigation and regulatory provisions[1]		Other provisions		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
As of January 1	157	194	157	102	378	415	692	711
Provisions made during the period	140	45	22	79	159	159	321	283
Increase of provisions set up in prior years	55	87	16	19	21	23	92	129
Provisions used during the period	(119)	(143)	(94)	(30)	(176)	(145)	(390)	(318)
Provisions reversed during the period	(18)	(21)	(10)	(5)	(16)	(79)	(43)	(105)
Foreign currency translation effects	10	(5)	7	(12)	41	(38)	58	(55)
Net changes due to acquisitions/divestments	–	–	–	2	5	60	5	62
Other changes	–	–	(1)	–	1	(16)	–	(16)
As of December 31	**225**	**157**	**96**	**157**	**414**	**378**	**735**	**692**

1 Please see note 21 for further information on legal, compliance and regulatory developments.

16. Income taxes

Income tax expense – current/deferred split

Table 16.1

in USD millions, for the years ended December 31	2025	2024
Current	2,096	1,983
Deferred	744	278
Total income tax expense/(benefit)	**2,840**	**2,261**

Expected and actual income tax expense

Table 16.2

in USD millions, for the years ended December 31	Rate	2025	Rate	2024
Net income before income taxes		10,040		8,465
less: income tax (expense)/benefit attributable to policyholders		(229)		(179)
Net income before income taxes attributable to shareholders		9,811		8,286
Expected income tax expense attributable to shareholders computed at the Swiss statutory tax rate	20.0%	1,962	20.0%	1,657
Increase/(reduction) in taxes resulting from:				
Tax rate differential in foreign jurisdictions		*283*		*268*
Tax exempt and lower taxed income		*(265)*		*(173)*
Non-recoverable withholding taxes		*284*		*219*
Non-deductible expenses		*281*		*187*
Tax losses not recognized		*3*		*(98)*
Prior year adjustments and other		*63*		*21*
Actual income tax expense attributable to shareholders	**26.6%**	**2,610**	**25.1%**	**2,082**
plus: income tax expense/(benefit) attributable to policyholders		229		179
Actual income tax expense	28.3%	2,840	26.7%	2,261

Table 16.2 sets out the factors that cause the actual income tax expense to differ from the expected expense computed by applying the Swiss statutory tax rate of 20.0 percent, which is the rate applicable in the jurisdiction where the ultimate parent company is resident.

The Group is required to record taxes on policyholder earnings for life insurance policyholders in certain jurisdictions. Accordingly, the income tax expense or benefit attributable to these life insurance policyholder earnings is included in income tax expense. The income tax specifically chargeable to the policyholders under the terms of the insurance contracts is included in insurance contract liabilities and recognized as insurance revenue.

Taxes paid by certain of the Group's life insurance businesses are based on the investment result, and it is normal practice for certain of the Group's businesses to recover from policyholders the taxes attributable to their share of the investment result. While the relevant insurance businesses have the contractual right to charge policyholders for the taxes attributable to their share of the investment result, the obligation to pay the tax authority rests with the company and therefore the full amount of tax, including the portion attributable to policyholders, is accounted for as income tax. Income tax expense, therefore, includes an element attributable to policyholders.

The Group has adopted the amendments to IAS 12 'Income Taxes' for the financial year beginning January 1, 2023, and has applied the exception to recognize and disclose information about deferred tax assets and liabilities related to Pillar II minimum income taxes proposed by the Organization for Economic Co-operation and Development (OECD) Framework on Base Erosion and Profit Shifting (BEPS).

Base Erosion and Profit Shifting Pillar II (BEPS-Pillar II) legislation has been enacted or is in the process of being enacted in many of the jurisdictions in which the Group operates. Switzerland, where Zurich Insurance Group Ltd – the ultimate parent entity of the Group – is incorporated, implemented the qualified domestic minimum top-up tax (QDMTT) effective January 1, 2024 and subsequently enacted the income inclusion rule (IIR), which became effective as of January 1, 2025. As a result, the Group's current income tax expense reflects the impact of top-up taxes under QDMTT in jurisdictions where such rules are in force, as well as the IIR, where applicable.

As of December 31, 2025, the current income tax expense in the Group's consolidated financial statement includes a provision of USD 16 million arising in jurisdictions in which local legislations have enacted the QDMTT. The Group will continue to monitor the BEPS-Pillar II legislative developments for the jurisdictions in which the Group operates.

Table 16.3

Deferred tax assets/(liabilities) analysis by source

in USD millions, as of December 31	2025		2024	
	Deferred tax assets	**Deferred tax liabilities**	Deferred tax assets	Deferred tax liabilities
Depreciable and amortizable assets	721	(1,981)	507	(1,591)
Deferred acquisition and origination costs	415	(79)	387	(73)
Unrealized (gains)/losses on financial assets held at fair value through comprehensive income and cash flow hedges	1,966	(448)	1,870	(765)
Insurance and reinsurance contract assets and liabilities	12,908	(12,586)	11,738	(11,625)
of which: relating to PAA	3,024	(2,337)	2,734	(1,816)
of which: relating to other than PAA	9,884	(10,248)	9,004	(9,809)
Pension liabilities	1,201	(990)	1,257	(990)
Tax loss carryforward	903	–	926	–
Other assets and liabilities[1]	7,823	(11,454)	7,453	(9,485)
Total deferred taxes	**25,937**	**(27,537)**	**24,138**	**(24,529)**
Valuation allowance	(383)	–	(352)	–
Effect of netting	(23,953)	23,953	(22,083)	22,083
Net deferred taxes	**1,601**	**(3,584)**	**1,703**	**(2,446)**

1 Other assets and liabilities include temporary differences related to for fair value adjustments on investments recognized through profit or loss, leases, accruals and prepayments.

The Group's deferred tax assets and liabilities are recorded by its tax-paying entities throughout the world, which may include several legal entities within each tax jurisdiction. Legal entities are grouped as a single taxpayer only when permitted by local legislation and when deemed appropriate.

As of December 31, 2025 and 2024, the aggregate amount of temporary differences associated with investments in subsidiaries, branches and associates and interests in joint ventures, for which deferred tax liabilities have not been recognized amount to approximately USD 15 billion and USD 13 billion, respectively. In the remote likelihood that these temporary differences were to reverse simultaneously, the resulting tax liabilities would be very limited due to participation exemption rules.

Table 16.4

Development of net deferred tax liabilities

in USD millions	**2025**	2024
As of January 1	(738)	(593)
Net change recognized in the income statement	(744)	(278)
Net change recognized in equity	(393)	139
Net changes due to acquisitions/(divestments)	(10)	(32)
Foreign currency translation effects	(98)	22
As of December 31	**(1,983)**	**(743)**
attributable to policyholders	(229)	(79)
attributable to shareholders	(1,754)	(664)

The net deferred tax liabilities related to non-controlling interests amounted to USD 99 million and USD 74 million as of December 31, 2025 and 2024, respectively.

Table 16.5

Development of deferred income taxes included in equity

in USD millions	**2025**	2024
As of January 1[1]	(150)	(22)
Net unrealized gains/(losses) on financial assets	(319)	(325)
Revaluation reserve	(7)	–
Net actuarial gains/(losses) on pension plans	21	95
Change in discount rate for insurance/reinsurance contracts	27	17
Change in fair value of underlying items through OCI	302	104
Cumulative foreign currency translation adjustment[2]	357	–
Foreign currency translation effects	13	(19)
As of December 31[1]	**243**	**(150)**

1 Please note that prior year figures have been updated to exclude USD (378) million erroneously included in the opening and closing amounts. The update to this table does not impact on any balances recorded elsewhere in the financial statements including the consolidated statements of comprehensive income.
2 For 2024, USD 116 million related to the cumulative foreign currency translation adjustment were presented as part of net unrealized gains/(losses) on financial assets.

Tax loss carryforwards and tax credits

Table 16.6

in USD millions, as of December 31	2025	2024
For which deferred tax assets have been recognized, expiring		
< 5 years	119	143
5 to 20 years	68	30
> 20 years or with no time limitation	2,067	2,371
Subtotal	2,254	2,544
For which deferred tax assets have not been recognized, expiring		
< 5 years	259	229
5 to 20 years	123	163
> 20 years or with no time limitation	1,148	1,066
Subtotal	1,530	1,458
Total	**3,784**	**4,002**

The tax rates applicable to tax losses for which a deferred tax asset has not been recognized are 22.2 percent and 21.1 percent as of December 31, 2025 and 2024, respectively.

The recoverability of the deferred tax asset for each taxpayer is based on the taxpayer's ability to utilize the deferred tax asset. This analysis considers the projected taxable income to be generated by the taxpayer, as well as its ability to offset the deferred tax asset against deferred tax liabilities.

Management assesses the recoverability of the deferred tax asset carrying values based on future years' taxable income projections and believes the carrying values of the deferred tax assets as of December 31, 2025 to be recoverable.

17. Senior and subordinated debt

Senior and subordinated debt

Table 17.1

in USD millions, as of December 31		2025	2024
Senior debt			
Zurich Insurance Company Ltd	1.500% CHF 150 million notes, due July 2026[1]	191	171
	0.750% CHF 200 million notes, due October 2027[1]	252	221
	1.000% CHF 200 million notes, due October 2028[1]	252	221
	1.500% EUR 500 million notes, due December 2028[1,2]	586	516
	1.125% CHF 400 million notes, due July 2029[1]	505	442
	0.000% CHF 200 million notes, due August 2031[1]	252	220
	0.100% CHF 250 million notes, due August 2032[1]	316	276
Zurich Holding Comp. of America Inc	2.300% USD 400 million notes, due February 2030[1]	400	400
Zurich Finance (Australia) Limited	4.770% AUD 200 million loan, due July 2027	136	128
	5.324% AUD 200 million notes, due September 2029[1]	133	124
	4.500% AUD 375 million notes, due July 2038[1]	263	244
Zurich Finance (Ireland) DAC	2.250% USD 400 million notes, due December 2031[1,2]	375	371
	1.625% EUR 500 million notes, due June 2039[1,2]	586	516
	Euro Commercial Paper Notes, due in less than 12 months	–	170
Senior debt		4,246	4,020
Subordinated debt			
Zurich Insurance Company Ltd	4.250% USD 300 million notes, due October 2045, first callable October 2025[1,2]	–	300
	5.625% USD 1 billion notes, due June 2046, first callable June 2026[1,2]	1,000	999
	3.500% EUR 750 million notes, due October 2046, first callable October 2026[1,2]	874	762
	5.125% USD 500 million notes, due June 2048, first callable June 2028[1,2]	499	499
	4.875% USD 500 million notes, due October 2048, first callable October 2028[1,2]	499	499
	2.750% EUR 500 million notes, due February 2049, first callable February 2029[1,2]	585	515
	1.500% CHF 300 million notes, due May 2052, first callable February 2032[1]	378	330
Zurich Finance (Ireland) DAC	1.875% EUR 750 million notes, due September 2050, first callable June 2030[1,2]	878	774
	3.000% USD 1.75 billion notes, due April 2051, first callable January 2031[1,2]	1,748	1,747
	3.500% USD 500 million notes, due May 2052, first callable February 2032[1,2]	499	499
	5.125% GBP 1 billion notes, due November 2052, first callable August 2032[1,2]	1,335	1,240
	1.600% EUR 200 million notes, due December 2052, first callable September 2032[1,2]	234	207
Zurich Finance (Ireland) II DAC	5.500% USD 500 million notes, due April 2055, first callable October 2034[1,2]	499	499
	6.250% USD 750 million notes, due November 2055, first callable May 2035[1,2]	748	–
Subordinated debt		9,775	8,871
Total senior and subordinated debt		**14,021**	**12,891**

1 Issued under the Group's Euro Medium Term Note (EMTN) programme.
2 These bonds are part of a qualifying net investment hedge to hedge the foreign currency exposure (please see note 6).

None of the debt instruments listed in table 17.1 were in default as of December 31, 2025 or December 31, 2024.

To facilitate the issuance of debt, the Group has a Euro Medium Term Note Programme (EMTN Programme) in place allowing for the issuance of senior and subordinated notes up to a maximum of USD 18 billion. All issuances under this program are either issued or guaranteed by Zurich Insurance Company Ltd. The Group has also issued debt instruments outside this program.

Debt issued is recognized initially at fair value of the consideration received, net of transaction costs incurred, and is subsequently carried at amortized cost using the effective interest rate method.

Maturity analysis of outstanding debt

Table 17.2

in USD millions, as of December 31	2025		2024	
	Carrying value	**Undiscounted cash flows**	Carrying value	Undiscounted cash flows
< 1 year	2,065	2,509	470	872
1 to 2 years	388	766	1,932	2,315
2 to 3 years	1,837	2,208	349	664
3 to 4 years	1,223	1,532	1,735	2,046
4 to 5 years	1,278	1,550	1,081	1,330
5 to 10 years	6,382	7,118	6,065	6,718
> 10 years	848	907	1,259	1,359
Total	**14,021**	**16,590**	**12,891**	**15,304**

Debt maturities reflect original contractual dates, taking early redemption options into account. For call/redemption dates, see table 17.1. The total notional amount of debt due in each period is not materially different from the total carrying value disclosed in table 17.2. Undiscounted cash flows include interest and principal cash flows on debt outstanding as of December 31, 2025 and 2024. Floating interest rates are assumed to remain constant as of December 31, 2025 and 2024. The aggregated cash flows are translated into U.S. dollars at end-of-period rates.

Development of debt arising from financing activities

Table 17.3

in USD millions	Total	
	2025	2024
As of January 1	12,891	13,749
Issuance of debt recognized in cash flows	744	728
Repayment of debt recognized in cash flows	(463)	(1,117)
Other changes	11	7
Foreign currency translation effects	837	(476)
As of December 31	**14,021**	**12,891**

18. Shareholders' equity, dividends and earnings per share

Share capital

Table 18.1

	Share capital in CHF	Number of shares	Par value in CHF
Issued share capital			
As of December 31, 2023	14,635,575	146,355,754	0.10
New shares issued from contingent capital in 2024	–	–	
As of December 31, 2024	14,635,575	146,355,754	0.10
New shares issued from contingent capital in 2025	–	–	
As of December 31, 2025	**14,635,575**	**146,355,754**	**0.10**
Capital band, contingent and issued share capital			
As of December 31, 2024	21,908,979	219,089,794	0.10
As of December 31, 2025	21,908,979	219,089,794	0.10

The following information related to the capital band and the contingent share capital is specified in articles 5bis and 5ter of the Articles of Association of Zurich Insurance Group Ltd (ZIG).

a) Capital band

On April 6, 2023, the Annual General Meeting (AGM) of ZIG approved a capital band as replacement of the authorized share capital (Art. 5bis of the Articles of Association).

Until and including April 6, 2028, the Board of Directors (Board) of ZIG is authorized to conduct one or more increases and/or reductions of the share capital within the upper limit of CHF 18,917,751.50, corresponding to 189,177,515 registered shares with a nominal value of CHF 0.10 each, and the lower limit of CHF 13,541,415.00, corresponding to 135,414,150 registered shares with a nominal value of CHF 0.10 each. In the case of a capital increase, the Board would determine the number of shares, the date of issue of any such new shares, the issue price, type of contributions (including cash contributions, contributions in kind, set-off and conversion of freely usable reserves, including retained earnings, into share capital), the conditions of exercising subscription rights and the beginning of the dividend entitlement.

The Board may issue such new shares by means of a firm underwriting by a financial institution, a syndicate of financial institutions or another third-party and with a subsequent offer of those shares to the current shareholders. The Board is authorized to restrict or to prohibit trading in the subscription rights to the new shares and may allow the expiration of subscription rights which have not been exercised, or it may place these rights as well as shares, the subscription rights of which have not been exercised, at market conditions, or use them otherwise in the interest of ZIG.

The Board is further authorized to restrict or exclude the subscription rights and to allocate them to individual shareholders, third parties, ZIG or one of its group companies for one or more increases, up to a maximum of 14,600,000 shares, if the shares are to be used:

- for the takeover of an enterprise, or parts of an enterprise or of participations or for investments by ZIG or one of its group companies, or for the financing including refinancing of such transactions;
- for the purpose of expanding the scope of shareholders in connection with the listing of shares on foreign stock exchanges or issuance of shares on the national or international capital markets (including private placements to one or more selected investors);
- for the conversion of loans, bonds, similar debt instruments, equity-linked instruments or other financial market instruments (collectively, the 'Financial Instruments') issued by ZIG or one of its group companies; or
- for the improvement of the regulatory and/or rating capital position of ZIG or one of its group companies in a fast and expeditious manner.

In case of a capital reduction, the Board shall, to the extent necessary, determine the number of shares to be canceled and the use of the reduction amount. The acquisition and holding of shares repurchased for purposes of cancellation under the capital band are not subject to the 10 percent threshold for treasury shares within the meaning of art. 659 para. 2 of the Swiss Code of Obligations.

The Board is further authorized to carry out a capital increase by increase of the nominal value or a capital reduction by reduction of the nominal value within the capital band or to carry out a simultaneous reduction and re-increase. In the case of an increase or reduction of the nominal value, the Board shall determine the new nominal value of the shares and shall adapt all provisions of the Articles of Association relating to the nominal value of a share as well as the number of shares with a new nominal value corresponding to the fixed upper and lower limit of the capital band pursuant to art. 5bis para. 1 of the Articles of Association, accordingly.

Up to April 6, 2028, the total of new shares issued from (i) the capital band where the subscription rights were restricted or excluded, and (ii) the contingent share capital in connection with Financial Instruments where the advance subscription rights were restricted or excluded, may not exceed 14,600,000 new shares.

b) Contingent share capital

Financial Instruments

Since the replacement of the authorized share capital with the capital band (see a) above) on April 6, 2023, the validity of the combined dilution limitations for the capital band and the contingent share capital pursuant to art. 5ter para. 1 of the Articles of Association is April 6, 2028, and the total of new shares issued from the capital band where the subscription rights were restricted or excluded, and the contingent share capital pursuant to art. 5ter para. 1 of the Articles of Association where the advance subscription rights were restricted or excluded, may not exceed 14,600,000 new shares.

The share capital of ZIG may be increased by an amount not exceeding CHF 2,992,160 by issuing up to 29,921,600 fully paid-in registered shares with a nominal value of CHF 0.10 each by the voluntary or mandatory exercise of conversion and/or option rights which are granted in connection with the issuance of Financial Instruments by ZIG or one of its group companies or by mandatory conversion of Financial Instruments issued by ZIG or one of its group companies, that allow for contingent mandatory conversion into shares of ZIG, or by exercising option rights which are granted to the shareholders. The subscription rights are excluded. The then-current owners of the Financial Instruments shall be entitled to subscribe for the new shares. The conversion and/or option conditions are to be determined by the Board.

The Board is authorized, when issuing Financial Instruments, to restrict or exclude the advance subscription rights in cases where they are issued:

- for the financing including refinancing of a take-over of an enterprise, of parts of an enterprise, or of participations or of investments by ZIG or one of its group companies;
- on national or international capital markets (including private placements to one or more selected investors); or
- for the improvement of the regulatory and/or rating capital position of ZIG or one of its group companies in a fast and expeditious manner.

If the advance subscription rights are restricted or excluded by a resolution of the Board, the following applies: the Financial Instruments are to be issued at prevailing market conditions (including standard dilution protection clauses in accordance with market practice) and the setting of the conversion or issue price of the new shares must take due account of the stock market price of the shares and/or comparable instruments priced by the market at the time of issue or time of conversion.

The conversion rights may be exercisable during a maximum of ten years and option rights during a maximum of seven years from the time of the respective issue; contingent conversion features may remain in place indefinitely.

Up to April 6, 2028, the total of new shares issued from (i) the capital band where the subscription rights were restricted or excluded, and (ii) the contingent share capital in connection with Financial Instruments where the advance subscription rights were restricted or excluded, may not exceed 14,600,000 new shares.

Employee participation

During 2025 and 2024, no shares were issued to Group employees out of the contingent share capital. As of December 31, 2025, and as of December 31, 2024, the remaining contingent share capital available for issuance to Group employees amounted to CHF 409,509.20 and 4,095,092 fully paid-in registered shares with a nominal value of CHF 0.10 each, respectively. Subscription rights, as well as advance subscription rights of the shareholders, are excluded. The issuance of new shares or respective option rights to employees is subject to one or more regulations to be issued by the Board and takes into account performance, functions, levels of responsibility and criteria of profitability. New shares or option rights may be issued to employees at a price lower than that quoted on the stock exchange.

c) Additional paid-in capital

This reserve is not ordinarily available for distribution. However, as of January 1, 2011, a Swiss tax regulation based on the Swiss Corporate Tax Reform II became effective, allowing for payments free of Swiss withholding tax to shareholders out of the capital contribution reserve, created out of additional paid-in capital. Therefore, amounts qualifying under this regulation can be paid out of additional paid-in capital. As of December 31, 2025, there were no amounts qualifying under the capital contribution reserve.

d) Treasury shares

Table 18.2

Treasury shares

number of shares, as of December 31	2025	2024	2023
Treasury shares	1,855,865	1,848,834	2,365,577
Treasury shares (repurchased under public share buyback programs, see f)	2,221,529	2,221,529	–
Total treasury shares	**4,077,394**	**4,070,363**	**2,365,577**

Treasury shares comprise shares acquired in the market as well as shares repurchased via the public share buyback programs for cancellation purposes (see f) below).

e) Dividends

The dividend of CHF 28 per share was paid out of the available earnings on April 15, 2025, as approved at the AGM on April 9, 2025. The difference between the respective amounts of the dividend at transaction day exchange rates amounting to USD 4.7 billion and at historical exchange rates are reflected in the cumulative foreign currency translation adjustment.

The dividend of CHF 26 per share was paid out of the available earnings on April 16, 2024, as approved at the AGM on April 10, 2024. The difference between the respective amounts of the dividend at transaction day exchange rates amounting to USD 4.2 billion and at historical exchange rates are reflected in the cumulative foreign currency translation adjustment.

f) Share buyback program

On October 30, 2024, ZIG completed the public share buyback program of up to CHF 1.1 billion, which was launched on June 17, 2024. Until completion of the program, ZIG repurchased on a second trading line on the SIX Swiss Exchange for cancellation purposes a total of 2,221,529 ZIG shares, having a total purchase value of CHF 1.1 billion.

g) Earnings per share

Table 18.3

Earnings per share

for the years ended December 31	Net income attributable to common shareholders (in USD millions)	Weighted average number of shares	Per share (USD)	Per share (CHF)[1]
2025				
Basic earnings per share	**6,798**	**142,583,501**	**47.68**	**39.52**
Effect of potentially dilutive shares related to share-based compensation plans		1,434,085	(0.47)	(0.39)
Diluted earnings per share	**6,798**	**144,017,586**	**47.20**	**39.12**
2024				
Basic earnings per share	**5,814**	**143,622,281**	**40.48**	**35.62**
Effect of potentially dilutive shares related to share-based compensation plans		1,178,846	(0.33)	(0.29)
Diluted earnings per share	**5,814**	**144,801,127**	**40.15**	**35.33**

1 The translation from U.S. dollars to Swiss francs is shown for information purposes only and has been calculated at the Group's average exchange rates for the years ended December 31, 2025 and 2024.

Basic earnings per share is computed by dividing net income attributable to shareholders by the weighted average number of shares outstanding for the year, excluding the weighted average number of shares held as treasury shares. Diluted earnings per share reflect the effect of potentially dilutive shares.

19. Employee benefits

The Group operates a number of retirement benefit arrangements for employees. Historically, the majority of employees belonged to defined benefit pension plans and some will still have past service benefits accrued in those plans.

However, the majority of employees now accrue benefits under defined contribution plans, which provide benefits equal to the amounts contributed by both the employer and the employee plus investment returns.

Certain of the Group's operating companies also provide post-employment benefit plans covering medical care and life insurance, mainly in the U.S. Eligibility for these plans is generally based on completion of a specified period of eligible service and reaching a specified age. The plans typically pay a stated percentage of medical expenses subject to deductibles and other factors. The cost of post-employment benefits is accrued during the employees' service periods.

The Group Pensions Committee is responsible for developing, reviewing and advising on the Group governance framework in matters related to pension and post-employment benefit arrangements. It provides oversight and guidance in the areas of market, demographic and reputational risk. It reports to and makes recommendations to the Group Balance Sheet Committee on material pension-related matters and reports regularly to the Remuneration Committee. The Group Pensions Committee provides a point of focus and coordination on the topic of pensions and post-retirement benefits at Group level for the supervision and exercise of company powers and obligations in relation to pension and post-retirement benefit plans.

Funding and asset allocation is subject to local legal and regulatory requirements.

a) Defined contribution pension plans

Certain companies of the Group sponsor defined contribution pension plans. Eligibility for participation in such plans is either immediate on commencement of employment or based on completion of a specified period of continuous service. The plans provide for voluntary contributions by employees and contributions by the employer which typically range from 2 percent to 13 percent of annual pensionable salary, depending on a number of factors. The Group's contributions under these plans amounted to USD 322 million and USD 300 million for the years ended December 31, 2025 and 2024, respectively.

b) Defined benefit pension plans

The largest defined benefit obligations are in the pension plans in Switzerland, the UK, the U.S. and Germany, which together comprise over 90 percent of the Group's total defined benefit obligation. The remaining plans in other countries are not individually significant; therefore, no separate disclosure is provided.

Certain Group companies sponsor defined benefit pension plans, some of which provide benefits on retirement, death or disability, the amounts of which depend on the employees' service periods and pensionable earnings. Others provide cash balance plans where the participants receive the benefit of the accumulated employer and employee contributions (where paid) together with additional cash credits in line with the rules of the plan.

Most of the Group's defined benefit pension plans are funded through contributions by the Group and, in some cases also by employees, to investment vehicles managed by trusts or foundations independent of the Group's finances, or by management committees with fiduciary responsibilities. Where a trust or foundation exists, it is required by law or by articles of association to act in the interests of the fund and of all relevant beneficiaries to the plan, which can also include the sponsoring company, and is responsible for the investment policy with regard to the assets of the fund. The trust/foundation board or committee is usually composed of representatives from both employers and plan members. Independent actuarial valuations for the plans are performed as required. It is the Group's general principle that plans are appropriately funded in accordance with local pension regulations in each country.

The pension plans typically expose the company to risks such as interest rate, price inflation, longevity, and future salary increases. To the extent that pension plans are funded, the assets held mitigate some of the liability risk but introduce some investment risk.

The overall investment policy and strategy for the Group's defined benefit pension plans is to achieve an investment return which, together with contributions, targets having sufficient assets to pay pension benefits as they fall due while also mitigating the various risks in the plans. The actual asset allocation is determined by reference to current and expected economic and market conditions and in consideration of specific asset class risk in the risk profile. The Group has a governance framework to ensure the trust/foundation board or committee considers how the asset investment strategy correlates with the maturity profile of the plan liabilities and the potential impact on the funding status of the plans, including short-term liquidity requirements. The investment strategies for each pension plan are independently determined by the governance body in each country, with oversight by the Group Pensions Committee. The pension assets are invested in diversified portfolios across geographical regions and asset classes to ensure diversified returns, also taking into account local pension laws. The investment strategies aim to mitigate asset-liability mismatches in the long run. The Group's responsible investment strategies, including the integration of environmental, social and governance (ESG) factors, continue to evolve, leveraging Zurich's expertise and leadership while being cognizant of their fiduciary responsibility.

For post-employment defined benefit plans, total contributions to funded plans and benefits paid directly by the Group were USD 284 million for 2025 compared with USD 281 million for 2024. The estimated total for 2026 is USD 351 million (actual amount may differ).

Swiss pension plan

The main plan provides benefits that exceed the minimum benefit requirements under Swiss pension law. It provides a lifetime pension to members based on their accrued retirement savings in the basic account and the additional basic account multiplied by the applicable conversion rate at the normal retirement age of 65 (age 62 for Executive Staff). Participants can draw retirement benefits early from age 60 (age 58 for Executive Staff). Starting January 1, 2025 this conversion rate is gradually reduced over a two year-period from 5.00 percent to 4.70 percent at age 65. Alternatively, the benefit can be taken as a lump sum payment at retirement or as a mixture of lifetime pension and lump sum payment. The former capital account and additional capital account were closed by the end of 2024. From January 1, 2025, a new bonus account was opened in the event of an insured bonus payment. At retirement, the plan therefore pays a one-off cash sum settlement equal to the accrued retirement savings in the bonus account. As an alternative and on request of the member, the plan pays a pension based on the accrued retirement savings of the bonus account multiplied by the applicable conversion rate of 3.501 percent at age 65. If retirement is before or after age 65, the conversion rates are adjusted accordingly. Contributions to the plan are paid by the employees and the employer, both for retirement savings and to finance risk benefits paid out in the event of death and disability. The accumulated balance on the pension account is based on the employee and employer savings contributions, interest accrued, vested benefits transferred to the pension plan, voluntary contributions paid by the employee, and, in cases which are affected by the plan changes, top-up payments by the employer. The top-up payments in relation to recent plan changes are made in five annual installments starting from January 1, 2025. The interest rate credited is defined annually by the plan's Board of Trustees, which is responsible for the governance of the plan. The trustees regularly review the Pension Plan's funding status as well as the technical interest rate and the conversion rates.

Although the Swiss plan operates like a defined contribution plan under local regulations, it is accounted for as a defined benefit pension plan because of the need to accrue a minimum level of interest on the mandatory part of the pension accounts and the payment of a lifetime pension at a fixed conversion rate under the plan rules.

Actuarial valuations are completed annually and if the plan becomes underfunded under local regulations, options for managing this include additional contributions from the Group and employees into the plan and/or reducing future benefits. At present, the plan is sufficiently funded, meaning that no additional contributions into the plan are expected to be required in the next year. The investment strategy of the Swiss plan is constrained by Swiss pension law, including regulations related to diversification of plan assets. Under IFRS Accounting Standards, volatility arises in the Swiss pension plan net assets as the fair value of the plan assets is not directly correlated to movements in the value of the plan's defined benefit obligation in the short-term.

If the fair value of plan assets exceeds the plan's defined benefit obligation, a surplus is only recognized on the balance sheet to the extent that it does not exceed the estimated future economic benefit. The value of the future economic benefit is estimated as the sum of two items: the difference between the present value of the estimated future net service cost and the present value of estimated employer minimum funding requirements, and employer contribution reserves in accordance with local Swiss regulations.

UK pension plan

The major UK pension plan is a hybrid arrangement and defined benefits entitlements accrued to December 31, 2015 increase in line with salary increases. Normal retirement age for the defined benefit sections is 60. The plan is split into distinct sections and the two defined benefit sections are closed to new entrants and, with effect from January 1, 2016, to future benefit accrual. All employees now participate in a defined contribution section within the same trust. The notes that follow consider only the defined benefit sections.

The UK Pension Trustee Board is responsible for the governance of the plan. The employer contributions are determined based on regular triennial actuarial valuations which are conducted using assumptions agreed by the Trustee Board and the sponsoring company. A local statutory valuation was carried out at an effective date of June 30, 2022 and was finalized in September 2023. This valuation disclosed a funding surplus of USD 172 million (GBP 135 million) after taking into account the value of the asset-backed funding arrangement established in 2014. The asset-backed funding arrangement does not qualify as a plan asset under IFRS Accounting Standards and is therefore not included in the tables set out in the rest of this note.

The ongoing funding of the plan is closely monitored by the Trustee Board and a dedicated funding committee is made up of representatives from the Trustee Board and the Group. The plan rules and UK pension legislation set out maximum levels of inflationary increases applied to plan benefits. The plan assets are invested in diversified classes of assets.

U.S. pension plans

There are two major pension plans in the U.S., the Zurich North America (ZNA) pension plan and the Farmers Group, Inc. (FGI) pension plan. Both plans are funded entirely by the participating employers. The ZNA plan is a cash balance plan and the FGI pension plan utilizes a cash balance pension formula for benefits accruing after January 1, 2009, except with respect to certain grandfathered participants who retained a final average pay formula. Under a cash balance pension formula, an amount is credited to the cash balance account each quarter, determined by an employee's age, service and their level of earnings up to and above the social security taxable wage base. The minimum annual interest credited on the account balance is 5 percent. The cash balance account is available from age 65, or age 55 with five years of service. The benefit can be taken as a monthly annuity or as a lump sum. Under the FGI plan, benefits can also be taken immediately if elected within 180 days of termination. Both the ZNA and FGI plans have fiduciaries as required under local pension laws. The fiduciaries are responsible for the governance of the plans. Actuarial valuations are completed regularly. The annual employer minimum required contributions are equal to expected expenses paid from the plan each year, plus a rolling amortization of any prior underfunding.

The ZNA and FGI plans have been frozen with effect from December 31, 2018. ZNA and FGI employees with a cash balance account will continue to earn interest credits on their existing cash balance account after the freeze date and will continue to earn eligibility service used to determine vesting and early retirement eligibility. FGI employees participating in the final average pay formula will continue to earn eligibility service used to determine vesting and the percentage of pension benefit payable for early retirement before normal retirement age of 65. ZNA and FGI employees earn only defined contribution retirement benefits with effect from January 1, 2019. In conjunction with the change in the pension plan, ZNA and FGI employees receive an additional company contribution within their defined contribution plan.

German pension plans

There are a number of legacy defined benefit plans in Germany, most of which were set up under works council agreements. Contributions to support the pension commitments are made to a contractual trust arrangement. A separate arrangement was also established in 2010 to provide for retirement obligations that were in payment at that time. Consideration is given from time to time based on the fiscal efficiency of adding recent retirees to this arrangement and to adding assets to the contractual trust. In 2025, the pension liabilities were funded at 92 percent; however, no additional funding was required.

The defined benefit plans provide benefits on either a final salary, career average salary or a cash balance basis. New entrants participate in a cash balance arrangement, which has the characteristics of a defined contribution arrangement, with a lump sum paid at retirement and a capital guarantee on members' balances, which mirrors the capital guarantee given in a conventional life insurance arrangement in Germany.

Tables 19.1a and 19.1b set out the reconciliation of the defined benefit obligation and plan assets for the Group's post-employment defined benefit plans.

Table 19.1a

Movement in defined benefit obligation and fair value of assets – current period

in USD millions	Defined benefit obligation	Fair value of assets	Asset ceiling	Net defined benefit asset/ (liability)
As of January 1, 2025	**(16,572)**	**16,979**	**(1,067)**	**(661)**
Net post-employment benefit (expense)/income:				
Current service cost	(182)	–	–	(182)
Interest (expense)/income	(588)	571	(13)	(30)
Settlements gains/(losses)	(2)	–	–	(2)
Past service (cost)/credit	(4)	–	–	(4)
Net post-employment benefit (expense)/income	**(775)**	**571**	**(13)**	**(217)**
Remeasurement effects included in other comprehensive income:				
Return on plan assets excluding interest income	–	95	–	95
Experience gains/(losses)	(381)	–	–	(381)
Actuarial gains/(losses) arising from changes in demographic assumptions	17	–	–	17
Actuarial gains/(losses) arising from changes in financial assumptions	526	–	–	526
Change in asset ceiling	–	–	(199)	(199)
Remeasurement effects included in other comprehensive income	**161**	**95**	**(199)**	**58**
Employer contributions	–	244	–	244
Employer contributions paid to meet benefits directly	40	–	–	40
Plan participants' contributions	(103)	103	–	–
Payments from the plan (including settlements)	960	(960)	–	–
(Acquisitions)/divestments and transfers	–	–	–	–
Foreign currency translation effects	(1,491)	1,621	(157)	(26)
As of December 31, 2025	**(17,780)**	**18,652**	**(1,435)**	**(563)**
of which: Assets for defined pension plans[1]				354
of which: Liabilities for defined pension plans[2]				(917)

1 Included within 'Receivables and other assets' (please see note 14).
2 Included within 'Other liabilities' (please see note 15).

Table 19.1b

Movement in defined benefit obligation and fair value of assets – prior period

in USD millions	Defined benefit obligation	Fair value of assets	Asset ceiling	Net defined benefit asset/ (liability)
As of January 1, 2024	**(18,229)**	**18,299**	**(1,185)**	**(1,115)**
Net post-employment benefit (expense)/income:				
Current service cost	(163)	–	–	(163)
Interest (expense)/income	(668)	634	(18)	(52)
Settlements gains/(losses)	(1)	–	–	(2)
Past service (cost)/credit	(3)	–	–	(3)
Net post-employment benefit (expense)/income	**(836)**	**634**	**(18)**	**(220)**
Remeasurement effects included in other comprehensive income:				
Return on plan assets excluding interest income	–	(661)	–	(661)
Experience gains/(losses)	19	–	–	19
Actuarial gains/(losses) arising from changes in demographic assumptions	164	–	–	164
Actuarial gains/(losses) arising from changes in financial assumptions	817	–	–	817
Change in asset ceiling	–	–	57	57
Remeasurement effects included in other comprehensive income	**999**	**(661)**	**57**	**395**
Employer contributions	–	237	–	237
Employer contributions paid to meet benefits directly	43	–	–	43
Plan participants' contributions	(89)	89	–	–
Payments from the plan (including settlements)	916	(916)	–	–
(Acquisitions)/divestments and transfers	(2)	–	–	(2)
Foreign currency translation effects	626	(703)	78	1
As of December 31, 2024	**(16,572)**	**16,979**	**(1,067)**	**(661)**
of which: Assets for defined pension plans[1]				382
of which: Liabilities for defined pension plans[2]				(1,043)

1 Included within 'Receivables and other assets' (please see note 14).
2 Included within 'Other liabilities' (please see note 15).

Net post-employment benefit (expense)/income is recognized in other employee benefits, which is included within administrative and other operating expense.

Post-employment benefits are long-term by nature. However, short-term variations between long-term actuarial assumptions and actual experience may be positive or negative, resulting in actuarial gains or losses, which are recognized in full in the period in which they occur and are included within other comprehensive income.

Table 19.2 provides a breakdown of plan assets by asset class.

Table 19.2

Fair value of assets held in funded defined benefit pension plans

in USD millions, as of December 31	2025				2024			
	Quoted in active markets	**Other**	**Total**	**% of Total**	Quoted in active markets	Other	Total	% of Total
Cash and cash equivalents	320	–	320	2%	269	–	269	2%
Equity securities	3,916	771	4,687	25%	3,556	350	3,906	23%
Debt securities	–	13,399	13,399	72%	–	12,505	12,505	74%
Investment property	–	2,061	2,061	11%	–	1,818	1,818	11%
Mortgage loans	–	391	391	2%	–	355	355	2%
Other net assets	–	(2,206)	(2,206)	(12%)	–	(1,873)	(1,873)	(11%)
Total	**4,236**	**14,416**	**18,652**	**100%**	**3,825**	**13,154**	**16,979**	**100%**

For the classification of pension assets, the Group follows the same principles as outlined in note 22. Assets meeting the criteria of Level 1 are generally considered quoted in active markets, while assets meeting the criteria of Level 2 or Level 3 are generally considered in other assets.

Tables 19.3a and 19.3b provide a breakdown of the key information included in tables 19.1a and 19.1b for the main countries for the years ended December 31, 2025 and 2024, respectively.

Key information by main country – current period

Table 19.3a

in USD millions, as of December 31, 2025

	Switzerland	United Kingdom	United States	Germany	Other	Total
Defined benefit obligation	(5,898)	(7,252)	(2,607)	(1,133)	(889)	(17,780)
Fair value of plan assets	7,276	7,024	2,338	1,040	974	18,652
Impact of asset ceiling	(1,383)	(52)	–	–	–	(1,435)
Net defined benefit asset/(liability)	**(5)**	**(281)**	**(270)**	**(93)**	**85**	**(563)**
of which: Assets for defined pension plans	5	–	114	61	175	354
of which: Liabilities for defined pension plans	(10)	(281)	(384)	(154)	(89)	(917)
Net post-employment benefit (expense)/income	(124)	(32)	(20)	(19)	(22)	(217)

Key information by main country – prior period

Table 19.3b

in USD millions, as of December 31, 2024

	Switzerland	United Kingdom	United States	Germany	Other	Total
Defined benefit obligation	(5,177)	(6,802)	(2,619)	(1,083)	(891)	(16,572)
Fair value of plan assets	6,202	6,490	2,368	980	939	16,979
Impact of asset ceiling	(971)	(96)	–	–	–	(1,067)
Net defined benefit asset/(liability)	**54**	**(408)**	**(251)**	**(103)**	**48**	**(661)**
of which: Assets for defined pension plans	64	–	127	50	140	382
of which: Liabilities for defined pension plans	(10)	(408)	(379)	(153)	(93)	(1,043)
Net post-employment benefit (expense)/income	(104)	(50)	(20)	(20)	(26)	(220)

The Groups' post-employment defined benefit obligations and the Group's post-employment benefit expenses in the Group's major plans shown in tables 19.3a and 19.3b are calculated by discounting using the full yield curve for each country. For the UK, where price inflation is required for projecting benefits in those calculations, this is done using the full break-even price inflation curve. The figures for discount rates and for UK price inflation in table 19.4 are single-equivalent rates for the defined benefit obligations (i.e., the single assumption that would produce the same defined benefit obligation as using the full curve); single-equivalent rates for other elements of the accounting results will differ slightly from the figures set out below.

Key financial assumptions used for major plans

Table 19.4

as of December 31

	2025				2024			
	Switzerland	United Kingdom	United States	Germany	Switzerland	United Kingdom	United States	Germany
Discount rate	1.2%	5.6%	5.3%	4.0%	0.9%	5.5%	5.6%	3.4%
Inflation rate (CPI)[1]	1.1%	2.6%	2.4%	2.0%	1.1%	2.8%	2.4%	2.1%
Salary increase rate	1.1%	2.6%	4.9%	3.3%	1.1%	2.8%	4.9%	3.4%
Expected future pension increases	0.0%	2.6%	n/a	2.0%	0.1%	2.8%	n/a	2.1%
Interest crediting rate[2]	1.8%	n/a	5.0%	n/a	1.8%	n/a	5.1%	n/a

1 In the UK, part of the liability is linked to the inflation measure of the Retail Price Index (RPI). As RPI is expected to converge with CPI no earlier than in 2030, the RPI assumption for the UK was assumed to be 1.0 percent higher than CPI for durations up to and including 2029 and the same as CPI for 2030 onwards.
2 As of December 31, 2025 and 2024, the disclosed assumption for the U.S. is calculated as a weighted average of ZNA pension plans and the FGI pension plans.

Tables 19.5a and 19.5b set out the life expectancies implied by the mortality assumptions used in the valuation of the Group's major plans. The mortality assumptions in each country have been based on mortality tables in accordance with typical practice in that country.

Mortality tables and life expectancies for major plans – current period

Table 19.5a

in years, as of December 31, 2025		Life expectancy at age 65 for a male currently		Life expectancy at age 65 for a female currently	
		aged 65	aged 45	aged 65	aged 45
Country	Mortality table for major plans				
Switzerland	BVG 2020 with generational projections according to CMI model adapted to Swiss mortality with a long-term trend rate of 1.25%	22.03	23.74	23.80	25.40
United Kingdom	Club Vita 2022 mortality curves with CMI_2023 projection with plan specific adjustments	22.00	22.50	24.19	25.71
	Pri-2012 with MP-2020 Generational projection and white collar adjustment	22.04	23.43	23.43	24.80
United States	Pri-2012 with MP-2021 Generational projection and white collar adjustment	22.17	23.55	23.59	24.95
Germany	Heubeck 2018G	21.04	23.75	24.39	26.58

Mortality tables and life expectancies for major plans – prior period

Table 19.5b

in years, as of December 31, 2024		Life expectancy at age 65 for a male currently		Life expectancy at age 65 for a female currently	
		aged 65	aged 45	aged 65	aged 45
Country	Mortality table for major plans				
Switzerland	BVG 2020 with generational projections according to CMI model adapted to Swiss mortality with a long-term trend rate of 1.25%	21.96	23.66	23.73	25.33
United Kingdom	Club Vita 2022 mortality curves with CMI_2023 projection with plan specific adjustments	21.96	22.41	24.11	25.63
	Pri-2012 with MP-2020 Generational projection and white collar adjustment	21.97	23.36	23.36	24.73
United States	Pri-2012 with MP-2021 Generational projection and white collar adjustment	22.10	23.48	23.52	24.89
Germany	Heubeck 2018G	20.90	23.62	24.27	26.47

Table 19.6 shows the expected benefits to be paid under the Group's major plans in the future. It should be noted that actual amounts may vary from expected amounts. Therefore, future benefit payments may differ from the amounts shown.

Maturity analysis of future benefit payments for major plans

Table 19.6

as of December 31	2025				2024			
	Switzerland	United Kingdom	United States	Germany	Switzerland	United Kingdom	United States	Germany
Duration of the defined benefit obligation (in years)	11.8	13.3	9.1	10.5	12.0	14.0	9.6	11.4
Maturity analysis of benefits expected to be paid (in USD millions):								
< 1 year	455	401	203	69	402	328	218	58
1 to 5 years	1,592	1,590	821	280	1,326	1,407	853	243
5 to 10 years	1,772	2,296	983	373	1,488	2,116	979	326

Table 19.7 sets out the sensitivity of the defined benefit obligation to changes in key actuarial assumptions.

Sensitivity analysis of significant actuarial assumptions

Table 19.7

in USD millions, as of December 31	(Increase)/decrease in defined benefit obligation	
	2025	2024
Discount rate +50 bps	981	958
Discount rate –50 bps	(1,093)	(1,048)
Salary increase rate +50 bps	(45)	(43)
Salary decrease rate –50 bps	43	41
Price inflation increase rate +50 bps	(628)	(608)
Price inflation decrease rate –50 bps	564	554
Cash balance interest credit rate +50 bps	(129)	(116)
Cash balance interest credit rate –50 bps	95	88
Mortality 10% increase in life expectancy	(1,051)	(977)
Mortality 10% decrease in life expectancy	1,084	1,033

The effect on the defined benefit obligation shown allows for an alternative value for each assumption while the other actuarial assumptions remain unchanged. While the table 19.7 illustrates the overall impact on the defined benefit obligation of the changes shown, the significance of the impact and the range of reasonably possible alternative assumptions may differ between the different plans that comprise the overall defined benefit obligation. In particular, the plans differ in benefit design, currency and average term, meaning that different assumptions have different levels of significance for different plans. The sensitivity analysis is intended to illustrate the inherent uncertainty in the evaluation of the defined benefit obligation under market conditions at the measurement date. Its results cannot be extrapolated due to non-linear effects that changes in the key actuarial assumptions may have on the overall defined benefit obligation. Furthermore, the analysis does not indicate a probability of such changes occurring and it does not necessarily represent the Group's view of expected future changes in the defined benefit obligation. Any management actions that may be taken to mitigate the inherent risks in the post-employment defined benefit plans are not reflected in this analysis.

20. Share-based compensation and cash incentive plans

The Group has adopted various share-based compensation and cash incentive plans to attract, retain and motivate employees. The plans are designed to reward employees for their contribution to the performance of the Group and to encourage employee share ownership. Share-based compensation plans include performance-based share plans and employee share purchase plans. Share-based compensation plans involve the delivery of Zurich Insurance Group Ltd shares.

a) Cash incentive plans

The Group's short-term incentive plan (STIP) is utilized across the Group and in many countries covers all employees in that country who are selected to participate in a short-term incentive plan. In addition, there may be other local short-term incentive plans in place. Awards are made in cash, based on the accomplishment of both organizational and individual performance objectives. The expense recognized for these cash incentive plans amounted to USD 852 million and USD 758 million for the years ended December 31, 2025 and 2024, respectively.

b) Share-based compensation plans for employees

The Group encourages employees to own shares of Zurich Insurance Group Ltd and has set up a framework based on the implementation of performance share programs. Actual plans are tailored to meet local market requirements.

The cost of share-based payments depends on various factors, including achievement of targets, and are subject to the discretion of the Remuneration Committee and the Board. Costs may therefore vary significantly from year to year. The net amounts of USD 358 million and USD 288 million for the years ended December 31, 2025 and 2024, respectively, reflect all aspects of share-based compensation, including adjustments made during the year.

The explanations below provide a more detailed overview of the main plans of the Group.

Employee share plans

Local share plans

The Group established various Employee Share Plans in selected locations with the goal of increasing employee investment in the Group. The plans allow participating employees to invest in Zurich shares under certain conditions (either via the market or through salary deductions or dividend reinvestment) during specific times during the year. Most of the plans include a maximum investment amount which caps the total investment per year by participant.

Group Long-Term Incentive Plan (LTIP)

Participants in this plan are allocated a target number of performance share units (PSUs) as notional shares of Zurich Insurance Group Ltd each year. During the vesting period, PSUs are credited with dividend equivalent units (DEUs).

PSUs allocated in 2025 will be considered for vesting in 2028. The actual vesting level will range from 0 percent to 200 percent of the overall target shares (including PSUs allocated and DEUs accrued during the vesting period), depending on the achievement of pre-defined performance criteria (see note 3).

The achievement of the performance criteria determines the level of vesting after the three consecutive financial years and each criterion is assessed independently. As of December 31, 2025 and 2024 there were 1,336 and 1,288 participants in this plan, respectively.

Target shares allocated during the period

Table 20

for the years ended December 31	Number		Grant date fair value (in CHF)[1]	
	2025	2024	**2025**	2024
Target shares allocated during the period	320,804	397,576	607.60	479.00

1 Grant date fair value is determined based on the vesting period, the market price of the shares at the allocation date, and expected volatility. Volatility is assessed both for the Group and its peer group to reflect the impact of the Total Shareholder Return (TSR) performance condition.

21. Commitments and contingencies, legal proceedings and regulatory investigations

The Group has provided contractual commitments and financial guarantees to external parties, associates and joint ventures as well as partnerships. These arrangements include commitments under certain conditions to make liquidity advances to investment managers to enable investments in private debt, private equity or real estate; to cover default principal and interest payments; make capital contributions or provide equity financing.

Quantifiable commitments and contingencies

Table 21

in USD millions, as of December 31	2025	2024
Remaining commitments under investment agreements	1,261	951
Guarantees and letters of credit[1]	903	853
Undrawn loan commitments	1	6
Other commitments and contingent liabilities[2]	654	553

1 Guarantee features embedded in life insurance products are not included.
2 Includes USD 33 million and USD 89 million future cash outflows in 2025 and 2024, respectively, that the Group as a lessee is potentially exposed to which are not reflected in the measurement of lease liabilities in the balance sheet.

Commitments under investment agreements

The Group has committed to contribute capital to third parties that engage in making investments in direct private equity, private equity funds and real estate. Commitments may be called by the counterparty over the term of the investment (generally three to five years) and must be funded by the Group on a timely basis.

Guarantees and letters of credit

In 2025 and 2024, USD 639 million and USD 595 million related to guarantees in the aggregate amount of GBP 475 million which were provided to the directors of a wholly owned subsidiary in connection with the repatriation of capital. These guarantees have no expiry date.

The Group is not aware of any event of default that would require it to satisfy financial guarantees. Irrevocable letters of credit have been issued to secure certain reinsurance contracts.

The Group is active in numerous countries where insurance guarantee funds exist. The design of such funds varies from jurisdiction to jurisdiction. In some, funding is based on premiums written; in others, the Group may be called upon to contribute to such funds in case of a failure of another market participant. In addition, in some jurisdictions the amount of contribution may be limited to, for example, a percentage of the net underwriting reserve net of payments already made.

The Group carries certain contingencies in the ordinary course of business in connection with the sale of its companies and businesses. These are primarily in the form of indemnification obligations provided to the acquirer in a transaction in which a Group company is the seller. They vary in scope and duration by counterparty and generally are intended to shift the potential risk of certain unquantifiable and unknown loss contingencies from the acquirer to the seller.

Other contingent liabilities

The Group has received notices from various tax authorities asserting deficiencies in taxes for various years. The Group is of the view that the ultimate outcome of these reviews will not materially affect the Group's consolidated financial position.

The Group has commitments to provide collateral on certain contracts in the event of a financial strength downgrading for Zurich Insurance Company Ltd from the current AA by Standard & Poor's. Should the rating by Standard & Poor's fall to A+, then the additional collateral based on information available amounts to nil as of December 31, 2025.

In common with other insurance companies, the Group is mindful of the trend toward enhanced consumer protection. There is significant uncertainty about the ultimate cost this trend might have on our business. The main areas of uncertainty concern court decisions as well as the volume of potential customer complaints related to sales activities and withdrawal rights, and their respective individual assessments.

Pledged assets

The majority of assets pledged to secure the Group's liabilities relate to debt securities pledged under short-term sale and repurchase agreements. The total amount of pledged financial assets including the securities under short-term sale and repurchase agreements amounted to USD 2.2 billion and USD 2 billion as of December 31, 2025 and 2024, respectively.

Terms and conditions associated with the financial assets pledged to secure the Group's liabilities are usual and standard in the markets in which the underlying agreements were executed.

Legal, compliance and regulatory developments

The Group's business is subject to extensive supervision, and the Group is in regular contact with various regulatory authorities. The Group is also involved in legal and arbitration proceedings and regulatory investigations arising, for the most part, in the ordinary course of its business operations in various jurisdictions where it operates. In addition, the Group and/or its subsidiaries are involved in legal matters arising out of transactions involving the transfer of portfolios or businesses. These legal matters can include claims brought by purchasers or other parties asserting claims for damages on various theories, including failure to disclose material information, failure to perform contractual duties or otherwise seeking to impose liability on the Group and/or its subsidiaries. With respect to significant legal or regulatory matters, the Group considers the likelihood of a negative outcome, and when the likelihood of a negative outcome is probable and the amount of the loss can be reliably estimated, a reserve or provision is established to record the estimated loss for the expected outcome. While the Group believes that it is not a party to, nor are any of its subsidiaries the subject of, any unresolved current legal proceedings, claims, litigation and investigations that will have a material adverse effect on the Group's consolidated financial condition, proceedings are inherently unpredictable, and it is possible that the outcome of any proceeding could have a material impact on results of operations in the particular reporting period in which it is resolved. Specifically:

- Several of the Group's subsidiaries as well as other insurance companies are involved in litigation relating to the extent to which COVID-19 was intended to be covered under Property Damage Business Interruption policies. A limited number of class actions have also been initiated. Most of the litigation filed in U.S. courts has been concluded, with less than 13 lawsuits remaining. In addition, test cases were filed in Australia and in the UK. The final determination of outcomes in the remaining cases may take time as appeals may be pursued by the plaintiffs and insurers, including the Group or its subsidiaries.
- In April 2023, a putative nationwide class action complaint was filed in the Superior Court for the County of Los Angeles, California (the 'Superior Court'), against Farmers Group Inc., and its subsidiaries, Fire Underwriters Association and Truck Underwriters Association (collectively, 'FGI'). The case, captioned Paul Lim, et al v. Farmers Group, Inc., et al., alleged that FGI breached its fiduciary duty by accepting excessive compensation for their services and failing to disclose certain information about their fees, calculation methods and relationship to Zurich. In March 2024, FGI filed a motion for judgment on the pleadings, which the Superior Court granted in May 2024. Plaintiffs filed a second amended complaint in July 2024. In September 2024, FGI filed a demurrer and motion to strike. In February 2025, the Superior Court overruled FGI's demurrer but struck many plaintiffs' allegations, including allegations claiming a breach of fiduciary duty based on the receipt of purportedly excessive management fees. In March 2025, FGI filed its answer. In April 2025, the Superior Court lifted the discovery stay. Subsequently, plaintiffs filed a petition for writ of mandate in the California Court of Appeal, seeking interlocutory review of the Superior Court's order striking certain allegations in the second amended complaint. In May 2025, the California Court of Appeal summarily denied the petition. FGI continues to believe it has numerous and substantial defenses to the claims raised in this lawsuit and will vigorously contest the action.
- In July and August 2023, the administrators of Greensill Bank AG (GBAG) served two Particulars of Claim on Zurich Insurance plc (ZIP) (now known as Zurich Insurance Europe AG) issued in the London Commercial Court, alleging non-payment of claims presented under a trade credit policy written by ZIP. Subsequently, Zurich Insurance Company Ltd (ZIC) was substituted in the actions for ZIP. ZIC's defense to both actions was filed on January 26, 2024. ZIC also filed counterclaims against GBAG and other third parties. The trial has been scheduled to commence on October 4, 2027. ZIC continues to believe it has numerous and substantial defenses to the policy and the claims raised in these lawsuits and will vigorously contest the actions.

22. Fair value measurement

To measure fair value, the Group gives the highest priority to quoted and unadjusted prices in active markets. In the absence of quoted prices, fair values are calculated through valuation techniques, making the maximum use of relevant observable market data inputs. Whenever observable parameters are not available, the inputs used to derive the fair value are based on common market assumptions that market participants would use when pricing assets and liabilities. Depending on the observability of prices and inputs to valuation techniques, the Group classifies instruments measured at fair value within the following three levels (the fair value hierarchy):

Level 1 – includes assets and liabilities for which fair values are determined directly from unadjusted current quoted prices resulting from orderly transactions in active markets for identical assets/liabilities.

Level 2 – includes assets and liabilities for which fair values are determined using significant inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. These inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and other observable market inputs.

Level 3 – includes assets and liabilities for which fair values are determined using valuation techniques with at least one significant input not being based on observable market data. This approach is used only in circumstances when there is little, if any, market activity for a certain instrument, and the Group is required to rely on third-party providers or develop internal valuation inputs based on the best information available about the assumptions that market participants would use when pricing the asset or liability.

The governance framework and oversight of the Group's standards and procedures regarding the valuation of financial instruments measured at fair value lies within the responsibility of Group Risk Management, Group Investment Management and Group Finance. Specialists from these departments ensure the adequacy of valuation models, approve methodologies and sources to derive model input parameters, provide oversight over the selection of third-party pricing providers, and on a semi-annual basis review the classification within the fair value hierarchy of the financial instruments in scope.

The Group makes extensive use of third-party pricing providers to determine the fair values of its financial instruments measured at fair value through comprehensive income and at fair value through profit or loss, and only in rare cases places reliance on prices that are derived from internal models. Investment accounting, operations and process functions are independent from those responsible for buying and selling the assets, and are responsible for receiving, challenging and verifying values provided by third-party pricing providers to ensure that fair values are reliable, as well as ensuring compliance with applicable accounting and valuation policies. The quality control procedures used depend on the nature and complexity of the invested assets. They include variance and stale price analysis, and comparisons with fair values of similar instruments and with alternative values obtained from asset managers and brokers. Model review activities are also conducted for evaluated prices supplied by third parties to verify that their valuation processes, methodologies, models, and governance and control frameworks comply with applicable internal guidance, and that the allocation of those instruments within the fair value hierarchy is adequate. They include the collection and review of relevant documentation as well as meetings with third-party representatives to supplement the analysis.

Table 22.1 compares the fair value with the carrying value of financial assets and financial liabilities. Certain financial instruments are not included in this table as their carrying value is a reasonable approximation of their fair value. Such instruments include cash and cash equivalents, obligations to repurchase securities, and other financial assets and liabilities. This table excludes financial assets and financial liabilities related to unit-linked contracts.

Fair value and carrying value of financial assets and financial liabilities

Table 22.1

in USD millions, as of December 31	Total fair value		Total carrying value	
	2025	2024	**2025**	2024
Securities at fair value through comprehensive income				
Debt securities	117,214	105,878	117,214	105,878
Total securities at fair value through comprehensive income	117,214	105,878	117,214	105,878
Securities at fair value through profit or loss				
Equity securities	17,741	14,182	17,741	14,182
Debt securities	7,389	8,146	7,389	8,146
Total securities at fair value through profit or loss	25,130	22,327	25,130	22,327
Derivative assets	774	885	774	885
Debt securities at amortized cost	4,782	4,112	4,981	4,392
Mortgage loans at amortized cost	4,082	3,896	4,262	4,047
Other financial assets at amortized cost	4,438	4,009	4,474	4,039
Total financial assets	**156,420**	**141,108**	**156,833**	**141,568**
Derivative liabilities	(679)	(840)	(679)	(840)
Financial liabilities at fair value through profit or loss				
Liabilities for investment contracts[1]	(314)	(438)	(314)	(438)
Financial liabilities held at amortized cost				
Liabilities for investment contracts[1]	(164)	(169)	(164)	(169)
Senior debt	(3,995)	(3,766)	(4,246)	(4,020)
Subordinated debt	(9,565)	(8,409)	(9,775)	(8,871)
Total financial liabilities held at amortized cost[1]	(13,723)	(12,345)	(14,185)	(13,060)
Total financial liabilities	**(14,716)**	**(13,623)**	**(15,178)**	**(14,338)**

1 Prior year figures have been updated for the separate presentation of liabilities for investment contracts measured at fair value.

All of the Group's financial assets and financial liabilities are initially recorded at fair value. Subsequently, financial assets measured at fair value through comprehensive income, financial assets measured at fair value through profit or loss and derivative financial instruments are carried at fair value as of the balance sheet date. All other financial instruments are carried at amortized cost and the valuation techniques used to determine their fair value measurement are described below.

Fair values for debt securities held at amortized cost and senior and subordinated debt are obtained from third-party pricing providers. The fair value received from these pricing providers may be based on quoted prices in active markets for identical assets, alternative pricing methods such as matrix pricing, or an income approach employing discounted cash flow models. Such instruments are categorized within level 2.

Discounted cash flow models are used for mortgage and other loans. The discount yields in these models use interest rates that reflect the return a market participant would expect to receive on instruments with similar remaining maturities, cash flow patterns, currencies, credit risk and collateral. Such instruments are categorized within level 3.

Different valuation techniques are used to value private debt instruments, including the income approach (such as discounted cash flow models) or the market approach (such as relative value models). Where prices are obtained from an evaluated pricing service from a data vendor in which price transparency data indicates no use of significant unobservable inputs, they are categorized within Level 2. All other prices are classified to Level 3 unless factual evidence indicates that unobservable inputs are not significant to the valuation.

Fair values of liabilities for investment contracts are determined using discounted cash flow models. Such instruments are categorized within level 3 due to the unobservability of certain inputs used in the valuation.

Recurring fair value measurements of assets and liabilities

Fair value hierarchy – non-unit-linked – current period

Table 22.2a

in USD millions, as of December 31, 2025	Level 1	Level 2	Level 3	Total
Securities at fair value through comprehensive income				
Debt securities	–	116,486	728	117,214
Total securities at fair value through comprehensive income	–	116,486	728	117,214
Securities at fair value through profit or loss				
Equity securities	9,928	2,866	4,947	17,741
Debt securities	–	7,068	321	7,389
Total securities at fair value through profit or loss	9,928	9,934	5,268	25,130
Derivative assets	1	750	23	774
Investment property	–	–	12,703	12,703
Total assets	**9,929**	**127,171**	**18,721**	**155,821**
Derivative liabilities	–	(240)	(439)	(679)
Financial liabilities at fair value through profit or loss				
Liabilities for investment contracts	–	(314)	–	(314)
Total liabilities	**–**	**(554)**	**(439)**	**(993)**

For the year ended December 31, 2025, the Group recorded a transfer of USD 18 million of non-unit-linked fair value through profit or loss equity securities out of level 2 into level 1 for mutual funds with daily published prices.

Fair value hierarchy – non-unit-linked – prior period

Table 22.2b

in USD millions, as of December 31, 2024	Level 1	Level 2	Level 3	Total
Securities at fair value through comprehensive income				
Debt securities	–	105,249	628	105,878
Total securities at fair value through comprehensive income	–	105,249	628	105,878
Securities at fair value through profit or loss				
Equity securities	7,691	2,196	4,295	14,182
Debt securities	–	7,874	272	8,146
Total securities at fair value through profit or loss	7,691	10,070	4,567	22,327
Derivative assets	4	842	40	885
Investment property	–	–	11,734	11,734
Total assets	**7,694**	**116,161**	**16,969**	**140,824**
Derivative liabilities	(2)	(380)	(459)	(840)
Financial liabilities at fair value through profit or loss				
Liabilities for investment contracts[1]	–	(438)	–	(438)
Total liabilities[1]	**(2)**	**(818)**	**(459)**	**(1,278)**

1 Please note the prior year figures have been updated to include liabilities for investment contracts.

For the year ended December 31, 2024, no material transfers between level 1 and level 2 occurred.

Fair value hierarchy – unit-linked – current period

Table 22.3a

in USD millions, as of December 31, 2025	Level 1	Level 2	Level 3	Total
Fair value through profit or loss securities				
Equity securities	135,801	13,328	3,708	152,838
Debt securities	–	17,098	9	17,107
Other loans	641	2,870	–	3,511
Total fair value through profit or loss securities	136,442	33,296	3,717	173,456
Derivative assets	–	1	–	1
Investment property	–	–	1,863	1,863
Total assets for unit-linked contracts[1]	**136,442**	**33,297**	**5,580**	**175,320**
Derivative liabilities	(1)	(1)	–	(2)
Financial liabilities at fair value through profit or loss				
Liabilities for investment contracts	–	(79,007)	–	(79,007)
Total liabilities for unit-linked contracts	**(1)**	**(79,008)**	**–**	**(79,009)**

1 Excluding cash and cash equivalents as well as receivables related to interest, dividends and amounts due to brokers measured at amortized cost.

Fair value hierarchy – unit-linked – prior period

Table 22.3b

in USD millions, as of December 31, 2024	Level 1	Level 2	Level 3	Total
Fair value through profit or loss securities				
Equity securities	112,549	13,226	3,030	128,805
Debt securities	–	13,536	1	13,537
Other loans	575	2,896	–	3,471
Total fair value through profit or loss securities	113,124	29,659	3,030	145,812
Derivative assets	–	1	–	2
Investment property	–	–	1,938	1,938
Total assets for unit-linked contracts[1]	**113,124**	**29,660**	**4,968**	**147,752**
Derivative liabilities	(2)	(38)	–	(39)
Financial liabilities at fair value through profit or loss				
Liabilities for investment contracts	–	(65,900)	–	(65,900)
Total liabilities for unit-linked contracts	**(2)**	**(65,938)**	**–**	**(65,939)**

1 Excluding cash and cash equivalents as well as receivables related to interest, dividends and amounts due to brokers measured at amortized cost.

Within level 1, the Group has classified common stocks, exchange-traded derivative financial instruments, investments in unit trusts that are exchange listed or published daily and other highly liquid financial instruments.

Within level 2, the Group has classified government and corporate bonds, thinly traded common stocks, investments in unit trusts without daily prices or with sales restrictions, agency mortgage-backed securities (MBS), 'AAA' rated non-agency MBS and other asset-backed securities (ABS), and certain private debt instruments where valuations are obtained from independent pricing providers. The fair value received from these pricing providers may be based on quoted prices in an active market for similar assets, alternative pricing methods such as matrix pricing, or an income approach employing discounted cash flow models.

Over-the-counter derivative financial instruments are valued using internal models and third-party valuation services. The fair values are determined using dealer price quotations, discounted cash flow models and option pricing models, which use various inputs including current market and contractual prices for underlying instruments, time to expiry, yield curves and volatility of underlying instruments. Such instruments are classified within level 2 as the inputs used in pricing models are generally market observable or derived from market observable data.

Fair values of liabilities related to investment contracts are usually determined by reference to the fair value of the underlying assets backing these liabilities. Such instruments are classified within level 2.

Within level 3, the Group has classified:

- Unlisted stocks, private equity funds and hedge funds that are not actively traded. The valuations of such instruments are obtained from quarterly net asset value information from the fund manager and annual audited financial statements provided by the issuing company. The prices are generally derived for each underlying company in line with the International Private Equity and Venture Capital Valuation (IPEV) guidelines, using discounted cash flows (income approach) or multiples methods (market approach). The Group has only limited insight into the specific inputs used by the fund managers; hence, a narrative sensitivity analysis is not applicable.
- Non-agency MBS, ABS and collateralized loan obligations (CLO) rated below 'AAA' and private debt holdings including certain private placements that are valued by independent pricing providers or external asset managers using primarily the discounted cash flow method with significant unobservable input parameters such as asset prepayment rates, default rates and credit spreads. A significant market yield increase of the benchmark securities in isolation could result in a decreased fair value, while a significant market yield decrease could result in an increased fair value. However, a reasonable variation in the option-adjusted spread taken from a set of benchmark securities with similar characteristics has only an immaterial impact on fair value.
- All investment properties for which there are no active and transparent real estate markets or observable data available. The valuation for the majority of these investment properties – other than certain investment properties located in Switzerland – are typically performed annually by independent qualified appraisers. The parameters used for the valuations are specific to each country or region and vary significantly across different markets. External appraisals are reviewed by internal real estate valuation specialists; however, since the unobservable inputs were not developed by the Group, they are not readily available. In some cases, where external valuations are obtained at least every three years, interim valuations by internal valuation specialists are performed. For investment properties located in Switzerland, the valuation model is based on a discounted cash flow method and is applied to each individual property based on its expected cash flows. The unobservable input parameters include the future transition cost for carbon emissions and capital expenditures to achieve the desired environmental footprint depending on the current condition of each individual property. These input parameters are combined into a synthetic spread applied to the otherwise observable discount rate. Overall, as of December 31, 2025, around 40 percent of level 3 investment properties were covered by internal valuations. Significant increases/(decreases) in the synthetic spread, in isolation, would result in a lower/(higher) fair value measurement. For example, an increase in spread of 10 bps, considered in isolation, would result in a decrease in fair value of 3 percent or approximately 190 million as of December 31, 2025.
- Options and long-dated derivative financial instruments with fair values determined using counterparty valuations or calculated using significant unobservable inputs such as historical volatilities, historical correlation, implied volatilities from the counterparty or derived using extrapolation techniques. Quantitative information on unobservable inputs is not available when counterparty pricing was used. For internally calculated fair values, significant increases/(decreases) in volatilities or correlation would result in a significantly higher/(lower) fair value measurement; however, the overall effect on the Group's financial statements would not be material.

For details on Group investments sensitivities, refer to section 'Analysis by risk type' in the 2025 risk review as well as select disclosures included in note 7.

The fair value hierarchy is reviewed at the end of each reporting period to determine whether significant transfers between levels have occurred. Transfers between levels mainly arise as a result of changes in market activity and observability of the inputs to the valuation techniques used to determine the fair value of certain instruments.

Table 22.4a

Development of assets and liabilities classified within level 3 – non-unit-linked – current period

in USD millions	Fair value through profit or loss securities					
	Debt securities	Equity securities	Debt securities	Derivative assets	Derivative liabilities	Investment property
As of January 1, 2025	628	4,295	272	40	(459)	11,734
Realized gains/(losses) recognized in income[1]	(10)	122	–	1	(11)	140
Unrealized gains/(losses) recognized in income[1,2]	(2)	69	3	(26)	74	244
Unrealized gains/(losses) recognized in other comprehensive income	17	–	–	–	–	–
Purchases	383	852	112	10	–	337
Settlements/sales/redemptions	(299)	(764)	(75)	(6)	11	(1,153)
Transfer from/(to) assets held for sale	–	–	–	–	–	23
Transfers into level 3	80	77	2	–	–	–
Transfers out of level 3	(79)	–	(9)	–	–	–
Foreign currency translation effects	10	296	16	5	(54)	1,379
As of December 31, 2025	**728**	**4,947**	**321**	**23**	**(439)**	**12,703**

1 Presented as net capital gains/(losses) on Group investments in the consolidated income statements (see note 5).
2 Unrealized gains/(losses) recognized in income for debt securities measured at fair value through comprehensive income relate to change in ECL.

For the year ended December 31, 2025, the Group transferred debt securities held at fair value through other comprehensive income and equity securities held at fair value through profit or loss from level 2 to level 3 for items that were subject to greater reliance on unobservable valuation inputs, as indicated, among other factors, by recent changes in rating buckets. Transfers of debt securities from level 3 to level 2 exhibited the reverse situation.

Table 22.4b

Development of assets and liabilities classified within level 3 – non-unit-linked – prior period

in USD millions	Fair value through profit or loss securities					
	Debt securities	Equity securities	Debt securities	Derivative assets	Derivative liabilities	Investment property
As of January 1, 2024	448	3,904	227	25	(504)	13,684
Realized gain/(losses) recognized in income[1]	4	145	1	(3)	(25)	194
Unrealized gain/(losses) recognized in income[1,2]	1	365	2	10	16	(125)
Unrealized gain/(losses) recognized in other comprehensive income	14	–	–	(5)	–	–
Purchases	381	569	97	7	–	279
Settlements/sales/redemptions	(252)	(579)	(56)	(5)	25	(1,213)
Transfer from/(to) assets held for sale[3]	–	–	–	–	–	(320)
Transfers into level 3	80	–	–	–	–	–
Transfers out of level 3	(38)	–	(10)	–	–	–
Acquisitions and divestments[4]	–	22	–	13	–	(2)
Foreign currency translation effects	(9)	(131)	11	(2)	30	(763)
As of December 31, 2024	**628**	**4,295**	**272**	**40**	**(459)**	**11,734**

1 Presented as net capital gains/(losses) on Group investments in the consolidated income statements (see note 5).
2 Unrealized gains/(losses) recognized in income for debt securities measured at fair value through comprehensive income relate to change in ECL.
3 Movement relates to transfer of investment property to assets held for sale primarily in Switzerland and Austria.
4 Related to the divestment of the annuity book of Zurich Chile Seguros de Vida S.A. (see note 4), as well as the reversal of the amounts previously held for sale regarding the legacy traditional life insurance book of Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft.

For the year ended December 31, 2024, the Group transferred debt securities held at fair value through other comprehensive income from level 2 to level 3 for items that were subject to greater reliance on unobservable valuation inputs, as indicated, among other factors, by recent changes in rating buckets. Transfers of debt securities from level 3 to level 2 exhibited the reverse situation.

Table 22.5a

Development assets and liabilities classified within level 3 – unit-linked – current period

in USD millions	Fair value through profit or loss securities		
	Equity securities	Debt securities	Investment property
As of January 1, 2025	3,030	1	1,938
Realized gains/(losses) recognized in income[1]	44	–	83
Unrealized gains/(losses) recognized in income[1]	257	8	(40)
Purchases	648	–	41
Sales/redemptions	(266)	–	(296)
Transfers into level 3	–	–	–
Transfers out of level 3	(12)	–	–
Foreign currency translation effects	6	–	137
As of December 31, 2025	**3,708**	**9**	**1,863**

1 Presented as net investment result on unit-linked investments in the consolidated income statements.

For the year ended December 31, 2025, there was no significant movement in unit-linked fair value through profit or loss equity or debt securities or investment property.

Table 22.5b

Development assets and liabilities classified within level 3 – unit-linked – prior period

in USD millions	Fair value through profit or loss securities		
	Equity securities	Debt securities	Investment property
As of January 1, 2024	2,235	11	2,022
Realized gains/(losses) recognized in income[1]	33	–	(7)
Unrealized gains/(losses) recognized in income[1]	277	–	87
Purchases	644	–	64
Sales/redemptions	(156)	(1)	(204)
Transfers into level 3	–	–	–
Transfers out of level 3	–	(10)	–
Foreign currency translation effects	(3)	–	(24)
As of December 31, 2024	**3,030**	**1**	**1,938**

1 Presented as net investment result on unit-linked investments in the consolidated income statements.

For the year ended December 31, 2024, there was no significant movement in unit-linked fair value through profit or loss equity or debt securities or investment property.

23. Expected credit loss measurement

ECL scenarios and key input parameters

For rated debt securities, the Group determines the forward-looking inputs by evaluating a range of possible outcomes through a scenario-based approach. The following macroeconomic and financial variables have been selected due to historical correlation with credit loss emergence and relevance to the Group investment portfolio: GDP growth, 10-year interest rates and investment credit spread in the U.S. and eurozone. Table 23.1 shows the variables for each of the three scenarios (downside scenario/base case/upside scenario) modelled by Group Investment Management – Market Strategy and Macroeconomics, as well as the weights assigned to each scenario. For residential and small commercial mortgage loan portfolios, the forward-looking parameters are derived from the forecast of the real estate prices by property type, as well as actual affordability of the loan for a customer.

For 2026, the economic scenarios are centered around expectations for the development of the U.S. economy with higher weighting of the base case scenario compared to the prior year:

- The base case scenario projects ongoing expansion of economic activity in the U.S and globally. Monetary easing, investment spending and fiscal expansion bolster the outlook, resulting in a resilient growth environment despite U.S. tariffs remaining elevated. Inflation is contained, enabling some further interest rate cuts, including from the Federal Reserve. Economic activity in Europe and China is supported by selective measures, e.g., increased fiscal spending in Germany and solid exports from China. Risk assets perform well in this environment, with credit spreads tightening to historically low levels.
- In the downside scenario, the U.S. faces a hard economic landing as higher tariffs, fiscal expansion, and lower immigration push inflation upward. This forces the Federal Reserve to turn hawkish, leading to abrupt financial market repricing and rising government bond yields. Growth in China and Europe slows sharply, as fiscal measures underwhelm and exports weaken, while U.S. consumers cut back on spending, fueling recession fears. Asset prices fall significantly – U.S. equities drop by around 30 percent, credit defaults rise, and government bond yields remain elevated due to ongoing inflation concerns.
- In the upside scenario, global and U.S. inflation eases more than anticipated. An extended U.S.-China trade truce and larger Federal Reserve rate cuts support stronger global growth. Tech investment additionally surges, while Germany increases fiscal spending, and China stabilizes its property market. Economic activity accelerates with inflation contained, resulting in risk assets performing strongly, with credit spreads tightening modestly beyond the base case scenario.

Table 23.1

Scenario weights and macroeconomic assumptions for ECL measurement of debt securities

As of December 31	**USA**	**Eurozone**	USA	Eurozone	**Assigned weights in %**	
		2025		2024	**2025**	2024
Upside scenario						
GDP year-on-year change in %	2.5	1.4	2.5	0.8		
10-year interest rate in %	4.0	2.3	3.5	1.6		
Credit spread in basis points	70	70	90	100	10%	15%
Base case scenario						
GDP year-on-year change in %	1.9	1.2	2.5	0.8		
10-year interest rate in %	4.2	2.6	4.3	2.1		
Credit spread in basis points	85	80	100	110	65%	55%
Downside scenario						
GDP year-on-year change in %	–	(0.4)	–	(0.4)		
10-year interest rate in %	3.6	1.8	3.8	1.8		
Credit spread in basis points	225	225	200	250	25%	30%

The scenario weights reflect management's assessment of economic and political risks that might affect the expected credit losses from financial assets held. Table 23.2 provides a sensitivity analysis of the effect of the calibration of the macroeconomic scenario on the recognition of expected credit losses of debt securities.

Table 23.2

ECL sensitivity to future economic conditions

Scenarios as of December 31	2025			2024		
	Pro forma ECL (assuming application of 100% weighting)	**in % of Base case**	**Actual ECL**	Pro forma ECL (assuming application of 100% weighting)	in % of Base case	Actual ECL
Upside	(43)	74%		(55)	75%	
Base case	(58)	100%		(73)	100%	
Downside	(188)	326%	(86)	(216)	295%	(112)

The Group applies the low credit risk simplification for the rated debt securities and recognizes a 12-months ECL for debt securities that have an external or internal rating equivalent to 'investment grade' (i.e., AAA to BBB–). Other exposures are assessed for significant increase in credit risk. Table 23.3 below shows the carrying amount of debt securities by credit risk rating grades and the related expected credit losses recognized.

Table 23.3

Debt securities by rating of issuer – carrying amount and ECL allowance

in USD millions, as of December 31	2025				2024			
	Carrying amount	**% of total**	**12 months ECL**	**Lifetime ECL**	Carrying amount	% of total	12 months ECL	Lifetime ECL
Rating:								
AAA	27,305	22	(4)	–	25,309	23	(3)	–
AA– up to and including AA+	31,118	25	(6)	–	35,103	32	(6)	–
A– up to and including A+	32,418	27	(8)	–	18,558	17	(7)	–
BBB up to and including BBB+	20,396	17	(12)	–	19,966	18	(13)	–
BBB–	3,219	3	(3)	–	5,593	5	(7)	–
BB+ and below	7,740	6	(42)	(11)	5,740	5	(55)	(21)
Total	**122,194**	**100**	**(75)**	**(11)**	**110,270**	**100**	**(91)**	**(21)**

Maximum exposure to credit risk and ECL recognized

Table 23.4 shows the carrying amount of financial assets measured at fair value through OCI and at amortized cost including the recognition of 12-months ECL (stage 1) and lifetime ECL (stage 2) by asset type.

The carrying amount represents the balance sheet carrying amount (i.e., fair value for debt instruments measured at FVOCI and amortized cost less ECL allowance and impairment for debt instruments measured at amortized cost).

Table 23.4

Maximum exposure to credit risk and ECL by type of financial asset

In USD millions, as of December 31	2025			2024		
	Carrying amount	**12 months ECL**	**Lifetime ECL**	Carrying amount	12 months ECL	Lifetime ECL
Debt securities:						
Fair value through comprehensive income:	117,214	(72)	(10)	105,878	(87)	(19)
Amortized cost	4,981	(2)	(1)	4,392	(4)	(1)
Total debt securities[1]	122,194	(75)	(11)	110,270	(91)	(21)
Mortgage loans at amortized cost[2]	4,262	–	(1)	4,047	–	(1)
Other financial assets at amortized cost[3]	4,474	(6)	(3)	4,039	(6)	(3)
Receivables and other financial assets	12,779	–	(12)	11,717	–	(14)
Total	**143,709**	**(81)**	**(27)**	**130,072**	**(97)**	**(39)**

1 The carrying amount includes USD 36 million and USD 19 million of debt securities subject to individual impairment (stage 3) which are presented net of cumulative impairment losses of USD (48) million and USD (14) million as of December 31, 2025 and 2024, respectively. Furthermore, the carrying amount includes USD 94 million and USD 108 million of debt securities that were purchased or originated credit-impaired financial assets (POCI) as of December 31, 2025 and 2024, respectively. There were no undiscounted lifetime expected credit losses associated with POCI financial assets initially recognized during 2025.
2 There were no material credit-impaired (stage 3) mortgage loans at amortized cost as of December 31, 2025 and 2024, respectively.
3 The carrying amount includes USD 39 million and USD 28 million of credit-impaired (stage 3) other financial assets at amortized cost which are presented net of cumulative impairment losses of USD (1) million and USD (1) million as of December 31, 2025 and 2024, respectively.

Development of ECL allowances

Table 23.5 shows how the allowances for expected credit losses from financial assets in table 23.4 developed during the periods ended December 31, 2025 and 2024.

Table 23.5

Development of ECL allowance

in USD millions	2025		2024	
	12-months ECL	**Lifetime ECL**	12-months ECL	Lifetime ECL
As of January 1	(97)	(39)	(94)	(46)
Transfer to lifetime expected credit losses	3	(3)	5	(5)
Transfer to 12-months expected credit losses	(2)	2	(3)	3
Debt securities that have been derecognized during the period	51	8	64	9
Additions	(61)	–	(68)	(1)
Write-offs	–	11	1	4
Other changes[1]	20	(4)	(8)	(7)
Foreign currency translation effects	5	(2)	5	4
As of December 31	**(81)**	**(27)**	**(97)**	**(39)**

1 Remeasurement without stage transfer/change in methodology.

In addition to the above, impairment gains/(losses) of USD (41) million and USD (9) million were recognized in profit or loss for individually impaired debt securities measured at FVOCI and amortized cost in 2025 and 2024, respectively. There were impairment gains/(losses) of USD 2 million and USD 4 million recognized for POCI debt securities in 2025 and 2024, respectively. Impairment losses for credit-impaired mortgage loans and other financial assets at amortized cost were not material in 2025 or 2024.

24. Related-party transactions

In the normal course of business, the Group enters into various transactions with related parties. Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions, or one other party controls both. Related parties of the Group include, among others, subsidiaries, associates, joint ventures, key management personnel, and the post-employment benefit plans (please see note 19). Transactions between the Group and its subsidiaries are eliminated on consolidation, and they are not disclosed in the consolidated financial statements. A list of the Group's significant subsidiaries is shown in note 27. The transactions of the Group concluded with its associates and joint ventures are not considered material to the Group, either individually or in aggregate.

Table 24 summarizes related-party transactions with key management personnel reflected in the consolidated financial statements. Key management personnel includes members of the Board of Directors of Zurich Insurance Group Ltd and Zurich Insurance Company Ltd and members of the Executive Committee.

Table 24

Related party transactions – key personnel

in USD millions, for the years ended December 31	2025	2024
Remuneration of key personnel of the Group		
Cash compensation, current benefits and fees	47	42
Post-employment benefits	–	2
Share-based compensation	40	37
Other remuneration	3	4
Total remuneration of key personnel	**90**	**85**

As of December 31, 2025 and 2024, no current members of the Board of Directors and Executive Committee had any outstanding loans or credit facilities from the Group. The terms 'members of the Board of Directors' and 'members of the Executive Committee' in this context include the individuals as well as parties related to them. The figures in table 24 include the fees paid to members of the Board of Directors of Zurich Insurance Group Ltd and Zurich Insurance Company Ltd, which were USD 8 million and USD 7 million for the years ended December 31, 2025 and 2024, respectively.

The cash compensation, current benefits and fees are short term in nature.

25. Relationship with the Farmers Exchanges

Farmers Group, Inc. (FGI) and certain of its subsidiaries provide certain non-claims services to the Farmers Exchanges as their attorneys-in-fact, and also provide certain ancillary services to the Farmers Exchanges. FGI is a wholly owned subsidiary of the Group. Attorney-in-fact services primarily include risk selection, preparation and mailing of policy documents and invoices, premium collection, management of the investment portfolios and certain other administrative and managerial functions. Fees for these services are primarily determined as a percentage of gross premiums earned by the Farmers Exchanges. Ancillary services primarily include information technology, brand advertising and certain distribution related services that are not covered under the attorney-in-fact contracts for which FGI acts as a principal in arranging for those services to the Exchanges. The finances and operations of the Farmers Exchanges are governed by independent Boards of Governors. In addition, following the acquisition of the three brokerage entities and the flood servicing business from Farmers Exchanges, FGI, through the acquired brokerages, receives access to the Farmers Exchanges' distribution network in exchange for an agency access fee to the Farmers Exchanges, and provides flood program administration services to the Farmers Exchanges in exchange for a fee from the Farmers Exchanges.

The relationships with the Farmers Exchanges are further described below.

a) Quota share reinsurance treaties with the Farmers Exchanges

Farmers Reinsurance Company (Farmers Re), a wholly owned subsidiary of FGI, assumes risk through a quota share reinsurance treaty, the All Lines Quota Share reinsurance agreement (All Lines agreement) with the Farmers Exchanges.

The All Lines agreement provides for an assumption of a quota share of the all lines insurance results of the Farmers Exchanges. Subject to regulatory approval, effective December 31, 2025, Farmers Re assumed a 5.75 percent quota share, all of which was retroceded to Zurich Insurance Company Ltd and Zurich Reinsurance Company Ltd. Another 16.25 percent was assumed by other third parties.

Quota share reinsurance treaties

Table 25.1

in USD millions, for the years ended December 31	All Lines agreement	
	2025[1]	2024[2]
Insurance revenue	1,238	1,929
Insurance service expense[3]	(1,034)	(1,790)
Insurance service result	**204**	**139**

1 Effective December 31, 2024, Farmers Re assumed an 8.00 percent quota share of which 4.50 percent was retroceded to Zurich Insurance Company Ltd. and Zurich Reinsurance Company Ltd. Another 22.00 percent was assumed by other third parties. Effective January 1, 2025, Zurich Insurance Company Ltd and Zurich Reinsurance Company Ltd. assumed the interests and liabilities of Zurich Global, Ltd under the retrocession agreement effective December 31, 2023 described in footnote 2 below.
2 Effective December 31, 2023, Farmers Re assumed a 10.00 percent quota share of which 8.25 percent was retroceded to Zurich Global, Ltd. Another 23.00 percent was assumed by other third parties.
3 Under the All Lines agreement, Farmers Re catastrophe losses are subject to a maximum amount each year. Under the agreement effective December 31, 2024, catastrophe losses occurring in 2025 were limited to USD 219 million. Under the agreement effective December 31, 2023, catastrophe losses occurring in 2024 were limited to USD 255 million.

b) Farmers management fees and other related revenues

Farmers Group, Inc. and certain of its subsidiaries (FGI), wholly owned subsidiaries of the Group, are the appointed attorneys-in-fact of the Farmers Exchanges, which are not owned by FGI. As the attorney-in-fact, FGI is permitted by policyholders of the Farmers Exchanges to receive a management fee of up to 20 percent (up to 25 percent in the case of Fire Insurance Exchange) of the gross premiums earned by the Farmers Exchanges. This management fee, the primary source of revenue for FGI, has an agreed upon margin cap of 7 percent which is derived from FGI gross management result divided by the gross premium earned by the Farmers Exchanges. The expected revenues and expenses are assessed monthly to determine if expected revenues will be in excess of the cap, in which case the revenue is reduced on a pro-rata basis to ensure that no revenue is recognized for the amounts exceeding the cap. In addition, FGI revenue includes reimbursement of certain ancillary service costs incurred by FGI on behalf of primarily the Farmers Exchanges that are not covered under the attorney-in-fact contracts. The amounts incurred for these services are reimbursed to FGI at cost in accordance with allocations that are subject to approval by the Farmers Exchanges Boards of Governors.

FGI has historically charged a lower management fee than the amount allowed by policyholders. The range of fees has varied by line of business over time and from year to year. The gross earned premiums of the Farmers Exchanges were USD 28.9 billion and USD 28.0 billion for the years ended December 31, 2025, and 2024, respectively.

Table 25.2

Farmers Management Services[1]

in USD millions, for the years ended December 31	**2025**	2024	Change
Fee income	4,515	4,392	3%
Management fees	3,671	3,595	2%
Revenues for ancillary services	746	707	6%
Membership fees	56	52	8%
Other revenues	42	39	9%
Fee business expenses	(2,444)	(2,378)	(3%)
Expenses for ancillary services	(746)	(707)	(6%)
Management and other expenses	(1,698)	(1,671)	(2%)
Fee result	2,070	2,014	3%
Other management related income/expenses	(51)	(54)	6%
Gross management result[2]	**2,020**	**1,960**	**3%**
Managed gross earned premium margin	7.0%	7.0%	0.0 pts

1 Excludes the agency brokerage entities acquired in 2023.
2 Includes the impact of amortization/impairment of intangible assets acquired as part of a business combination.

26. Segment information

The Group pursues a customer-centric strategy, where the Property & Casualty (P&C) and Life businesses are managed on a regional basis. The Group's reportable segments have been identified on the basis of the businesses operated by the Group and how these are strategically managed to offer different products and services to specific customer groups. The Group has identified 13 reportable segments and segment information is presented accordingly as follows:

- P&C regions
- Life regions
- Farmers
- Group Functions and Operations
- Non-Core Businesses

The Group's reportable segments comprise the following:

P&C and Life regions

- Europe, Middle East & Africa
- North America
- Asia Pacific
- Latin America
- Group Reinsurance

P&C regions provide a variety of motor, home and commercial products and services for individuals, as well as small and large businesses on both a local and global basis. Products are sold through multiple distribution channels including agents, brokers and bank distribution.

Life regions provide a comprehensive range of life and health insurance products on both an individual and a group basis, including annuities, endowment and term insurance, unit-linked and investment-oriented products, as well as full private health, supplemental health and long-term care insurance. In addition to the agent distribution channel, certain of these products are offered via bank distribution channels.

The **Farmers** segment includes Farmers Group, Inc. (FGI), a wholly owned subsidiary of the Group, which, along with certain of its subsidiaries, provides certain non-claims and ancillary services to the Farmers Exchanges as their attorney-in-fact and receive fees for their services. The Farmers Exchanges are prominent writers of personal and small commercial lines of business in the U.S. and are owned by their policyholders. Zurich Insurance Group has no ownership in the Farmers Exchanges. This segment also includes all reinsurance assumed from the Farmers Exchanges by the Group and the activities of Farmers New World Life, a subsidiary of FGI and writer of individual life insurance business in the U.S.

Group Functions and Operations comprise the Group's Holding and Financing and Headquarters activities, including central initiatives in Zurich Global Ventures.

Non-Core Businesses include insurance and reinsurance businesses that the Group does not consider core to its operations and that are therefore mostly managed to achieve a beneficial run-off. Non-core businesses are mainly situated in the U.S., Bermuda and in Europe.

Aggregations and additional information

Regional P&C and Life results are further aggregated to show a total P&C and total Life business view.

- P&C – Total
- Life – Total

For additional informational purposes, the Group also discloses income statement information for P&C Commercial Insurance and P&C Retail and Other Insurance results. Other Insurance includes SME, direct market and other program business.

- P&C Commercial Insurance
- P&C Retail and Other Insurance

Business operating profit

The segment information includes business operating profit, which is the Group's key performance measure. Business operating profit (BOP) indicates the underlying performance of the Group's businesses, after non-controlling interests, by eliminating the impact of financial market volatility and other non-operating variables. This measure is the basis on which the Group manages its operating performance. BOP is a pre-tax measure of operating performance adjusted for:

- Net capital gains/(losses) after considering the related effects attributable to unit-linked investment and insurance contracts as well as other direct participating insurance contracts. Net capital gains/(losses) include expected credit losses on investments and effects of hyperinflation, but exclude net capital gains/(losses) from hedge funds and certain portfolios held for specific economic hedging purposes,
- Restructuring charges,
- Charitable contributions,
- Large one-off regulatory implementation efforts,
- Specific items related to business combinations, including amortization of related intangible assets, and
- Gains and (losses) on divestment of businesses and impairments of goodwill.

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Table 26.1

Property & Casualty – Overview by segment

in USD millions, for the year ended December 31	Europe, Middle East & Africa		North America	
	2025	2024	**2025**	2024
Insurance revenue	20,652	18,651	22,119	20,985
Insurance service expense	(17,169)	(16,426)	(18,244)	(17,886)
Net expenses from reinsurance contracts held	(1,594)	(905)	(1,838)	(1,421)
Insurance service result	1,889	1,320	2,037	1,678
Net investment income on Group investments	1,021	908	1,189	1,141
Net capital gains/(losses) on Group investments	42	79	172	194
Net investment result on Group investments	1,063	987	1,361	1,335
Re-/Insurance finance income/(expenses)	(435)	(380)	(747)	(690)
Net investment result	628	608	614	644
Fee income	236	222	250	206
Fee business expenses	(181)	(170)	(182)	(134)
Fee result	55	52	67	72
Other revenues	139	185	182	175
Interest expense on debt	(47)	(54)	(17)	(16)
Other expenses	(733)	(753)	(354)	(340)
Restructuring costs and other items not included in BOP	140	156	124	101
Other result	(501)	(466)	(65)	(80)
Income tax (expense)/benefit attributable to policyholders (BOP relevant)	–	–	–	–
Business operating profit before non-controlling interests	2,071	1,514	2,654	2,313
Non-controlling interests	28	26	–	–
Business operating profit	**2,042**	**1,487**	**2,654**	**2,313**

Asia Pacific		Latin America		Group Reinsurance		Eliminations		Total	
2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
4,107	3,793	3,245	3,162	831	799	(2,721)	(2,598)	48,234	44,792
(3,369)	(2,927)	(2,399)	(2,345)	(447)	(652)	986	1,758	(40,642)	(38,479)
(379)	(491)	(494)	(535)	(476)	(301)	1,734	840	(3,047)	(2,812)
359	375	352	282	(92)	(154)	–	–	4,545	3,500
207	180	207	271	11	4	–	–	2,635	2,503
(3)	(1)	–	(5)	–	3	–	–	211	269
204	178	207	265	11	7	–	–	2,846	2,772
(65)	(59)	(58)	(78)	(32)	(27)	–	–	(1,338)	(1,233)
139	120	149	187	(21)	(20)	–	–	1,508	1,539
45	55	–	–	–	–	–	–	530	483
(83)	(79)	(2)	–	–	–	1	(2)	(448)	(385)
(39)	(24)	(2)	–	–	–	1	(2)	83	98
15	18	24	27	49	63	(5)	(7)	404	461
(1)	(2)	(2)	(2)	(4)	(5)	–	–	(70)	(80)
(170)	(156)	(205)	(170)	(71)	(61)	5	8	(1,528)	(1,471)
40	23	36	15	7	16	–	–	347	311
(117)	(116)	(146)	(130)	(19)	12	–	2	(848)	(779)
(2)	(5)	–	–	–	–	–	–	(2)	(5)
340	349	354	339	(133)	(162)	–	–	5,286	4,353
(6)	6	135	116	–	–	–	–	157	149
346	**343**	**219**	**223**	**(133)**	**(162)**	**–**	**–**	**5,129**	**4,204**

Table 26.2

Life – Overview by segment

in USD millions, for the years ended December 31	Europe, Middle East & Africa		North America	
	2025	2024	**2025**	2024
Insurance revenue	7,158	6,566	74	160
Insurance service expense	(5,451)	(4,999)	(41)	(83)
Net expenses from reinsurance contracts held	(173)	(113)	(16)	(31)
Insurance service result	1,534	1,455	17	46
Net investment income on Group investments	2,320	2,252	18	64
Net capital gains/(losses) on Group investments	(140)	(96)	–	18
Net investment result on Group investments	2,180	2,156	18	82
Net investment income on unit-linked investments	1,207	1,160	–	–
Change in liabilities for investment contracts and other funds	(853)	(796)	–	–
Re-/Insurance finance income/(expenses)	(2,146)	(2,137)	(14)	(93)
Net investment result	389	384	4	(11)
Fee income	1,057	888	–	–
Fee business expenses	(724)	(624)	–	–
Fee result	332	264	–	–
Other revenues	120	184	–	30
Interest expense on debt	(25)	(13)	–	–
Other expenses	(535)	(450)	(1)	(8)
Restructuring costs and other items not included in BOP	112	64	–	–
Other result	(328)	(215)	(2)	23
Income tax (expense)/benefit attributable to policyholders (BOP relevant)	(204)	(141)	–	–
Business operating profit before non-controlling interests	1,724	1,746	19	57
Non-controlling interests	162	171	–	–
Business operating profit	**1,562**	**1,575**	**19**	**57**

Asia Pacific		Latin America		Group Reinsurance		Eliminations		Total	
2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
2,404	2,302	2,702	2,687	34	27	(49)	(43)	12,323	11,700
(2,146)	(2,009)	(2,039)	(2,060)	(24)	(15)	38	36	(9,663)	(9,130)
42	17	(31)	(33)	(5)	(8)	12	7	(171)	(161)
300	310	632	594	5	4	–	–	2,488	2,409
251	240	289	437	–	–	–	(1)	2,879	2,992
(1)	(6)	9	(33)	(3)	(3)	–	–	(135)	(121)
251	234	297	404	(3)	(3)	–	(1)	2,744	2,871
39	65	28	35	–	–	–	–	1,274	1,260
(25)	(47)	–	–	–	–	–	–	(879)	(842)
(186)	(184)	(137)	(271)	–	–	–	–	(2,483)	(2,685)
78	67	188	168	(3)	(3)	–	(1)	656	604
38	43	10	20	–	–	–	–	1,105	951
(8)	(8)	(9)	(13)	–	–	–	–	(742)	(646)
30	35	1	7	–	–	–	–	363	306
17	17	18	25	1	3	–	–	156	259
(5)	(38)	(3)	(3)	–	–	–	1	(33)	(53)
(130)	(136)	(191)	(108)	–	–	–	–	(857)	(701)
8	6	80	(26)	–	–	–	–	200	44
(109)	(151)	(96)	(111)	1	2	–	1	(534)	(451)
(14)	(20)	–	(1)	–	–	–	–	(218)	(163)
284	242	725	657	3	3	–	–	2,754	2,705
(2)	(1)	306	300	–	–	–	–	466	470
286	**243**	**418**	**357**	**3**	**3**	**–**	**–**	**2,288**	**2,235**

Table 26.3

Business operating profit by business

in USD millions, for the years ended December 31

	Property & Casualty		Life	
	2025	2024	**2025**	2024
Insurance revenue	48,234	44,792	12,323	11,700
Insurance service expense	(40,642)	(38,479)	(9,663)	(9,130)
Net expenses from reinsurance contracts held	(3,047)	(2,812)	(171)	(161)
Insurance service result	4,545	3,500	2,488	2,409
Net investment income on Group investments	2,635	2,503	2,879	2,992
Net capital gains/(losses) on Group investments	211	269	(135)	(121)
Net investment result on Group investments	2,846	2,772	2,744	2,871
Net investment income on unit-linked investments	–	–	1,274	1,260
Change in liabilities for investment contracts and other funds	–	–	(879)	(842)
Re-/Insurance finance income/(expenses)	(1,338)	(1,233)	(2,483)	(2,685)
Net investment result	1,508	1,539	656	604
Fee income	530	483	1,105	951
Fee business expenses	(448)	(385)	(742)	(646)
Fee result	83	98	363	306
Other revenues	404	461	156	259
Interest expense on debt	(70)	(80)	(33)	(53)
Other expenses	(1,528)	(1,471)	(857)	(701)
Restructuring costs and other items not included in BOP	347	311	200	44
Other result	(848)	(779)	(534)	(451)
Income tax (expense)/benefit attributable to policyholders (BOP relevant)	(2)	(5)	(218)	(163)
Business operating profit before non-controlling interests	5,286	4,353	2,754	2,705
Non-controlling interests	157	149	466	470
Business operating profit	**5,129**	**4,204**	**2,288**	**2,235**

Farmers		Group Functions and Operations		Non-Core Businesses		Eliminations		Total	
2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
2,245	2,941	–	–	171	97	(27)	(22)	62,945	59,507
(1,766)	(2,525)	–	–	(343)	(338)	34	16	(52,382)	(50,456)
(211)	(209)	–	–	140	144	(7)	7	(3,296)	(3,031)
268	208	–	–	(33)	(97)	–	–	7,268	6,020
49	46	215	238	113	148	(148)	(197)	5,742	5,730
–	(4)	141	156	31	(60)	–	–	247	241
49	43	356	394	144	88	(148)	(197)	5,990	5,972
128	64	–	–	–	–	–	–	1,402	1,325
(1)	(2)	–	–	(7)	(7)	–	–	(887)	(851)
(130)	(47)	–	–	(139)	(36)	–	–	(4,090)	(4,002)
45	58	356	394	(2)	45	(148)	(197)	2,414	2,443
4,737	4,577	–	(1)	–	–	–	–	6,373	6,011
(2,631)	(2,535)	–	–	–	–	(9)	(9)	(3,830)	(3,575)
2,106	2,042	–	(1)	–	–	(9)	(9)	2,543	2,436
61	67	185	251	36	24	(548)	(703)	294	358
–	(7)	(674)	(736)	(26)	(63)	343	499	(460)	(440)
(188)	(152)	(841)	(850)	(16)	(101)	362	411	(3,069)	(2,864)
96	70	74	71	(7)	87	–	–	710	584
(32)	(22)	(1,255)	(1,264)	(13)	(52)	158	206	(2,525)	(2,362)
–	–	–	–	–	–	–	–	(221)	(168)
2,387	2,286	(900)	(870)	(48)	(104)	–	–	9,479	8,370
–	–	–	–	–	–	–	–	623	619
2,387	**2,286**	**(900)**	**(870)**	**(48)**	**(104)**	**–**	**–**	**8,856**	**7,751**

Reconciliation of BOP to net income after income taxes

Table 26.4

in USD millions, for the years ended December 31

	Property & Casualty		Life	
	2025	2024	**2025**	2024
Business operating profit net	**5,129**	**4,204**	**2,288**	**2,235**
Revenues/(expenses) not included in BOP:				
Net capital gains/(losses) on Group investments	1,051	567	516	325
Net capital gains/(losses) on unit-linked investments	–	–	12,969	14,579
Change in liabilities for investment contracts and other funds	–	–	(5,031)	(7,261)
Re-/insurance finance income/(expenses)	–	–	(8,448)	(7,775)
Net gains/(losses) on divestment of businesses[1]	–	16	(6)	98
Restructuring costs	(184)	(234)	(77)	(33)
Other adjustments[2]	(163)	(77)	(124)	(11)
Add back:				
Business operating profit attributable to non-controlling interests	157	149	466	470
Net income before shareholders' taxes	5,990	4,625	2,554	2,628
Income tax expense/(benefit) attributable to policyholders (BOP relevant)	2	5	218	163
Net income before income taxes	**5,992**	**4,630**	**2,772**	**2,790**
Income tax (expense)/benefit				
attributable to policyholders				
attributable to shareholders				
Net income after taxes				
attributable to non-controlling interests				
attributable to shareholders				

1 In 2025, Life includes losses of USD 5 million as Zurich Investments Life S.p.A. agreed to sell part of its life and pension back book. In 2024, gains and losses on divestment included gains of USD 27 million related to the reversal of the amounts previously held for sale regarding the legacy traditional life insurance book of Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft, losses of USD 13 million as Zurich Investments Life S.p.A. agreed to sell part of its life and pension back book and gains of USD 84 million as Inversiones Suizo-Chilena S.A. agreed to sell the annuity book of Zurich Chile Seguros de Vida S.A. (see note 4).
2 Other adjustments in 2025 include amortization of intangibles and integration costs from business combinations and charitable contributions. Other adjustments in 2024 include amortization of intangibles from business combinations, charitable contributions and litigation costs.

	Farmers		Group Functions and Operations		Non-Core Businesses		Total	
2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
2,387	**2,286**	**(900)**	**(870)**	**(48)**	**(104)**	**8,856**	**7,751**
1	(2)	(4)	(25)	(2)	(22)	1,563	843
91	158	–	–	334	322	13,393	15,059
–	–	–	–	–	–	(5,031)	(7,261)
(86)	(158)	–	–	(333)	(310)	(8,868)	(8,242)
–	–	–	(1)	(1)	–	(7)	114
(27)	(4)	(12)	(6)	–	–	(299)	(277)
(68)	(66)	(62)	(65)	7	(87)	(410)	(307)
–	–	–	–	–	–	623	619
2,297	2,214	(978)	(968)	(44)	(201)	9,820	8,298
–	–	–	–	–	–	221	168
2,297	**2,214**	**(978)**	**(968)**	**(44)**	**(201)**	**10,040**	**8,465**
						(2,840)	(2,261)
						(229)	(179)
						(2,610)	(2,082)
						7,201	**6,204**
						403	390
						6,798	5,814

Assets and liabilities by business

Table 26.5

in USD millions, as of December 31

	Property & Casualty		Life	
	2025	2024	**2025**	2024
Assets				
Cash and cash equivalents	7,782	7,468	3,970	4,614
Total Group investments	74,246	68,038	89,951	80,027
Equity securities	11,174	8,796	6,406	5,243
Debt securities	52,941	49,404	67,371	60,194
Investment property	4,865	4,573	7,735	7,061
Mortgage loans	914	865	3,348	3,182
Other financial assets	4,239	4,396	5,060	4,324
Investments in associates and joint ventures	113	5	30	24
Investments for unit-linked contracts	–	–	171,605	144,343
Total investments	74,246	68,038	261,556	224,370
Insurance contract assets	319	342	590	426
Reinsurance contract assets	14,894	13,264	3,315	3,004
Goodwill	2,889	2,245	1,414	1,286
Other intangible assets	1,539	1,382	1,583	1,430
Other assets[1]	7,325	6,854	5,772	5,287
Total assets (after cons. of investments in subsidiaries)	**108,994**	**99,594**	**278,199**	**240,419**
Liabilities				
Liabilities for investment contracts	–	–	79,353	66,364
Insurance contract liabilities	69,543	63,083	175,741	154,192
Reinsurance contract liabilities	11	14	333	332
Other liabilities[2]	13,316	11,715	9,669	7,823
Senior debt	1,235	987	27	–
Subordinated debt	969	901	646	601
Total liabilities	**85,073**	**76,700**	**265,769**	**229,312**
Equity				
Shareholders' equity				
Non-controlling interests				
Total equity				
Total liabilities and equity				
Supplementary information				
Additions and capital improvements to property, equipment and intangible assets	1,210	887	117	61

1 As of December 31, 2025, the Group had USD 1.3 billion of assets held for sale based on agreements signed to sell portfolios of Zurich Insurance Europe AG and Zurich Insurance Company Ltd, UK Branch (see note 4). In 2024, the Group had USD 1.2 billion of assets held for sale based on agreements signed to sell portfolios of Zurich Insurance Europe AG and Zurich Insurance Company Ltd, UK Branch (see note 4).
2 As of December 31, 2025, the Group had USD 1.3 billion of liabilities held for sale based on agreements signed to sell portfolios of Zurich Insurance Europe AG and Zurich Insurance Company Ltd, UK Branch (see note 4). In 2024, the Group had USD 1.2 billion of liabilities held for sale based on agreements signed to sell portfolios of Zurich Insurance Europe AG and Zurich Insurance Company Ltd, UK Branch (see note 4).

Farmers		Group Functions and Operations		Non-Core Businesses		Eliminations		Total	
2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
906	914	2,268	2,829	539	558	(8,380)	(9,615)	7,086	6,768
1,080	1,163	8,482	7,074	2,930	3,707	(7,684)	(7,447)	169,006	152,562
50	57	45	24	66	61	–	–	17,741	14,182
1,008	1,068	5,574	4,255	2,689	3,494	–	–	129,583	118,415
15	30	–	–	88	70	–	–	12,703	11,734
–	–	–	–	–	–	–	–	4,262	4,047
7	7	2,763	2,677	88	82	(7,684)	(7,447)	4,474	4,039
–	–	100	117	–	–	–	–	243	146
1,573	1,422	–	–	2,876	2,769	–	–	176,054	148,535
2,653	2,586	8,482	7,074	5,807	6,477	(7,684)	(7,447)	345,060	301,098
–	–	–	–	–	–	–	–	909	768
3,208	3,125	–	–	2,523	2,089	(47)	(33)	23,893	21,450
1,264	1,264	11	10	–	–	–	–	5,577	4,805
1,033	1,118	64	46	–	–	–	–	4,218	3,977
3,624	3,550	4,276	4,219	2,244	2,176	(2,774)	(2,946)	20,468	19,140
12,688	**12,555**	**15,101**	**14,178**	**11,114**	**11,300**	**(18,885)**	**(20,040)**	**407,211**	**358,005**
38	40	–	–	93	103	–	–	79,485	66,507
5,610	5,579	–	3	8,197	7,652	(46)	(30)	259,043	230,479
89	91	–	–	–	–	–	–	433	437
1,512	1,398	9,113	9,998	1,729	2,492	(11,278)	(12,673)	24,062	20,753
–	–	7,624	7,537	184	324	(4,824)	(4,828)	4,246	4,020
–	–	10,898	9,880	–	–	(2,738)	(2,511)	9,775	8,871
7,250	**7,108**	**27,635**	**27,417**	**10,203**	**10,572**	**(18,886)**	**(20,042)**	**377,045**	**331,067**
								28,515	25,472
								1,651	1,466
								30,166	26,938
								407,211	**358,005**
63	45	41	13	–	–	–	–	1,431	1,005

Table 26.6

Property & Casualty – Commercial and Retail Insurance overview[1]

in USD millions, for the years ended December 31	Commercial Insurance		Retail and Other Insurance	
	2025	2024	**2025**	2024
Insurance revenue	31,418	30,453	18,700	16,135
Insurance service expense	(24,505)	(24,936)	(16,667)	(14,635)
Net expenses from reinsurance contracts held	(3,886)	(2,948)	(423)	(413)
Insurance service result	3,027	2,569	1,610	1,086
Net investment income on Group investments	1,730	1,656	896	844
Net capital gains/(losses) on Group investments	246	284	(35)	(18)
Net investment result on Group investments	1,976	1,940	860	826
Re-/insurance finance income/(expenses)	(1,026)	(945)	(279)	(262)
Net investment result	950	995	582	565
Fee result	80	90	7	9
Other result	(267)	(267)	(568)	(526)
Income tax (expense)/benefit attributable to policyholders (BOP relevant)	–	–	(2)	(5)
Business operating profit before non-controlling interests	3,790	3,386	1,628	1,129
Non-controlling interests	–	–	157	149
Business operating profit	**3,790**	**3,387**	**1,471**	**980**

1 Commercial and Retail Insurance overview excludes Group Reinsurance and Eliminations.

Table 26.7

Property & Casualty – Revenues and non-current assets by region

in USD millions	Insurance revenue from external customers for the years ended December 31		Property, equipment and intangible assets as of December 31	
	2025	2024	**2025**	2024
Europe				
Austria	749	679	37	35
France	493	432	8	10
Germany	3,697	3,244	477	477
Italy	2,026	1,837	92	27
Ireland	688	654	54	49
Portugal	491	414	19	18
Spain	1,944	1,702	265	240
Switzerland	3,107	2,823	808	693
United Kingdom	4,620	4,393	104	99
Rest of Europe	1,451	1,166	221	193
Middle East & Africa				
Middle East	145	142	–	1
Europe, Middle East & Africa	19,411	17,486	2,085	1,842
North America				
Canada	1,082	997	100	53
United States	20,483	19,439	1,689	997
North America	21,564	20,437	1,790	1,050
Asia-Pacific				
Australia	1,231	1,270	697	664
Hong Kong	401	385	35	44
Japan	886	824	8	10
Malaysia	562	468	56	49
Rest of Asia-Pacific	903	745	736	781
Asia-Pacific	3,983	3,692	1,532	1,546
Latin America				
Argentina	635	622	231	248
Brazil	1,181	1,098	111	86
Chile	356	380	18	18
Mexico	858	850	118	114
Rest of Latin America	261	237	53	49
Latin America	3,292	3,187	531	515
Group Reinsurance	1	7	1	1
Total	**48,251**	**44,809**	**5,939**	**4,955**

Life – Revenues and non-current assets by region

Table 26.8

in USD millions	Insurance revenue from external customer for the years ended December 31		Property, equipment and intangible assets as of December 31	
	2025	2024	**2025**	2024
Europe, Middle East & Africa				
Germany	1,296	1,194	6	6
Italy	369	310	411	349
Ireland[1]	414	373	82	75
Spain	659	620	1,008	890
Switzerland	1,462	1,337	3	3
United Kingdom	1,720	1,588	95	92
Rest of Europe, Middle East & Africa[2]	1,192	1,100	83	46
Europe, Middle East & Africa	7,113	6,522	1,688	1,460
North America				
United States	74	160	–	–
North America	74	160	–	–
Asia Pacific				
Australia	1,758	1,747	1,115	1,037
Hong Kong	73	54	1	1
Indonesia	34	27	–	–
Japan	326	281	10	9
Malaysia	210	197	35	34
Asia Pacific	2,402	2,306	1,161	1,081
Latin America				
Argentina	155	152	35	43
Brazil	1,408	1,388	148	143
Chile	373	462	176	171
Mexico	639	573	73	67
Uruguay	86	76	3	2
Colombia	40	35	–	–
Latin America	2,702	2,687	435	426
Total	**12,290**	**11,675**	**3,284**	**2,967**

1 Includes business written under freedom of services and freedom of establishment in Europe, and the related assets.
2 Includes business written through licenses, mainly into Asia Pacific and Middle East, and the related assets.

27. Interest in subsidiaries

Significant subsidiaries are defined as those subsidiaries which either individually or in aggregate, contribute significantly to insurance revenue, shareholders' equity, total assets or net income attributable to shareholders.

Table 27.1

Significant subsidiaries – non-listed

as of December 31, 2025

	Registered office	Voting rights %	Ownership interest %	Nominal value of share capital (in local currency millions)	
Australia					
Cover-More Group Limited	Sydney	100	100	AUD	1,014.17
Zurich Australia Limited	Sydney	100	100	AUD	543.52
Zurich Australian Insurance Limited	Sydney	100	100	AUD	6.62
Zurich Financial Services Australia Limited	Sydney	100	100	AUD	2,983.02
Austria					
Zürich Versicherungs-Aktiengesellschaft	Vienna	99.98	99.98	EUR	9.75
Bermuda					
Zurich Global LTD	Hamilton	100	100	USD	0.5
Brazil					
Zurich Santander Brasil Seguros e Previdência S.A.[1]	Sao Paulo	51	51	BRL	2,509.18
Zurich Minas Brasil Insurance Company	Belo Horizonte	100	100	BRL	2,365.13
Zurich Reinsurance Brasil S.A.	Sao Paulo	100	100	BRL	124
Zurich Santander Brasil Seguros S.A	Sao Paulo	100	100	BRL	138.96
Chile					
Zurich Chile Seguros de Vida S.A.	Santiago	99.23	99.23	CLP	137,899.88
Zurich Santander Seguros de Vida Chile S.A.[1]	Santiago	51	51	CLP	24,252.00
Germany					
Deutscher Herold Aktiengesellschaft	Cologne	100	100	EUR	18.43
Zürich Beteiligungs-Aktiengesellschaft (Deutschland)	Frankfurt	100	100	EUR	152.88
Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft	Cologne	100	100	EUR	68.45
Zurich Immobilien (Deutschland) AG & Co. KG	Cologne	100	100	EUR	0.002
Zurich Life Legacy Versicherung AG (Deutschland)	Cologne	100	100	EUR	54
Zurich Insurance Europe AG	Frankfurt	100	100	EUR	8.16
Zurich Holding SE (Deutschland)	Frankfurt	100	100	EUR	0.12
India					
Zurich Kotak General Insurance Company (India) Limited	Mumbai	70	70	INR	10,727.28
Indonesia					
PT Zurich Asuransi Indonesia Tbk	Jakarta Selatan	80	80	IDR	3,101,846.00
Ireland					
Zurich Life Assurance plc	Dublin	100	100	EUR	17.53
Zurich Holding Ireland Limited	Dublin	100	100	EUR	0.1
Zurich Finance (Ireland) II DAC	Dublin	100	100	EUR	0.001
Italy					
Zurich Investments Life S.p.A.	Milan	100	100	EUR	207.93
Zurich Italy Bank S.p.A.	Milan	100	100	EUR	49
Japan					
Zurich Life Insurance Japan Company Ltd	Nakano-ku	100	100	JPN	7,316.31

Significant subsidiaries – non-listed (continued)

Table 27.1

as of December 31, 2025

	Registered office	Voting rights %	Ownership interest %		Nominal value of share capital (in local currency millions)
Luxembourg					
Zurich (Lux) Real Estate I S.C.S. SICAV-SIF	Luxembourg	100	100	EUR	2,230.38
Malaysia					
Zurich Life Insurance Malaysia Berhad	Kuala Lumpur	100	100	MYR	579
Zurich Holdings Malaysia Berhad	Kuala Lumpur	100	100	MYR	878.44
Mexico					
Zurich Santander Seguros México, S.A.[1]	Mexico City	51	51	MXN	190
Spain					
Bansabadell Pensiones, E.G.F.P, S.A.	Madrid	50	50	EUR	7.81
Bansabadell Seguros Generales, S.A. de Seguros y Reaseguros	Madrid	50	50	EUR	10
Bansabadell Vida S.A. de Seguros y Reaseguros	Madrid	50	50	EUR	43.86
Zurich Latin America Holding S.L. – Sociedad Unipersonal	Barcelona	100	100	EUR	43
Zurich Santander Holding (Spain), S.L.[1]	Boadilla del Monte	51	51	EUR	942.77
Zurich Santander Holding Dos (Spain), S.L.[1]	Boadilla del Monte	51	51	EUR	94.28
Zurich Santander Insurance America, S.L.	Boadilla del Monte	51	51	EUR	177
Zurich Vida, Compañía de Seguros y Reaseguros, S.A. – Sociedad Unipersonal	Madrid	100	100	EUR	56.45
Switzerland					
Zurich Finance Company Ltd	Zurich	100	100	CHF	0.2
Zurich Insurance Company Ltd	Zurich	100	100	CHF	825
Zurich Life Insurance Company Ltd	Zurich	100	100	CHF	60
Zurich Reinsurance Company Ltd	Zurich	100	100	CHF	11.68
United Kingdom					
Allied Zurich Holdings Limited	St. Hélier, Jersey	100	100	GBP	597.69
Zurich Assurance Ltd	Swindon, England	100	100	GBP	356.24
Zurich Employment Services Limited	Swindon, England	100	100	GBP	445.64
Zurich Financial Services (UKISA) Limited	Swindon, England	100	100	GBP	1,000.00
Zurich Holdings (UK) Limited	Fareham, England	100	100	GBP	318.3
Zurich International Life Limited	Douglas, Isle of Man	100	100	GBP	123.4
Zurich UK General Services Limited	Fareham, England	100	100	GBP	470.88
United States of America					
Farmers Group, Inc.[2]	Carson City, NV	100	100	USD	0.000001
Farmers Reinsurance Company[2]	Woodland Hills, CA	100	100	USD	0.0001
Farmers New World Life Insurance Company[2]	Bellevue, WA	100	100	USD	0.000001
Zurich American Insurance Company	New York, NY	100	100	USD	5
Zurich American Life Insurance Company	Schaumburg, IL	100	100	USD	2.5
Zurich Holding Company of America, Inc.[3]	Wilmington, DE	100	100	USD	–
ZCM (U.S.) Limited	Wilmington, DE	100	100	USD	0.000001
Zurich Structured Finance, Inc.	Wilmington, DE	100	100	USD	0.012
Kraft Lake Insurance Agency, Inc.	Grand Rapids, MI	100	100	USD	0.0001
Zurich Cover-More Global Travel, Inc.	Wilmington, DE	100	100	USD	0.001

1 Zurich Insurance Group Ltd (ZIG) indirectly owns 51 percent.
2 The ownership percentages in Farmers Group, Inc. and its fully owned subsidiaries have been calculated based on the participation rights of Zurich Insurance Group in a situation of liquidation, dissolution or winding up of Farmers Group, Inc.
3 Shares have no nominal value in accordance with the company's articles of association and local legislation.

Due to the nature of the insurance industry, the Group's business is subject to extensive regulatory supervision, and companies in the Group are subject to numerous legal restrictions and regulations. These restrictions may refer to minimum capital requirements or the ability of the Group's subsidiaries to pay dividends imposed by regulators in the countries in which the subsidiaries operate. These are considered industry norms, generally applicable to insurers who operate in the same markets.

For Zurich Santander Insurance America, S.L. and its subsidiaries, and the Bansabadell insurance entities, certain protective rights exist, which, among others, include liquidation, material sale of assets, transactions affecting the legal ownership structure, dividend distribution and capital increase, distribution channel partnerships and governance, which are not quantifiable.

For details on the Group's capital restrictions, see the capital management section in the 2025 risk review, which forms an integral part of the consolidated financial statements.

Table 27.2 shows the summarized financial information for each subsidiary that has non-controlling interests that are material to the Group.

Non-controlling interests

Table 27.2

in USD millions, as of December 31	Zurich Santander Insurance America, S.L. and its subsidiaries		Bansabadell insurance entities	
	2025	2024	**2025**	2024
Non-controlling interests percentage	49%	49%	50%	50%
Total Investments	24,429	19,015	13,191	9,644
Other assets	1,174	1,015	1,691	1,605
Insurance and investment contract liabilities	23,648	18,362	12,450	9,056
Other liabilities	788	668	775	718
Net assets	**1,167**	**1,000**	**1,657**	**1,475**
Non-controlling interests in net assets	**572**	**490**	**828**	**737**
Insurance revenue	2,595	2,573	719	643
Net income after taxes	494	504	331	281
Other comprehensive income	161	(232)	202	(85)
Total comprehensive income	**655**	**272**	**533**	**196**
Non-controlling interests in total comprehensive income	**321**	**133**	**267**	**98**
Dividends paid to non-controlling interests	242	209	171	101

28. Events after the balance sheet date

On February 4, 2026, the Group issued a joint statement with Beazley plc ("Beazley") on an agreement in principle of a possible recommended cash offer for the entire issued and to be issued ordinary share capital of Beazley by the Group. Under the terms of the offer, Beazley shareholders would be entitled to receive an offer price of 1,310 pence in cash, and to receive and retain aggregate dividend payment(s) by Beazley in respect of the year ended December 31, 2025, of up to 25 pence per Beazley share, subject to approval of the Beazley Board. On February 16, 2026, the Group and Beazley announced that the UK Takeover Panel had consented to an extension of the deadline for the Group to announce a firm offer by March 4, 2026, which can be further extended in accordance with the UK Takeover Code. There is no certainty that a firm offer will be made nor as to the terms of any such offer. The Group has reserved the right to vary the terms of its offer under certain specified circumstances as permitted under the UK Takeover Code. Therefore, as of the date of the publication of these financial statements, it is not practicable to estimate the financial impact on the Group.

Report of the statutory auditor

Shape the future with confidence

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To the General Meeting of
Zurich Insurance Group Ltd, Zurich

Zurich, February 18 2026

Report of the statutory auditor

Report on the audit of the consolidated financial statements

Opinion
We have audited the consolidated financial statements of Zurich Insurance Group Ltd and its subsidiaries (the Group), which comprise the consolidated balance sheet as of December 31, 2025, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 273 to 399) and the audited sections of the risk review (pages 229 to 255) give a true and fair view of the consolidated financial position of the Group as of December 31, 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for opinion
We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor's responsibilities for the audit of the consolidated financial statements” section of our report.

We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities, as well as those of the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the “Auditor's responsibilities for the audit of the consolidated financial statements” section of our report, including in relation to these

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matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the consolidated financial statements.

Insurance contract liabilities - Estimation of future cash outflows for Incurred but not Reported (IBNR) losses measured under the Premium Allocation Approach (PAA)

Area of focus The Liability of Incurred Claims (LIC) reflects a current, explicit, unbiased and probability-weighted estimate of the present value of the expected future cash outflows for incurred loss and loss adjustment expense, as well as an explicit risk adjustment for non-financial risk. It is a component of the insurance contract liabilities measured under the Premium Allocation Approach within the consolidated balance sheets.

Expected future cash outflows for incurred loss and loss adjustment expense are made of case reserves for incurred and reported losses, and IBNR reserves for incurred but not reported losses, both of which are discounted to determine their present value.

The estimation of the IBNR reserves is a complex process, applying actuarial and statistical methods over historical data and patterns requiring the use of estimates and judgments. It requires the use of complex formulas and computational tools that may be incorrectly configured, and for which inaccurate or incomplete input data may be used.

This is specifically the case for lines of insurance business that are considered longer-tail, such as worker's compensation, general and professional liability, and other business and specialty lines, including automotive, where certain longer-term assumptions are required as part of the projection techniques. These projection techniques also consider emerging risks, which can have a significant impact on the determination of the ultimate settlement costs, but where available data is limited, including uncertainty around claims litigation, timeliness of claims reporting, and inflation.

Additionally, the expected future cash outflows relating to the IBNR losses for catastrophes which are usually of less frequency but higher severity, are more difficult to estimate and their calculation requires the use of expert judgment, especially for events taking place close to period end.

Accordingly, we have identified the expected future cash outflows for IBNR losses as a key audit matter.

The material accounting policies and critical accounting estimates and judgments regarding the IBNR reserves are described in Note 3, with additional information presented in Note 7 to the consolidated financial statements.

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Our audit response

We obtained an understanding, evaluated the design, and tested the operating effectiveness of a sample of controls over methods selection, completeness and accuracy of the underlying data, relevant information technology and assumption setting used by management related to the estimation of the IBNR reserves.

To test the IBNR reserves, our audit procedures were executed with the assistance of our actuarial specialists and included:

- Testing the completeness and accuracy of data utilized by the Group in estimating the IBNR losses by reconciling such amounts to the underlying accounting records and performing data-enabled audit procedures and claims data plausibility checks on selected samples.
- Evaluating the actuarial methods and assessing key assumptions used within projection techniques by the Group via quantitative and qualitative analysis.
- Comparing the IBNR reserves recorded in the consolidated financial statements to our independently developed range of IBNR reserves, for certain lines of business selected based on risk.
- Evaluating the appropriateness of any significant adjustments made by management relating to the valuation of the IBNR reserves.

Finally, we assessed the adequacy of the disclosures in the Notes to the consolidated financial statements.

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Insurance contract liabilities - Estimation of the present value of future cash flows (PVFCF) measured under the building block approach (BBA) and variable fee approach (VFA)

Area of focus The liability for remaining coverage (LRC) is a component of the insurance contract liabilities within the consolidated balance sheets and for groups of insurance contracts measured under the BBA and VFA approaches, is the total of:

- Fulfilment cash flows, which comprise of:
  - (i) estimates of the PVFCF which represent the future cash flows, adjusted to reflect the time value of money and financial risks.
  - (ii) risk adjustment for non-financial risk.
- Contractual service margin (CSM), which represents the unearned profit the Group will recognize as it provides service under the related insurance contracts.

The PVFCF are associated with significant uncertainties requiring the use of expert judgment within complex actuarial models relying on subjective assumptions in relation to future events. Key assumptions include mortality, morbidity, lapse and expense assumptions as well as modelled future decisions of management and of policyholders.

Moreover, because of the long duration of many life insurance products, relatively small changes in key assumptions may have a significant impact on PVFCF.

The determination of the PVFCF requires the use of complex formulas as well as the construction of models and other computational tools that may be incorrectly designed or configured, and for which inadequate assumptions and/or incomplete or inaccurate input data may be used.

Accordingly, we have identified PVFCF within the recorded LRC as a key audit matter.

The material accounting policies and critical accounting judgments and estimates regarding the PVFCF are described in Note 3, with additional information presented in Note 7 to the consolidated financial statements.

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Our audit response

We obtained an understanding, evaluated the design, and tested the operating effectiveness of a sample of controls over methods selection, completeness and accuracy of the underlying data, relevant information technology, assumption setting, and the models used by management related to the estimation of the PVFCF.

To test the PVFCF, our audit procedures were executed with the assistance of our actuarial specialists and included, for certain lines of insurance business selected based on risk:

- Testing of the completeness and accuracy of data, including in-force policyholder data as utilized by the Group to value estimated future cash flows by reconciling such amounts to the underlying accounting records.
- Assessing key best estimate assumptions used in selected actuarial models via quantitative and qualitative analysis, including considerations of their reasonableness based on studies of the historical experience of key data points such as claims and lapses, our knowledge of the Group and local markets, products offered, publicly available market and macroeconomic data.
- Reviewing a sample of experience studies supporting specific assumptions.
- Challenging the nature, timing and completeness of changes in key assumptions, models and methods and assessing whether individual changes were corrections of prior period errors or refinements of estimates.
- Testing the models used through review of the calculation logic on a sample basis as well as through performing independent calculations of the PVFCF and comparing the results to those of the Group.
- Performing analytical review procedures, including period-to-period analysis of changes in the PVFCF and assessing whether such changes appropriately reflect current period facts and circumstances.

Finally, we assessed the adequacy of the disclosures in the Notes to the consolidated financial statements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is

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materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements
The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

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Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Guillaume Fontaine
Licensed audit expert
(Auditor in charge)

David Jewell
Fellow of the Institute of Chartered Accountants
(Aust & NZ)

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Holding company

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Review of the year

Net income after taxes for Zurich Insurance Group Ltd amounted to CHF 3,999 million in 2025 compared to CHF 4,909 million in 2024. The decrease was mainly due to lower dividend income from its subsidiary Zurich Insurance Company Ltd, amounting to CHF 3,900 million in 2025 versus CHF 4,800 million in 2024.

Shareholders' equity increased slightly by CHF 0.2 million to CHF 13,541 million as of December 31, 2025, compared to CHF 13,540 million as of December 31, 2024. This increase was driven by the net income after taxes for the year 2025 of CHF 3,999 million, which was offset by the dividend payment of CHF 3,998 million made from available earnings during the year.

The Board of Directors proposes to the Annual General Meeting, which is to be held on April 8, 2026, to distribute a dividend of CHF 30.00 gross per share from the available earnings for 2025.

Income statements

in CHF thousands, for the years ended December 31	Notes	2025	2024
Other operating income		13	6
Other operating expenses	4	(19,447)	(14,043)
Depreciation and valuation adjustments to non-current assets	9	–	(2,200)
Financial income	5	4,034,457	4,943,287
Dividend income		*3,900,000*	*4,802,304*
Interest income		*134,457*	*140,798*
Other financial income		–	*185*
Financial expenses		(264)	–
Direct taxes	6	(16,169)	(18,100)
Net income after taxes		**3,998,590**	**4,908,950**

Balance sheets

Assets

in CHF thousands, as of December 31	Notes	2025	2024
Current assets			
Cash and cash equivalents	17	338	336
Receivables from subsidiaries	7	68,092	65,799
Receivables from third parties		875	4,403
Accrued income and prepaid expenses from subsidiaries		91,430	91,439
Total current assets		160,737	161,977
Non-current assets			
Subordinated loans to subsidiaries	8	2,132,405	2,132,405
Investments in subsidiaries	9	11,259,068	11,259,068
Total non-current assets		13,391,474	13,391,474
Total assets		**13,552,210**	**13,553,450**

Liabilities and shareholders' equity

in CHF thousands, as of December 31	Notes	2025	2024
Short-term liabilities			
Other liabilities to subsidiaries		–	–
Other liabilities to third parties	10	9,260	10,868
Other liabilities to shareholders		2,326	2,142
Total short-term liabilities		11,586	13,009
Total liabilities		**11,586**	**13,009**
Shareholders' equity (before appropriation of available earnings)			
Share capital	12	14,636	14,636
Legal reserves:		1,024,358	939,125
Legal capital reserve	*13*	*264,208*	*264,208*
thereof reserve for treasury shares (indirectly held via subsidiaries)	*14*	*257,960*	*257,968*
Legal profit reserve		*760,150*	*674,916*
thereof reserve for treasury shares (indirectly held via subsidiaries)	*14*	*419,010*	*333,776*
Treasury shares (directly held by the Company)	12	(1,100,299)	(1,100,299)
Free profit reserve	15	346,869	346,869
Profit brought forward:			
Profit brought forward as of January 1		*13,340,110*	*11,966,620*
Dividends paid		*(3,998,407)*	*(3,755,831)*
Net income after taxes		*3,998,590*	*4,908,950*
Allocation (to)/from reserve for treasury shares (indirectly held via subsidiaries)		*(85,234)*	*220,371*
Profit brought forward as of December 31		13,255,060	13,340,110
Total shareholders' equity (before appropriation of available earnings)		13,540,624	13,540,441
Total liabilities and shareholders' equity		**13,552,210**	**13,553,450**

Notes to the financial statements

1. General information

Zurich Insurance Group Ltd (the Company or ZIG) is a corporation domiciled in Zurich, Switzerland, and its shares are listed on the SIX Swiss Exchange. It was incorporated on April 26, 2000, and is the holding company of the Zurich Insurance Group (Group) with the principal activity of holding subsidiary companies. The Company does not employ staff, as employees work in a joint capacity for Zurich Insurance Company Ltd (ZIC).

2. Basis of presentation

The Company presents its financial statements in accordance with Swiss law.

All amounts in these financial statements, including the notes, are shown in Swiss franc thousands, rounded to the nearest thousand, unless otherwise specified. All variances are calculated using the actual figures rather than the rounded amounts.

In 2025, the presentation of the shareholders' equity was amended to better align to the requirements of the Swiss Code of Obligations. The prior year comparative period was revised to align to the current year presentation with no impact on the total shareholders' equity.

3. Summary of significant accounting policies

a) Exchange rates

Unless otherwise stated, assets and liabilities expressed in currencies other than Swiss francs are translated at end-of-period exchange rates. Revenues and expenses are translated using the exchange rate at the date of the transaction. Net unrealized exchange losses are recorded in the income statements and net unrealized exchange gains are deferred until realized.

b) Investments in subsidiaries

Investments in subsidiaries are equity interests, held on a long-term basis for the purpose of the Company's business activities. Each investment in subsidiaries is valued individually and carried at its cost less adjustments for impairments.

c) Accrued income

Income is accrued for interest which is earned but not yet due for payment at the end of the reporting period.

d) Reserves for treasury shares (indirectly held via subsidiaries)

Reserves for treasury shares are accounted for at the acquisition costs of these shares held by the respective subsidiary.

e) Treasury shares (directly held by the Company)

On October 30, 2024, the Company completed the public share buyback program of up to CHF 1.1 billion, which was launched on June 17, 2024. Until completion of the program, the Company repurchased on a second trading line on the SIX Swiss Exchange a total of 2,221,529 of its shares, having a total purchase value of CHF 1.1 billion.

Treasury shares directly held by the Company are carried at acquisition cost and presented as a deduction in the shareholders' equity.

4. Other operating expenses

Other operating expenses for the year were CHF 19.4 million compared with CHF 14.0 million in 2024. The increase of CHF 5.4 million was primarily driven by higher overhead expenses, which rose by CHF 5.1 million to CHF 10.6 million in 2025. In addition, Board member fees amounting to CHF 5.8 million are included in this line item for both the years ended December 31, 2025, and December 31, 2024, respectively. Fees paid to the Swiss Financial Market Supervisory Authority FINMA, amounting to CHF 1.9 million in each of the years ended December 31, 2025, and December 31, 2024, respectively, are also included.

5. Financial income

Financial income for 2025 mainly consists of dividend income of CHF 3,900 million from the Company's subsidiary ZIC (compared to CHF 4,800 million in 2024) and interest income of CHF 134.3 million on the subordinated loan with ZIC. This interest income is recognized when ZIC declares its intention to pay a dividend to the Company.

6. Direct taxes

Direct taxes include Swiss income and capital tax expenses. The Company is the ultimate parent entity for the Zurich Insurance Group under the Pillar II minimum income taxes framework issued by the Organization for Economic Co-operation and Development (OECD) on Base Erosion and Profit Shifting (BEPS). As a result, direct taxes starting January 1, 2025, include the impact of BEPS Pillar II top-up-taxes under the Income Inclusion Rule for jurisdictions where a Qualified Domestic Minimum Top-up Tax has not yet been implemented. In 2025, no top-up taxes were recorded.

7. Receivables from subsidiaries

Receivables from subsidiaries consist of intragroup balances related to the Group's internal cash pooling facility in the amount of CHF 68.1 million and CHF 65.8 million for the years ended December 31, 2025, and December 31, 2024, respectively.

8. Subordinated loans to subsidiaries

Subordinated loans include a loan to ZIC of CHF 2,132 million as of December 31, 2025, and December 31, 2024, respectively.

9. Investments in subsidiaries

Investments in subsidiaries

as of December 31	2025			2024		
	Carrying value[1]	**Voting rights in %**	**Capital rights in %**	Carrying value[1]	Voting rights in %	Capital rights in %
Zurich Insurance Company Ltd	11,088,466	100.0	100.0	11,088,466	100.0	100.0
Zurich Financial Services EUB Holdings Limited	12,436	99.9	99.9	12,436	99.9	99.9
Farmers Group, Inc.	157,992	12.1	4.6	157,992	12.1	4.6
Allied Zurich Limited	175	100.0	100.0	175	100.0	100.0
Total	**11,259,068**			**11,259,068**		

1 in CHF thousands.

No impairments were recorded on the investments in subsidiaries in 2025, while an impairment of CHF 2.2 million on Zurich Financial Services EUB Holdings Limited was recognized in 2024.

In addition to the above mentioned directly held subsidiaries, the Company indirectly owns additional subsidiaries primarily through ZIC. Information regarding indirectly owned subsidiaries is included on pages 396 to 397 of this Annual Report.

10. Other liabilities to third parties

Other liabilities to third parties mainly consist of tax payables of CHF 8.9 million and CHF 10.5 million for the years ended December 31, 2025, and December 31, 2024, respectively.

11. Commitments and contingencies

The Company has entered into support agreements and guarantees for the benefit of certain of its subsidiaries. They amounted to CHF 761 million as of December 31, 2025, and CHF 809 million as of December 31, 2024. The decrease is solely due to the foreign exchange effect. Furthermore, the Company has issued an unlimited guarantee in favor of the Institute of London Underwriters in relation to a run-off business transferred to Zurich Insurance Europe AG (formerly known as Zurich Insurance plc) and to ZIC from a Group company which no longer has insurance licenses.

The Company is not aware of any event of default that would require it to satisfy any of these guarantees or to take action under a support agreement.

12. Share capital

a) Changes to the share capital

The capital band parameters (Art. 5bis of the Articles of Association), which are in force since April 6, 2023, until and including April 6, 2028, are described in section b) below. Since April 2021, the contingent share capital for Financial Instruments (Art. 5ter 1a of the Articles of Association; term as defined in section b) below) is comprised of 29,921,600 shares. As of December 31, 2025, and as of December 31, 2024, the contingent share capital for Group employees (Art. 5ter 2a of the Articles of Association) was comprised of 4,095,092 shares. During the years 2025 and 2024, no shares were issued to Group employees out of the contingent share capital.

On October 30, 2024, the Company completed the public share buyback program of up to CHF 1.1 billion, which was launched on June 17, 2024. Until completion of the program, the Company repurchased on a second trading line on the SIX Swiss Exchange for cancellation purposes a total of 2,221,529 of its shares, having a total purchase value of CHF 1.1 billion. For further information, see the audited consolidated financial statements, note 18 on pages 354 to 356 of this Annual Report.

b) Capital band (as specified in Art. 5bis of the Articles of Association)

On April 6, 2023, the AGM approved a capital band as replacement of the authorized share capital. Until and including April 6, 2028, the Board of Directors of the Company is authorized to conduct one or more increases and/or reductions of the share capital within the upper limit of CHF 18,917,751.50, corresponding to 189,177,515 registered shares with a nominal value of CHF 0.10 each, and the lower limit of CHF 13,541,415.00, corresponding to 135,414,150 registered shares with a nominal value of CHF 0.10 each. In case of a capital increase, the Board of Directors would determine the number of shares, the date of issue of any such new shares, the issue price, type of contributions (including cash contributions, contributions in kind, set-off and conversion of freely usable reserves, including retained earnings, into share capital), the conditions of exercising subscription rights, and the beginning of the dividend entitlement.

The Board of Directors may issue such new shares by means of a firm underwriting by a financial institution, a syndicate of financial institutions or another third party and with a subsequent offer of those shares to the current shareholders. The Board of Directors is authorized to restrict or to prohibit trading in the subscription rights to the new shares and may allow the expiry of subscription rights which have not been exercised, or it may place these rights as well as shares, the subscription rights which have not been exercised, at market conditions, or use them otherwise in the interest of the Company.

The Board of Directors is further authorized to restrict or exclude the subscription rights and to allocate them to individual shareholders, third parties, the Company or one of its group companies for one or more increases up to a maximum of 14,600,000 shares, if the shares are to be used:

- for the take-over of an enterprise, of parts of an enterprise or of participations or for investments by the Company or one of its group companies, or the financing including refinancing of such transactions;
- for the purpose of expanding the scope of shareholders in connection with the listing of shares on foreign stock exchanges or issuance of shares on the national or international capital markets (including private placements to one or more selected investors);
- for the conversion of loans, bonds, similar debt instruments, equity-linked instruments or other financial market instruments (collectively, the 'Financial Instruments') issued by the Company or one of its group companies; or
- for the improvement of the regulatory and/or the rating capital position of the Company or one of its group companies in a fast and expeditious manner.

In case of a capital reduction, the Board of Directors shall, to the extent necessary, determine the number of shares to be cancelled and the use of the reduction amount. The acquisition and holding of shares repurchased for purposes of cancellation under the capital band are not subject to the 10 percent threshold for treasury shares within the meaning of Art. 659 para. 2 of the Swiss Code of Obligations.

The Board of Directors is further authorized to carry out a capital increase by increase of the nominal value or a capital reduction by reduction of the nominal value within the capital band or to carry out a simultaneous reduction and re-increase. In the case of an increase or reduction of the nominal value, the Board of Directors shall determine the new nominal value of the shares and shall adapt all provisions of the Articles of Association relating to the nominal value of a share as well as the number of shares with a new nominal value corresponding to the fixed upper and lower limit of the capital band pursuant to Art. 5bis para. 1 accordingly.

Up to and including April 6, 2028, the total of new shares issued from (i) the capital band where the subscription rights were restricted or excluded, and (ii) the contingent share capital in connection with Financial Instruments where the advance subscription rights were restricted or excluded, may not exceed 14,600,000 new shares.

c) Contingent share capital (as specified in Art. 5ter of the Articles of Association)

Financial Instruments

The share capital of the Company may be increased by an amount not exceeding CHF 2,992,160 by issuing of up to 29,921,600 fully paid-in registered shares with a nominal value of CHF 0.10 each by the voluntary or mandatory exercise of conversion and/or option rights which are granted in connection with the issuance of Financial Instruments by the Company or one of its group companies or by mandatory conversion of Financial Instruments issued by the Company or one of its group companies, that allow for contingent mandatory conversion into shares of the Company, or by exercising option rights which are granted to the shareholders. The subscription rights are excluded. The then-current owners of the Financial Instruments shall be entitled to subscribe for the new shares. The conversion and/or option conditions are to be determined by the Board of Directors.

The Board of Directors is authorized, when issuing Financial Instruments, to restrict or exclude the advance subscription rights in cases where they are issued:

- for the financing including refinancing of a take-over of an enterprise, of parts of an enterprise, of participations, or of investments by the Company or one of its group companies;
- on national or international capital markets (including private placements to one or more selected investors); or
- for the improvement of the regulatory and/or the rating capital position of the Company or one of its group companies in a fast and expeditious manner.

If the advance subscription rights are restricted or excluded by a resolution of the Board of Directors, the following applies: the Financial Instruments are to be issued at prevailing market conditions (including standard dilution protection clauses in accordance with market practice) and the setting of the conversion or issue price of the new shares must take due account of the stock market price of the shares and/or comparable instruments priced by the market at the time of issue or time of conversion.

The conversion rights may be exercisable during a maximum of 10 years and option rights during a maximum of seven years from the time of the respective issue; contingent conversion features may remain in place indefinitely.

Up to and including April 6, 2028, the total of new shares issued from (i) the capital band where the subscription rights were restricted or excluded, and (ii) the contingent share capital in connection with Financial Instruments where the advance subscription rights were restricted or excluded, may not exceed 14,600,000 new shares.

Employee participation

On January 1, 2025, and on January 1, 2024, the contingent share capital, to be issued to Group employees, amounted to CHF 409,509.20 or 4,095,092 fully paid registered shares with a nominal value of CHF 0.10 each.

During 2025 and 2024, no shares were issued to Group employees out of the contingent share capital. As of December 31, 2025, and as of December 31, 2024, the remaining contingent share capital available for issuance to Group employees amounted to CHF 409,509.20 or 4,095,092 fully paid-in registered shares with a nominal value of CHF 0.10 each. Subscription rights as well as advance subscription rights of the shareholders are excluded. The issuance of new shares or respective option rights to employees is subject to one or more regulations to be issued by the Board of Directors and taking into account performance, functions, levels of responsibility and criteria of profitability. New shares or option rights may be issued to employees at a price lower than that quoted on the stock exchange.

For further information, see Art. 5bis and 5ter of the Articles of Association (www.zurich.com/investor-relations/our-shares/articles-of-association).

13. Legal capital reserve

Legal capital reserve

in CHF thousands	2025[1]	2024[1]
As of January 1	264,208	264,208
As of December 31	**264,208**	**264,208**

1 This legal capital reserve does not qualify as capital contribution reserve within the meaning of Art. 5 para. 1bis of the Swiss Withholding Tax Act.

14. Reserves for treasury shares (indirectly held via subsidiaries)

These reserves correspond to the purchase value of all Zurich Insurance Group Ltd shares held by subsidiaries of the Company as shown in the table below. The treasury shares directly held by the Company as of December 31, 2025, are presented as a deduction in the shareholders' equity and are not part of these reserves for treasury shares.

Reserves for treasury shares (indirectly held via subsidiaries)

	Number of shares 2025	Purchase value 2025[1]	Number of shares 2024	Purchase value 2024[1]
As of January 1	1,848,834	591,745	2,365,577	812,130
Purchases during the year	672,928	385,499	87,275	42,089
Sales during the year	(665,897)	(300,273)	(604,018)	(262,474)
As of December 31	**1,855,865**	**676,970**	**1,848,834**	**591,745**
Thereof held in legal capital reserve				
As of January 1	1,057,454	257,968	1,057,524	257,983
As of December 31	**1,057,414**	**257,960**	**1,057,454**	**257,968**
Thereof held in legal profit reserve				
As of January 1	791,380	333,776	1,308,053	554,147
As of December 31	**798,451**	**419,010**	**791,380**	**333,776**
Average purchase price, in CHF		573		482
Average selling price, in CHF		455		410

1 in CHF thousands.

15. Free profit reserve

Free profit reserve

in CHF thousands	2025	2024
As of January 1	346,869	346,869
As of December 31	**346,869**	**346,869**

16. Equity instruments allocated to the members of the Board of Directors and Executive Committee

The following table provides a summary of equity instruments allocations to the members of the Board of Directors and Executive Committee for the years ended December 31, 2025, and December 31, 2024. For more information on the incentive plans of the Group, see note 20 of the consolidated financial statements on page 365 and the remuneration report on pages 82 to 123 of this Annual Report.

Equity instruments allocated during the period

	Number allocated 2025	Value 2025[1]	Number allocated 2024	Value 2024[1]
Members of Board of Directors[2]	4,311	2,594	5,138	2,768
Members of Executive Committee[2]	37,456	22,541	46,728	25,177

1 In CHF thousands, for the years ended December 31. The values are calculated using the last available close share prices which are CHF 601.80 and CHF 538.80 for the years ended December 31, 2025, and December 31, 2024, respectively.
2 Includes Board of Directors and Executive Committee members active as of December 31, 2025, and December 31, 2024, respectively.

17. Supplementary information

Cash and cash equivalents of CHF 0.3 million represent restricted cash as of December 31, 2025, and December 31, 2024, respectively.

18. Events after the balance sheet date

On February 4, 2026, the Company issued a joint statement with Beazley plc ("Beazley") on an agreement in principle of a possible recommended cash offer for the entire issued and to be issued ordinary share capital of Beazley by the Company. Under the terms of the offer, Beazley shareholders would be entitled to receive an offer price of 1,310 pence in cash, and to receive and retain aggregate dividend payment(s) by Beazley in respect of the year ended December 31, 2025, of up to 25 pence per Beazley share, subject to approval of the Beazley Board. On February 16, 2026, the Company and Beazley announced that the UK Takeover Panel had consented to an extension of the deadline for the Company to announce a firm offer by March 4, 2026, which can be further extended in accordance with the UK Takeover Code. There is no certainty that a firm offer will be made nor as to the terms of any such offer. The Company has reserved the right to vary the terms of its offer under certain specified circumstances as permitted under the UK Takeover Code. Therefore, the estimated financial impact cannot be estimated.

Proposed appropriation of available earnings

The available earnings for 2025 originate as follows:

in CHF thousands	Available earnings
Available earnings	
As of January 1, 2025	*13,340,110*
Dividends paid	*(3,998,407)*
Net income after taxes	*3,998,590*
Allocation to reserve for treasury shares (indirectly held via subsidiaries)	*(85,234)*
Available earnings, as of December 31, 2025	13,255,060

The Board of Directors proposes to the Annual General Meeting to be held on April 8, 2026, to appropriate the available earnings as follows:

in CHF thousands	Available earnings
Appropriation of available earnings	
As of December 31, 2025	13,255,060
Dividend of CHF 30.00 gross per share[1]	(4,390,673)
Balance carried forward[1]	8,864,387

1 These figures are based on the share capital issued on December 31, 2025, of CHF 14,635,575.40 divided into 146,355,754 registered shares with a nominal value of CHF 0.10 each, and may change depending on the number of shares issued as at April 13, 2026. No dividend will be declared on treasury shares held by Zurich or its wholly-owned subsidiaries.

If this proposal is approved, the dividend, less 35 percent Swiss withholding tax, will be paid as from April 14, 2026, to the holders of shares on the record date (April 13, 2026).

Zurich, February 18, 2026

On behalf of the Board of Directors of Zurich Insurance Group Ltd

Michel M. Liès

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Report of the statutory auditor

Shape the future with confidence

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To the General Meeting of
Zurich Insurance Group Ltd, Zurich

Zurich, February 18, 2026

Report of the statutory auditor

Report on the audit of the financial statements

Opinion
We have audited the financial statements of Zurich Insurance Group Ltd (the Company), which comprise the balance sheet as of 31 December 2025, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements (pages 409 to 415) comply with Swiss law and the Company's articles of association.

Basis for opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

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Recoverability of investments in subsidiaries

Area of focus	We consider the investments in subsidiaries to be a key audit matter not only due to the judgment involved but also based on the magnitude of the balance, which makes up a significant part of the Company's total assets. Investments in subsidiaries are carried at cost less necessary impairments. The need for impairment is assessed on an individual basis. The Company compares the carrying value of the individual subsidiaries to its IFRS Net Asset Value as of December 31, 2025, to identify any impairment triggers. In the case of an impairment trigger, further qualitative and quantitative assessments are performed by the Company based on the IFRS recoverable amount of the group or specific DCF analysis. Estimation of the recoverable amount requires management to use complex models, expert judgment and is based on several complex and subjective assumptions, particularly in respect of projections of future income based on prospective business plans, perpetual growth rates, and discount rates. Accordingly, we have identified this as a key audit matter. Refer to Note 3, para (b) ("Summary of significant accounting policies") and Note 9 ("Investments in subsidiaries") of the accompanying statutory financial statements.
Our audit response	We obtained an understanding of management's process and controls and assessed the design effectiveness of selected key controls over the recoverability of the carrying value of investments in subsidiaries. In addition, we performed the following substantive testing procedures: ▸ Assessing the appropriateness of the Company's impairment testing methodology. ▸ Testing the mathematical accuracy of management's calculation. ▸ Testing the reasonableness of the assumptions used in the impairment assessment. ▸ Re-performing management's impairment test on the carrying value of all investments in subsidiaries and challenging the impairment decisions taken. Finally, we assessed the appropriateness of the accounting policies used and adequacy of the disclosures in the statutory financial statements.

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Other information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements
The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of association, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Shape the future with confidence

Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors complies with Swiss law and the Company's articles of association. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Guillaume Fontaine
Licensed audit expert
(Auditor in charge)

David Jewell
Fellow of the Institute of Chartered Accountants
(Aust & NZ)

Shareholder information

Zurich Insurance Group Ltd registered share data

Zurich shares

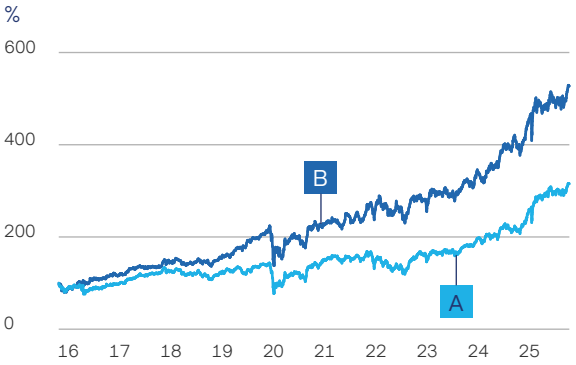
Zurich had a market capitalization of CHF 88 billion on December 31, 2025. The shares are listed on the SIX Swiss Exchange and traded on the SIX Swiss Exchange blue chip segment; ticker symbol: ZURN; the Swiss security number (Valorennummer) is 1107539. Trading in Zurich Insurance Group Ltd shares on the blue chip segment is conducted in Swiss francs.

For further information about shareholders or the capital structure, please refer to the corporate governance report on page 40.

Share price performance and total shareholder return

In terms of share price performance, the closing price at the end of 2025 was CHF 601.80. The lowest closing price recorded during 2025 was CHF 525.20 on January 13, and the highest closing price was CHF 623.40 on March 27.

Total shareholder return in U.S. dollars

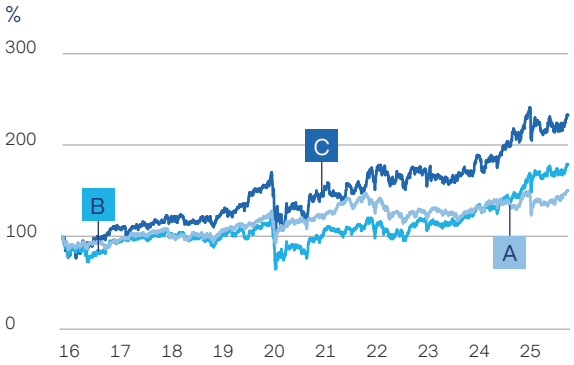


A Stoxx Europe 600 Insurance Index

B Zurich Insurance Group Ltd

Source: LSEG Datastream

Zurich share performance (indexed) over the last 10 years



A Swiss Market Index

B Stoxx Europe 600 Insurance Index

C Zurich Insurance Group Ltd

Source: LSEG Datastream

Dividend policy

The Group intends to maintain its current attractive dividend policy and proposes a target pay-out ratio of around 75 percent of net income attributable to shareholders, subject to a minimum of the prior-year dividend per share, with dividend increases based on sustainable earnings growth.

Share data (CHF)

as of December 31	2025	2024
Dividend per share	30.00[1]	28.00
Share price at end of period	601.80	538.80
Price period high	623.40	562.60
Price period low	525.20	429.90
Market capitalization (CHF millions)	88,077	78,856

1 Proposed dividend, subject to approval by shareholders at the Annual General Meeting, expected payment date as from April 14, 2026. Gross dividend, subject to 35 percent Swiss withholding tax.

Further details are available online:
www.zurich.com/investor-relations/calendar

Dividend

	Financial Year	Total dividend per registered share in CHF	Paid from available earnings in CHF[1]	Paid from capital contribution reserve in CHF	Payment date as from
Dividend	2025	30.00[2]	30.00	–	April 14, 2026[2]
Dividend	2024	28.00	28.00	–	April 15, 2025
Dividend	2023	26.00	26.00	–	April 16, 2024
Dividend	2022	24.00	24.00	–	April 14, 2023
Dividend	2021	22.00	20.35	1.65	April 12, 2022
Dividend	2020	20.00	20.00	–	April 13, 2021
Dividend	2019	20.00	20.00	–	April 7, 2020
Dividend	2018	19.00	19.00	–	April 9, 2019
Dividend	2017	18.00	16.60	1.40	April 10, 2018
Dividend	2016	17.00	11.30	5.70	April 4, 2017

1 Gross dividend, subject to 35 percent Swiss withholding tax.
2 Proposed total dividend, subject to approval by shareholders at the Annual General Meeting 2026; expected payment date as from April 14, 2026.

Acronyms and abbreviations

ABC	anti-bribery and corruption
ABCO	anti-bribery and corruption officer
ABS	asset-backed securities
ADRs	American Depositary Receipts
ADSs	American Depositary Shares
AEL	annual expected loss
AFR	available financial resources
AGM	Annual General Meeting
AI	artificial intelligence
AIAF	artificial intelligence assessment framework
AIF	attorney-in-fact
ALM	asset liability management
APAC	Asia Pacific
API	application programming interface
art.	Article
AuM	assets under management
BBA	building block approach
BEPS	base erosion and profit shifting
BIA	business impact analysis
BNYM	Bank of New York Mellon
BOP	business operating profit
BOPAT ROE	business operating profit after tax return on equity
bps	basis points
BU	business unit
BVPS	book value per share
BX	broker experience
CAGR	compound annual growth rate
CCP	central counterparty
CCUS	carbon capture, utilization and storage
CEO	Chief Executive Officer
CFC	customer-facing conduct
CFO	Chief Financial Officer
CGU	cash-generating unit
CIO	Chief Investment Officer
CLOs	collateralized loan obligations
CLP	Corporate Life & Pensions
CMI	continuous mortality investigation (pensions)
CO2e	carbon dioxide equivalent
COP30	30th UN Climate Change Conference, or meeting of the 'Conference of the Parties'
CPI	consumer price index
CRG	catastrophe response group
CRO	Chief Risk Officer
CRREM	Carbon Risk Real Estate Monitor
CS	credit spreads
CSF	cyber security framework
CSM	contractual service margin
CSRD	Corporate Sustainability Reporting Directive
CTA	cumulative translation adjustments
CV	curriculum vitae
CVC	credit valuation committee
CX	customer experience
DEUs	dividend equivalent units (incentive plans)
DMA	double materiality assessment
DPF	discretionary participation features
EAD	exposure at default
EAP	Employee Assistance Program
ECL	expected credit loss
EIOPA	European Insurance and Occupational Pensions Authority
EMEA	Europe, Middle East & Africa
EMTN	Euro Medium-Term Note Programme
EPS	earnings per share
ERGs	employee resource groups
ERM	Enterprise Risk Management
ESG	environmental, social and governance
ESRC	Emerging and Sustainability Risk Committee
ETH	Swiss Federal Institute of Technology
EV	electric vehicle
ExCo	Executive Committee
EY	Ernst & Young Ltd
FAR	Financial Accounting and Reporting
FCPA	Foreign Corrupt Practices Act
FGI	Farmers Group, Inc.
FINMA	Swiss Financial Market Supervisory Authority
FMS	Farmers Management Services
FPIC	free, prior and informed consent
FTE	full-time equivalent
FV	fair value
FVOCI	fair value through other comprehensive income
FVPL	fair value through profit or loss
GBSC	Group Balance Sheet Committee
GCM	general circulation models
GDP	gross domestic product
GEM	Global Earthquake Model
GenAI	generative artificial intelligence
GFA	gross floor area
GFANZ	Glasgow Financial Alliance for New Zero
GHG	greenhouse gas
GNSC	Governance, Nominations and Sustainability Committee
GRC	Group Risk Committee
GRI	Global Reporting Initiative
GWP	gross written premiums
HSG	University of St.Gallen
HtC	held to collect contractual cash flows
HtC&S	held to collect contractual cash flows and for sale
IACF	insurance acquisition cash flows
IAE	insurance-associated emissions
IAS	International Accounting Standards
IBNR	incurred but not reported
ICIF	internal control integrated framework
ICMA	International Capital Market Association
ICR	issuer credit rating
ICRC	International Committee of the Red Cross
IEA	International Energy Agency
IFRIC	IFRS Interpretations Committee

IFRS	International Financial Reporting Standards
IFSR	insurance financial strength rating
IIR	income inclusion rule
IPEV	international private equity and venture capital valuation
ISA	International Standards on Auditing
ISDA	International Swaps and Derivatives Association
ISIN	International Securities Identification Number
IT	information technology
KPIs	key performance indicators
KRT	key risk taker
LATAM	Latin America
LGBTQ+	lesbian, gay, bisexual, transgender, intersex, queer/questioning, asexual and other terms
LGD	loss given default
LIC	liability for incurred claims
LoB	line of business
LRC	liability for remaining coverage
LTIP	long-term incentive plan
LTV	loan to value
LULUCF	land use, land-use change and forestry
M&A	mergers and acquisitions
MBS	mortgage-backed securities
MPS	management procurement spend
mt	metric tons
MVM	market value margin
MW	megawatt
NB CSM	new business CSM
NBM	new business margin
NDCs	nationally determined contributions
NGFS	Network for Greening the Financial System
NGOs	non-governmental organizations
NIAS	net income attributable to shareholders
NIST	National Institute of Standards and Technology
NZAOA	Net-Zero Asset Owner Alliance
OCI	other comprehensive income
OECD	Organization for Economic Co-operation and Development
OPIM	operating principles for impact management
ORSA	own risk and solvency assessment
OTC	over-the-counter
P&C	Property & Casualty
P&L	profit and loss
P&R	premium & reserve
PA	Paris Agreement
PAA	premium allocation approach
PCAF	Partnership for Carbon Accounting Financials
PD	probability of default
PDC	performance and development cycle
PFAS	polyfluoroalkyl substances
PML	probable maximum loss
POCI	purchased or originated credit-impaired
PPP	purchasing power parity
ppts	percentage points
PRI	Principles for Responsible Investment
PSI	Principles for Sustainable Insurance
PSUs	performance share units
PVNBP	present value of new business premiums
QDMTT	qualified domestic minimum top-up tax
RBC	risk-based capital
RCP	representative concentration pathways
REDS	Risk Exposure Data Store
REIDA	Real Estate Investment Data Association
RNPS	relationship net promoter score
ROE	return on equity
RPI	retail price index
RSUs	restricted share units
rTSR	relative total shareholder return
SASB	Sustainability Accounting Standards Board
SBTI	Science Based Targets Initiative
SBTs	science-based targets
SCOC	Supplier Code of Conduct
SICR	significant increase in credit risk
SME	small and medium enterprises
SMI	Swiss Market Index
SPPI test	solely payments on principal and interests test
SST	Swiss Solvency Test
STEM	science, technology, engineering, and mathematics
STIP	short-term incentive plan
TC	target capital
TCFD	Task Force on Climate-related Financial Disclosure
TNPS	transactional net promoter score
TRP	Total Risk Profiling™
TSR	total shareholder return
UNCAC	UN Convention Against Corruption
UNEP FI	United Nations Environment Programme Finance Initiative
UWR	underwriting
VaR	value at risk
VFA	variable fee approach
WACC	weighted average cost of capital
WIN	Women's Innovation Network
Z-ECM	Zurich Economic Capital Model
ZEF	Zurich European Forum
ZEL	Zurich Ethics Line
ZES	Zurich Experience Survey
ZGV	Zurich Global Ventures
ZIC	Zurich Insurance Company Ltd
ZIE	Zurich Insurance Europe AG
ZIG	Zurich Insurance Group Ltd
ZIP	Zurich Insurance plc
ZNA	Zurich North America
ZRP	Zurich Risk Policy
ZRS	Zurich Resilience Solutions

Glossary

Group

Book value per share
is a measure that is calculated by dividing shareholders' equity by the number of shares issued less the number of treasury shares as of the period end.

Business operating profit (BOP)
is the Group's internal performance measure, on which the Group manages all of its business units. It indicates the underlying performance, after non-controlling interests, by eliminating the impact of financial market volatility and other non-operational variables. Please refer to the 'consolidated financial statements, Note 26. Segment information, Table 26.4' for further information.

Business operating profit after tax (BOPAT)
is BOP after applying the shareholders' effective tax rate. Please refer to the 'consolidated financial statements, Note 16. Income taxes, Table 16.2' for further information.

Cash remittances
is the net extraction of capital from each of the business units (P&C, Life, Farmers and Non-Core Businesses) to Group Functions & Operations (GF&O) and after all central costs in GF&O. Cash remittances are typically extracted from subsidiaries by way of dividends, capital reductions, repayment of intragroup debt and reinsurance profits.

Core earnings per share (Core EPS)
is a measure of profitability indicating profit per weighted average number of shares of common stock. It is calculated by dividing the Group's business operating profit after tax (BOPAT) in U.S. dollars by the weighted average number of shares (diluted).

Core return on shareholders' equity (Core ROE, previously referred to as BOPAT ROE)
indicates the level of BOP relative to resources provided by shareholders. It is calculated as BOP, annualized on a linear basis and adjusted for taxes, divided by the average value of shareholders' equity, adjusted for net unrealized gains/(losses) on insurance liabilities and on investments classified as fair value through comprehensive income and cash flow hedges, based on semi-annual data points. Note this was formerly referred to as BOPAT ROE. Please refer to the 'supplementary information (unaudited)/ROE, EPS and BVPS' for further information.

Investments
Total investments in the consolidated balance sheets include **Group investments** and investments for unit-linked contracts. Group investments are those for which the Group bears part or all of the investment risk. Average Group investments include investment cash and derivative financial instruments. The Group manages its diversified investment portfolio to optimize benefits for both shareholders and policyholders while ensuring compliance with local regulatory and business requirements under the guidance of the Group's Asset/Liability Management and Investment Committee. **Investments for unit-linked contracts** include investments where the policyholder bears the investment risk, and are held for liabilities related to unit-linked investment and insurance contracts. They are managed in accordance with the investment objectives of each unit-linked fund.

Like-for-like
is the change in the underlying metric over a period of time and after removing the impact of foreign exchange movements and changes in scope such as the impact of acquisitions and disposals, as well as the impact of methodology changes.

Return on shareholders' equity (ROE)
is a measure that indicates the level of profit or loss relative to resources provided by shareholders. It is calculated as net income after taxes attributable to shareholders, annualized on a linear basis, divided by the average value of shareholders' equity, adjusted for net unrealized gains/(losses) on insurance liabilities and on investments classified as fair value through comprehensive income and cash flow hedges, based on semi-annual data points. Please refer to the 'supplementary information (unaudited)/ROE, EPS and BVPS' for further information.

Property & Casualty

Gross written premiums (P&C GWP)

represent the total amount of premiums for insurance contracts issued during the period. This figure includes all direct and assumed written premiums, net of premiums paid to single parent captives and before any deductions for assumed commissions.

The following Property & Casualty (P&C) measures are net of reinsurance.

Insurance service result

is calculated as the difference between insurance revenue and the sum of net insurance service expenses and net expenses from reinsurance contracts held. Please refer to the 'supplementary information (unaudited)/P&C by segment' and 'supplementary information (unaudited)/P&C by country & customer unit' for further information.

Total net technical expenses

includes insurance services expenses (other than losses) reported in the insurance service result, as well as technical non-qualifying expenses reported in the other result. Technical non-qualifying expenses are insurance-related operational costs that are not directly attributable to insurance contracts issued. Please refer to the 'supplementary information (unaudited)/P&C by segment' for further information.

Combined ratio

is a measure that indicates the level of claims and net technical expenses during the period, relative to insurance revenues. It is calculated as the sum of the loss ratio and the expense ratio. Please refer to the 'supplementary information (unaudited)/P&C by segment' and 'supplementary information (unaudited)/P&C by country & customer unit' for further information.

Loss ratio

is a measure that indicates the level of claims during the period relative to insurance revenue. It is calculated as the sum of insurance services expenses for losses, including the impact of discounting and risk adjustment, and net expenses from reinsurance contracts held, divided by insurance revenue. Please refer to the 'supplementary information (unaudited)/P&C by segment' and 'supplementary information (unaudited)/P&C by country & customer unit' for further information.

Expense ratio

is a measure that indicates the level of the Total net technical expenses during the period relative to insurance revenue. It is calculated as the sum of the Total net technical expenses, divided by insurance revenue. Please refer to the 'supplementary information (unaudited)/P&C by segment' and 'supplementary information (unaudited)/P&C by country & customer unit' for further information.

Life

Gross premiums and deposits (Life GWP, previously referred to as gross written premiums)

represent the total amount of premiums for protection insurance contracts issued during the period, and gross policyholder inflows for all other lines of business (including investment and asset management contracts). This figure includes all direct and assumed written premiums, net of premiums paid to single parent captives and before any deductions for assumed commissions.

Present value of new business premiums (PVNBP)

is calculated as the present value of new business premiums gross of reinsurance discounted at the applicable discount rate, before the effect of non-controlling interests. Please refer to the 'consolidated financial statements, Note 1. Basis of presentation, Table 1.2' for further information.

New business contractual service margin (NB CSM)

represents the expected margin on the volume of business generated in the current period. It is calculated net of external reinsurance and before the effect of non-controlling interests.

New business margin (NBM)

is a measure that reflects the profitability of new business and is calculated as the new business CSM divided by PVNBP.

Farmers

Gross management result

is a measure of Farmers Management Services calculated as fee income minus fee business expenses, including amortization and impairments of intangible assets. Please refer to the 'supplementary information (unaudited)/Farmers' for further information.

Managed gross earned premium (MGEP) margin

is a measure calculated as the gross management result of Farmers Management Services divided by the gross earned premiums of the Farmers Exchanges, which are owned by their policyholders. 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. Please refer to the 'consolidated financial statements, Note 25. Relationship with the Farmers Exchanges' for further information.

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Financial calendar

Information on our website: www.zurich.com/investor-relations/calendar

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

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 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. Neither Farmers Group, Inc., nor its parent companies, Zurich Insurance Company Ltd and Zurich Insurance Group Ltd, have any ownership interest in the Farmers Exchanges. Financial information about the Farmers Exchanges is proprietary to the Farmers Exchanges but is provided to support an understanding of the performance of Farmers Group, Inc. and Farmers Reinsurance Company.

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

Persons requiring advice should consult an independent adviser.

This communication does not constitute an offer or an invitation for the sale or purchase of securities in any jurisdiction.

THIS COMMUNICATION DOES NOT CONTAIN AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES; SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR EXEMPTION FROM REGISTRATION, AND ANY PUBLIC OFFERING OF SECURITIES TO BE MADE IN THE UNITED STATES WILL BE MADE BY MEANS OF A PROSPECTUS THAT MAY BE OBTAINED FROM THE ISSUER AND THAT WILL CONTAIN DETAILED INFORMATION ABOUT THE COMPANY AND MANAGEMENT, AS WELL AS FINANCIAL STATEMENTS.

Imprint

The Annual Report is published in English; its Group overview and governance sections are published in English and German. In the event of inconsistencies in the German translation, the English original version shall prevail.

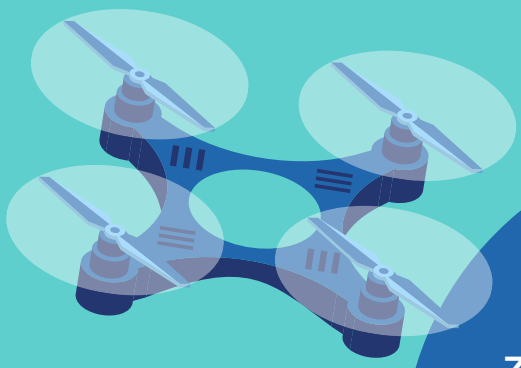
Our reporting consists of the Annual Report, which is divided into the Group overview, the governance, the sustainability report, the risk review and the financial review, and which contains the annual financial statements (Holding Company) and the consolidated financial statements. With regards to content, the management report consists of the aforementioned reports excluding the remuneration report and the sustainability report.

Design by Radley Yeldar, www.ry.com

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