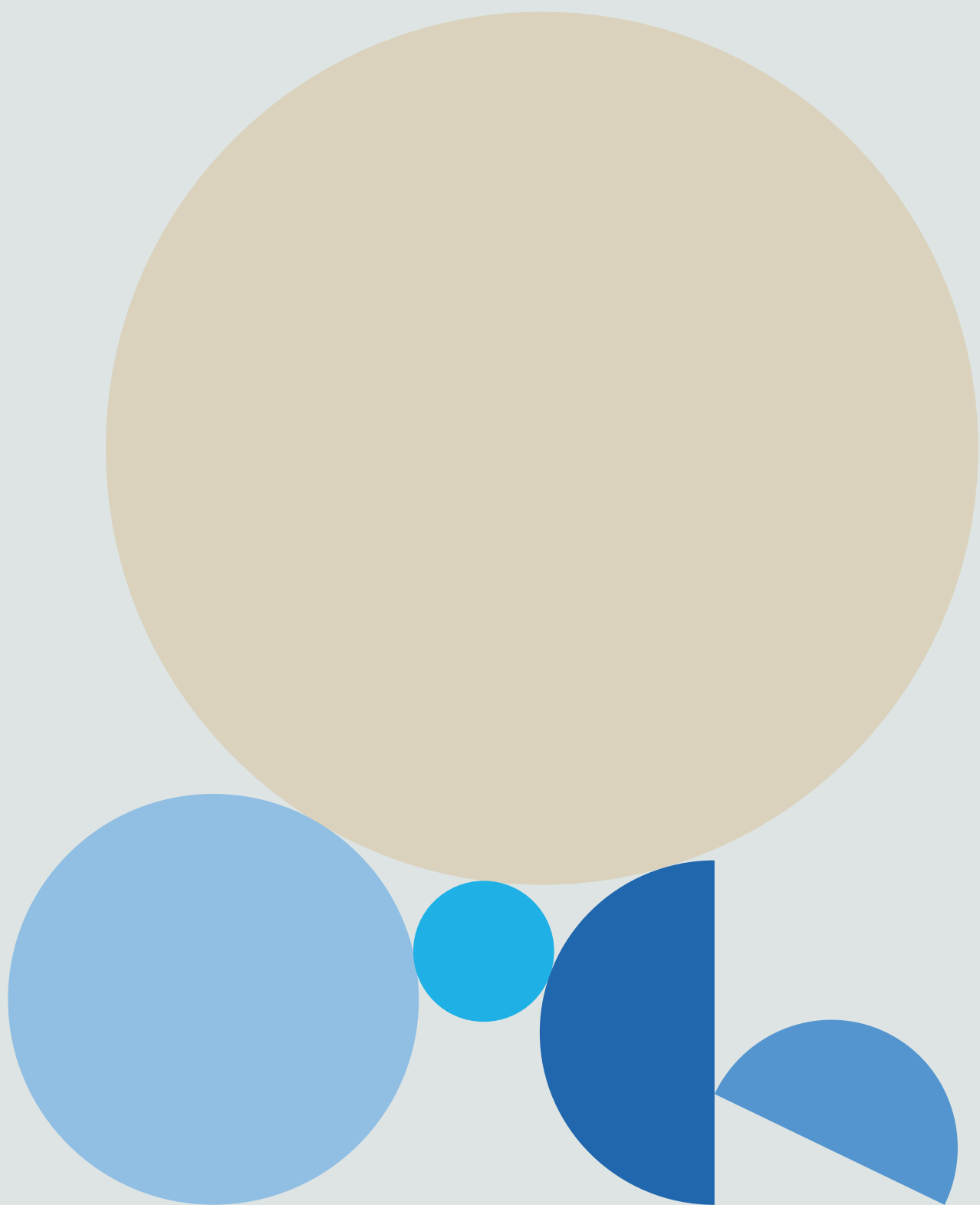


Solvency and Financial Condition Report 2024

Zurich Insurance Europe AG



Disclaimer and Cautionary Statement

The Company has prepared and is required to disclose this report as an authorised insurance undertaking pursuant to the German Insurance Supervision Act (Versicherungsaufsichtsgesetz) and the Commission Delegated Regulation (EU) 2015/35 of October 10, 2014.

As a result of a cross-border conversion in accordance with the provisions of Directive (EU) 2019/2121, Zurich Insurance plc converted from an Irish public limited company into a German stock corporation (Aktiengesellschaft) on January 2, 2024, under the name of Zurich Insurance Europe AG, with its registered seat in Frankfurt am Main, Germany. There were no changes to the ownership of the Company. Whilst the Company has changed its name and legal form, this conversion was an identity-preserving process (i.e., no transfer of assets, dissolution or winding up were involved in this move). From January 2, 2024, prudential regulation of the Company has moved from Central Bank of Ireland to Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht).

From January 2, 2024, the Company has transitioned from International Financial Reporting Standards to the German Commercial Code (Handelsgesetzbuch) as its statutory accounting basis. Financial reporting information for the year 2023 is presented in accordance with International Financial Reporting Standards.

The annual financial statements of the Company, prepared under German Commercial Code (Handelsgesetzbuch), and the Market Consistent Balance Sheet following Solvency II rules, are audited by EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft. As of the publication date, the audit is ongoing, and no significant audit findings have been reported. This report on solvency and financial condition has not been audited by an auditing company and has not yet been reviewed by Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht).

All amounts in this report, unless otherwise stated, are shown in Euros, rounded to the nearest thousand, with the consequence that the rounded amounts may not add to the rounded total in all cases. All ratios and variances are calculated using the underlying amounts rather than the rounded amounts.

Please note that past performance is not indicative of future results. Any statement in this document that may be interpreted as forward-looking should not be relied upon absolutely, as it is inherently subject to known and unknown risks and uncertainties, as well as other factors. These factors may affect the actual results, plans, and objectives of the Company or the Zurich Group, causing them to differ significantly from those expressed or implied in the statement (or from past results).

This report should not be considered as a substitute for advice or consultation, nor does it contain any offers or an invitation of any kind for the sale or purchase of securities of Zurich Insurance Europe AG or any other member of the Group in any jurisdiction (including the United States).

The Solvency and Financial Condition Report has been approved and released for publication by the Management Board on April 2, 2025, in accordance with section 40 paragraph 1 sentence 3 Insurance Supervision Act (Versicherungsaufsichtsgesetz).

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Glossary of terms used in this report

Abbreviation	Explanation
AG	German Stock Corporation (Aktiengesellschaft)
AktG	German Stock Corporation Act (Aktiengesetz)
ALM	Asset Liability Management
ALMIC	Asset Liability Management and Investment Committee
AOF	Ancillary Own Funds
ARC	Audit and Risk Committee
BaFin	Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht)
BeNe	Belgium, Netherlands
BMC	Branch Management Committee
CBI	Central Bank of Ireland
CCO	Chief Claims Officer
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIO	Chief Investment Officer
Company	Zurich Insurance plc / Zurich Insurance Europe AG
COO	Chief Operating Officer
CRO	Chief Risk Officer
CUO	Chief Underwriting Officer
EEA	European Economic Area
EIOPA	European Insurance and Occupational Pensions Authority
ENID	Event not in data
ERM	Enterprise Risk Management
EU	European Union
EUR	Euro
FATCA	Foreign Account Tax Compliance Act
FINMA	Swiss Financial Market Supervisory Authority (Eidgenössische Finanzmarktaufsicht der Schweiz)
FX	Foreign Exchange
GAAP	Generally Accepted Accounting Principles
Group	Zurich Insurance Group Ltd
HGB	German Commercial Code (Handelsgesetzbuch)
HR	Human Resources
HoAF	Head of Actuarial Function
IFRS	International Financial Reporting Standards
IT	Information Technology
k	Thousand
LACDT	Loss absorbing capacity of deferred tax
Ltd	Limited

MCBS	Market Consistent Balance Sheet
MCR	Minimum Capital Requirement
MMC	Man-made Catastrophe
Nat Cat	Natural Catastrophe
ORSA	Own Risk and Solvency Assessment
pp	Percentage point
QRT	Quantitative Reporting Template
RACE	Risk and Control Engine
RCC	Risk and Control Committee
SAA	Strategic Asset Allocation
SAOR	Self-Assessment of Operational Risk
SCR	Solvency Capital Requirement
SST	Swiss Solvency Test
TCoE	Technical Center of Excellence
TDS	Top-Down Scenario
TRP	Total Risk Profile
UK	United Kingdom
UPR	Unearned premium reserve
VAG	German Insurance Act (Versicherungsaufsichtsgesetz)
ZBAG	Zürich Beteiligungs-Aktiengesellschaft (Deutschland)
ZGD	Zurich Group Germany (Zurich Gruppe Deutschland)
ZIC	Zurich Insurance Company Ltd
ZIE	Zurich Insurance Europe AG
ZIG	Zurich Insurance Group Ltd

Executive Summary

Solvency II applies to all insurance companies and groups regulated in the European Union. A primary aim of Solvency II is to provide a risk-based approach to calculating and monitoring the required levels of capital for insurance companies. Insurance companies are required to produce a publicly available Solvency and Financial Condition Report to assist customers and other stakeholders in understanding the types of business written, how the business is managed and the overall financial condition of the Company, including the regulatory capital position. Included in the Appendix to this report are those Quantitative Reporting Templates for year ended December 31, 2024, as required by the regulation.

The content structure of the Solvency and Financial Condition Report and the information to be reported correspond to the regulatory requirements and contain a summary of the following key sections.

Cross border conversion and Accounting Standards

As a result of a cross-border conversion in accordance with the provisions of Directive (EU) 2019/2121, Zurich Insurance plc converted from an Irish public limited company into a German stock corporation (Aktiengesellschaft) on January 2, 2024, under the name of Zurich Insurance Europe AG, with its registered seat in Frankfurt am Main, Germany. There were no changes to the ownership of the Company. Whilst the Company has changed its name and legal form, this conversion was an identity-preserving process (i.e., no transfer of assets, dissolution or winding up were involved in this move).

The Head Office move had no material impact on the Company's organisation, customer facing and business activities in the local markets it operates in. Local regulators continue to supervise the Company's conduct in the markets where it operates. From January 2, 2024, prudential regulation of the Company has moved from Central Bank of Ireland to Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht).

From January 2, 2024, the Company has transitioned from International Financial Reporting Standards to the German Commercial Code (Handelsgesetzbuch) as its statutory accounting basis. The transition to Germany and applicability of German statutory accounting rules led to changes in balance sheet valuations and consequently to a reduction in the loss absorbing capacity of deferred taxes.

Financial reporting information for the year 2023 is presented in accordance with International Financial Reporting Standards.

Overview

Zurich Insurance Europe AG is the principal legal entity of the Zurich Group for writing non-life insurance business in the European Union and offers a broad range of non-life insurance products and services to a wide variety of retail and commercial customers. During 2024, business was written from Germany and from eleven branches in the European Economic Area (Belgium, Denmark, Finland, France, Ireland, Italy, Netherlands, Norway, Portugal, Spain and Sweden). Moreover, effective January 1, 2023, the Company's UK branch ceased writing insurance business on its own account. Instead, it offers brokerage, underwriting, and claims services to other branches of Zurich Insurance Europe AG.

The Company was regulated in 2024 by Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) under the Solvency II framework, which applies across the European Economic Area.

Zurich Insurance Europe AG is an indirect wholly owned subsidiary of Zurich Insurance Company Ltd the principal operating company in the Zurich Insurance Group, with headquarters in Zurich, Switzerland. Zurich Insurance Company Ltd is a wholly owned subsidiary of Zurich Insurance Group Ltd, a company listed on the Swiss SIX Stock Exchange.

Financial strength

The Solvency II framework requires that the Company holds economic capital to cover the impact of a 1 in 200 year adverse event or series of adverse events. This is known as the Solvency Capital Requirement. The Solvency Capital Requirement for the Company is measured using an Internal Model which has been approved by the regulator.

The Solvency Capital Requirement ratio of the Company at December 31, 2024 was 141% (December 31, 2023: 176%). This ratio represented surplus funds of EUR 471,056k in excess of the Solvency Capital Requirement.

At December 31, 2024 the financial strength of the Company was rated “AA” by Standard & Poor’s.

The Zurich Group manages its capital to maximise long-term shareholder value while maintaining financial strength within its “AA” target range, and meeting regulatory, solvency and rating agency requirements.

Strategy

The Company's strategy, approved by the Management Board, aligns seamlessly with the Zurich Group and the Europe, Middle East, and Africa region. It focuses on placing customers at the core of its actions, simplifying operations to become more agile and responsive, and continuously innovating to improve service quality and customer experience.

The Group's strategy leverages its distinctive presence, strong financial standing, balanced portfolio, trusted brand, and the skills, strengths, and expertise of Zurich's employees. The strategy aims to achieve long-term competitive advantage by reducing complexity and enhancing excellence.

Dividends and Capital measures

In 2024, no dividend or other distribution was made to the shareholders. No other capital transaction was carried out during the year.

Business and Performance (section A)

The net balance on the technical result after change in equalisation and similar reserves for 2024 was a profit of EUR 55,330k under accounting rules of the German Commercial Code (Handelsgesetzbuch). The written premium gross of reinsurance in 2024 was EUR 7,924,852k with a strong growth across all branches. The net earned premium amount to EUR 2,579,175k. The claims expenses, net of reinsurance was EUR 1,785,520k driven by current accident year loss experience partly compensated by positive prior year development. Technical expenses summed up to EUR 609,709k which was in line with increasing business volumes. As a result of the positive loss development the company had to add to the equalisation reserve EUR 134,313k.

The net investment result under German Commercial Code (Handelsgesetzbuch) for 2024 amounts to EUR 148,244k, which includes write-downs of EUR 44,012k. The largest position hereof is related to property, amounting to EUR 25,302k. In 2023, following International Financial Reporting Standards accounting rules, the total investment result was a profit of EUR 129,999k.

System of Governance (section B)

The information reported in section B is based on the system of governance which was in place for Zurich Insurance Europe AG since the transition to Germany on January 2, 2024. There were changes to the Governance System resulting from the cross-border conversion. The corporate structure was adapted to German stock corporation law, which places specific requirements on corporate governance and management. In particular, the transition from a one-tier to a two-tier board structure and the establishment of a Supervisory Board were necessary.

The focal point of the Company's system of governance is its Management Board. The Management Board of the Company manages the organization with full responsibility. According to the Management Board's Rules of Procedure, certain transactions require the approval by the entire Management Board. Additionally, certain transactions require the further approval by the Company's Supervisory Board.

The Management Board has the ultimate responsibility for compliance with applicable regulatory requirements and has established an extensive system of governance, which includes risk management and internal control systems together with a number of committees and key functions (Internal Audit, Actuarial, Compliance and Risk Management), to ensure the sound and prudent management of the Company's business.

The Company employs a “three lines of defence” model that allows the key functions to review and independently challenge the running of the business, and report findings to the Management Board and other committees.

Risk Profile (section C)

The current material risks for the Company are:

- Underwriting risk: the risk of loss arising from unexpected high frequency or severity of insurance claims

- Market risk: the risk of unexpected loss arising from adverse financial market movements
- Credit risk: the risk of loss arising from counterparties failing to fulfil their financial obligations
- Operational risk: the risk of unexpected loss arising from the failure of internal processes, personnel or systems, or from unexpected external events
- Expense risk: the risk of loss arising from adverse movements in the ratio of operating expenses to business volume
- Pension risk: The risk of fluctuations in the net asset values of defined benefit pension schemes

These risks are measured using the Internal Model (which has been approved for use under Solvency II) and are addressed and mitigated in line with the stated risk appetite, under the Risk Management System.

In addition to the above risks, the other material risks for the Company are Liquidity risk, Strategic risk and Reputation risk. While these are not measured by the Internal Model, they are addressed under the Risk Management System. As regards Strategic risks, management has a process in place to identify and monitor these risks on an ongoing basis.

Risk concentrations exist in certain areas, such as exposure to insurance claims that may arise from natural and man-made catastrophe events, exposure to external factors such as inflation, and exposure to default risk with Group counterparties. These risk concentrations are monitored and mitigated by management actions as deemed necessary. An example is the reinsurance purchased against the impact of catastrophe events.

There were no material changes to the risk profile of the Company during 2024.

Valuation for Solvency Purposes (section D)

The Solvency II net assets at December 31, 2024 were EUR 1,808,876k, compared with statutory net assets of EUR 853,197k. In addition to valuation differences, there are also a number of classification differences between Solvency II and International Financial Reporting Standards.

There was no change during 2024 in the approach by the Company to valuing assets and liabilities according to Solvency II valuation principles.

Capital Management (section E)

The Solvency Capital Requirement ratio for the Company at December 31, 2024 was 141%. The eligible Own Funds were EUR 1,619,230k compared to the SCR of EUR 1,148,174k. The Minimum Capital Requirement ratio was 293%.

Under Solvency II, the Own Funds are classified in three Tiers, Tier 1 being the highest quality, based on defined criteria. At December 31, 2024, an amount of EUR 1,511,873k was classified as Tier 1 Own Funds and an amount of EUR 107,357k was classified as Tier 3 Own Funds. The Own Funds entail a foreseeable dividend to be distributed to the shareholders in 2025 of EUR 293,000k.

No Solvency II transitional measures were availed of and there was no benefit taken for the Solvency II matching or volatility adjustment, in the valuation of Own Funds as at December 31, 2024.

There was no incidence of non-compliance with Solvency Capital Requirement or Minimum Solvency Capital Requirement coverage during 2024.

A. Business and Performance

A.1. Business profile

Zurich Insurance Europe AG ("ZIE" or the "Company") is the principal legal entity of the Zurich Group for writing non-life insurance business in the European Union and offers a broad range of non-life insurance products and services to a wide variety of retail and commercial customers. During 2024, business was written from Germany and from eleven branches in the European Economic Area ("EEA") (Belgium, Denmark, Finland, France, Ireland, Italy, Netherlands, Norway, Portugal, Spain and Sweden). Moreover, effective January 1, 2023, the Company's UK branch ceased writing insurance business on its own account. Instead, it offers brokerage, underwriting, and claims services to other ZIE branches.

Zurich Group

The Company is an indirect wholly owned subsidiary of Zurich Insurance Company Ltd ("ZIC"), the principal operating company in the Zurich Insurance Group ("ZIG" or the "Group") with headquarters in Zurich, Switzerland. ZIC is a wholly owned subsidiary of Zurich Insurance Group Ltd, a company listed on the Swiss SIX Stock Exchange.

Description of the holders of qualifying holdings in excess of 10% in the Company:

	Address of incorporation	Shareholding and voting power
Entities with a qualifying holding in the Company as at December 31, 2024		
Qualifying holdings (in excess of 10%)		
Direct		
Zurich Holding Ireland Limited	Zurich House, Frascati Road, Blackrock, Dublin, Ireland	70%
Zurich Insurance Company Ltd	Mythenquai 2 Zurich, Switzerland	30%
Indirect		
Zurich Insurance Company Ltd	Mythenquai 2 Zurich, Switzerland	100%
Zurich Insurance Group Ltd	Mythenquai 2 Zurich, Switzerland	100%

Table 1: Qualifying holdings (in excess of 10%)

Description of the holders of qualifying holdings

A structure chart showing the shareholders and subsidiaries of ZIE is shown in Chart 1.

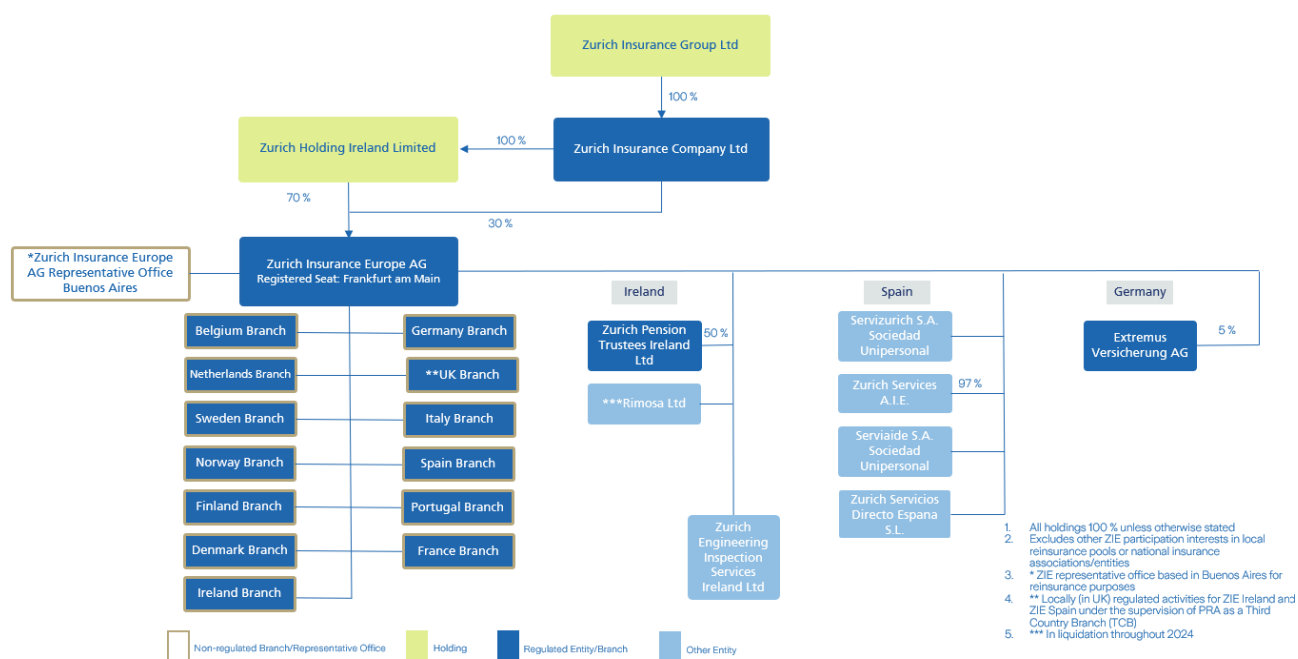


Chart 1: ZIE shareholders, subsidiaries and branches as at December 31, 2024

List of material related undertakings including the name, legal form, country, proportion of ownership interest held and, if different, proportion of voting rights held

The list of the Company's material subsidiaries at December 31, 2024, was as follows.

	Activity	Legal Form	Country of incorporation	Shareholding and voting power
Material related undertakings as at December 31, 2024				
Serviaide S.A. Sociedad Unipersonal	Service provider to companies in Zurich	Limited Company	Spain	100%
Servizurich S.A. Sociedad Unipersonal	Service provider to companies in Zurich	Limited Company	Spain	100%
Zurich Engineering Inspection Services Ireland Limited	Provider of statutory engineering risk inspection services	Limited Company	Ireland	100%
Zurich Servicios Directo España, S.L.	Managing General Agent	Limited Company	Spain	100%
Zurich Services A.I.E.	Ancillary Services	Agrupación de Interés Económico	Spain	97%

Table 2: Material related undertakings

Name and contact details of the supervisory authority for the Company

Zurich Insurance Europe AG is a German stock corporation ("AG", Aktiengesellschaft) and is subject to the supervision of the Federal Financial Supervisory Authority ("BaFin", Bundesanstalt für Finanzdienstleistungsaufsicht), Graurheindorfer Str. 108, 53117 Bonn; alternatively: P.O. Box 1253, 53002 Bonn; Phone: 0228 / 4108 – 0; Fax: 0228 / 4108 – 1550; Email: poststelle@bafin.de or De-Mail: poststelle@bafin.de-mail.de.

Name and contact details of the supervisory authority for the Group

Group supervision of Zurich Insurance Group Ltd and its subsidiaries is carried out by the Swiss Financial Market Supervisory Authority ("FINMA", Eidgenössische Finanzmarktaufsicht der Schweiz) Laupenstrasse 27, 3003 Berne, Switzerland, Phone: + 41 31 327 91 00, Fax: + 4131327 91 01, E-Mail: info@finma.ch.

Name and contact details of the external auditor for the Company

EY GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft, Börsenplatz 1, 50667 Cologne, Germany, Phone: +49 221 27790; Fax: +49 221 2779 550.

Material lines of business and material geographical areas where business is carried out

In 2024, 71% of ZIE's business was written through the branches in Germany, Italy and Spain.

The major lines of business written by the Company are as follows:

- Fire and other damage to property
- Motor vehicle liability
- General liability
- Motor vehicle non-liability

Significant business or other events with a material impact on the Company

Cross-border conversion

As a result of a cross-border conversion in accordance with the provisions of Directive (EU) 2019/2121, Zurich Insurance plc converted from an Irish public limited company into a German stock corporation (Aktiengesellschaft) on January 2, 2024, under the name of Zurich Insurance Europe AG, with its registered seat in Frankfurt am Main, Germany. There were no changes to the ownership of the Company. Whilst the Company has changed its name and legal form, this conversion was an identity-preserving process (i.e., no transfer of assets, dissolution or winding up were involved in this move).

The Head Office move had no material impact on the Company's organisation, customer facing and business activities in the local markets it operates in. Local regulators continue to supervise the Company's conduct in the markets where it operates. From January 2, 2024, prudential regulation of the Company has moved from Central Bank of Ireland ("CBI") to BaFin.

From January 2, 2024, the Company has transitioned from International Financial Reporting Standards ("IFRS") to the German Commercial Code ("HGB", Handelsgesetzbuch) as its statutory accounting basis. The transition to Germany and applicability of German statutory accounting rules led to changes in balance sheet valuations and consequently to a reduction in the loss absorbing capacity of deferred taxes.

Transfer of Shares in Wrightway Underwriting Limited (Wrightway)

Wrightway, an insurance brokerage company based in Dublin, Ireland, was direct wholly owned by Ballykilliane Holdings Limited (see next section). On June 4, 2024, the company transferred its shares in Wrightway to a third party. This had no material impact on the financial position of ZIE.

After careful evaluation and consideration, it was agreed to sell Wrightway Underwriting Limited as it was not aligned with ZIE's long-term strategic objectives. Whilst the company contributed positively to ZIE's past operations, its continued activities of managing general agents, did not align with ZIE's core operation or future growth plans.

Liquidation of Ballykilliane Holdings Limited (Ballykilliane)

Ballykilliane was a holding company based in Dublin, Ireland, and a wholly owned subsidiary of ZIE. Following the sale of Wrightway and thus discontinuation of the business purpose, Ballykilliane was dissolved and liquidated effective December 18, 2024.

Liquidation of Rimosa Limited (Rimosa)

Rimosa, a direct wholly owned subsidiary of the Company based in Dublin, Ireland, has been in liquidation since 2023. Rimosa was liquidated with an effective date of January 19, 2025.

Large Losses and Natural Catastrophe events

The Company was affected by Large Losses regarding corporate clients in 2024 with a gross value before reinsurance of EUR 427,829k and a net impact after considering reinsurance of EUR 24,632k.

The three biggest Natural Catastrophe ("Nat Cat") events impacting ZIE in 2024 were Quirina (branches affected: Germany as well as Belgium and Netherlands ("BeNe")), Boris (branches affected: Germany, Italy and BeNe) and Valencia floods (branches affected Spain, France and BeNe). All events related to prolonged rainfall and heavy flooding. Gross claims amounted to 132,275 k with a net impact after reinsurance of EUR 20,667k.

The impact of Large Losses and Nat Cat events after reinsurance were not material to ZIE's Solvency position.

CrowdStrike

On July 19, 2024, the American cybersecurity firm CrowdStrike released a faulty update for its Falcon Sensor security software, leading to significant issues for Microsoft Windows computers that utilised the software. This incident resulted in approximately 8.5 million systems crashing and failing to restart properly, marking it as the largest outage in the history of information technology and described as "historic in scale". The disruption impacted daily life, businesses, and government operations worldwide, affecting various industries and essential services, including emergency response and government websites. Fortunately, the error was identified within hours, and a fix was promptly issued. ZIE's processes and customer services were only minimally affected and there was no economic impact.

A.2. Underwriting performance

Overview of financial performance

The values in section A for the prior year are reported under IFRS issued by the International Accounting Standards Board as adopted by the European Union. The values for the current year are reported under local Generally Accepted Accounting Principles ("GAAP") HGB.

The net income after tax for 2024 was a profit of EUR 23,246k with a positive balance on the technical result after change in equalisation reserve of EUR 55,330k and a loss on the non-technical result of EUR 27,253k.

The net loss after tax for 2023 was EUR 49,402k, largely driven by the impact of weather-related large loss events, the impact of inflation on the value of claims and adverse revaluations of real estate assets, offset by positive development in the value of the claims for prior year loss events.

Continuing operations

The net technical result after change in equalisation reserve for 2024 was a profit of EUR 55,330k mainly driven by strong topline growth and favourable prior year development partly offset by negative impact of current accident year losses (mainly attritional and weather development) and change in equalisation reserve.

The insurance service result for 2023 was a profit of EUR 173,108k.

The tables below detail the underwriting result in 2023 and 2024 by location. Due to the change from IFRS to HGB a variance analysis is not available.

	Germany	Italy	Spain	Other	Total
Underwriting performance by country - 2024					
in EUR thousands					
Earned Premiums net of Reinsurance	937,748	663,258	471,702	506,467	2,579,175
Written Premiums Gross	2,562,133	1,668,662	1,430,742	2,263,315	7,924,852
Written premiums Ceded	-1,602,122	-974,612	-946,190	-1,737,740	-5,260,664
Change in Unearned Premiums – Gross	-23,128	-65,560	-46,915	-54,371	-189,974
Change in Unearned Premiums – Ceded	865	34,768	34,065	35,263	104,961
Allocated investment return transferred from NT Account - Direct	2,801	0	0	2,030	4,831
Other technical Income	446	0	2	351	799
Charges for Claims incurred Net	-646,241	-468,002	-314,656	-356,622	-1,785,520
Payments for Claims	-628,194	-480,987	-298,890	-392,196	-1,800,266
Payments for Claims Gross	-1,470,680	-1,056,932	-743,894	-1,203,806	-4,475,312
Payments for Claims Ceded	842,487	575,945	445,004	811,610	2,675,045
Change in provision for claims outstanding	-18,047	12,985	-15,766	35,574	14,746
Change in provision for claims outstanding Gross	-355,285	4,883	-229,460	-53,329	-633,191
Change in provision for claims outstanding Ceded	337,238	8,102	213,695	88,902	647,937
Change in other technical provisions Net	2,057	-114	-280	948	2,612
Charges for bonuses and rebates Net	-996	-161	-1,387	0	-2,544
Operating expenses Net	-228,188	-143,318	-146,205	-53,418	-571,129
Operating expenses Gross	-771,923	-436,312	-385,200	-460,602	-2,054,036
Operating expenses Ceded	543,735	292,994	238,995	407,184	1,482,908
Other technical expenses Net	-17,202	-324	-8,255	-12,798	-38,580
Technical result before change in equalisation provision	50,425	51,340	920	86,958	189,643
Change in equalisation provision and similar provisions*					-134,313
Technical Result net of Reinsurance					55,330

*Change in equalisation provision and similar provision calculated on legal entity level per line of business

Table 3: Underwriting performance by geographical location – 2024

	Germany	Italy	Spain	Other	Total
Underwriting performance by country - 2023					
in EUR thousands					
Continuing Operations					
Insurance contract revenue	2,290,542	1,423,484	1,254,794	2,088,713	7,057,533
Insurance service expense	-2,068,969	-1,482,302	-1,120,098	-1,864,219	-6,535,588
Net expenses from reinsurance contracts held	-187,734	75,587	-135,737	-100,953	-348,837
Insurance service result	33,839	16,769	-1,041	123,542	173,108

Table 4: Underwriting performance by geographical location – 2023

Underwriting performance

The net balance on the technical result after change in equalisation and similar reserves for 2024 was a profit of EUR 55,330k. The written premium gross of reinsurance in 2024 was EUR 7,924,852k with a strong growth across all branches. The net earned premiums amount to EUR 2,579,175k. The claims expenses, net of reinsurance were EUR 1,785,520k driven by current accident year loss experience partly compensated by positive prior year development. Technical expenses summed up to EUR 609,709k what was in line with increasing business volumes. As a result of the positive loss development the company had to add to the equalisation EUR 134,313k.

The insurance service result for 2023 was a profit of EUR 173,108k. The Insurance contract revenue in 2023 was EUR 7,057,533k, with increased revenue seen across the branches, gross of reinsurance. The Insurance service expense in 2023 was EUR 6,536,588k, driven by increased business volumes and the loss experience in 2023, gross of reinsurance.

Compared to IFRS, the HGB numbers generally follow a stronger prudence concept with mostly higher current accident year reserves. Additionally, the need to account for additional reserves, mainly the equalisation reserve and similar to equalisation reserve (like Terror Pools) results in a different technical result under HGB compared to IFRS. Moreover, specific IFRS 17 line items (e.g. risk adjustment and discounting on losses) are not HGB relevant. In addition, there is a change in presentation of the technical expenses (e.g. shift between technical and non-technical expenses, reinsurance written commissions are shown in incurred commissions).

Underwriting performance by geographic location

Drivers of underwriting performance, particular to certain branches, are further analysed below.

Germany

The net technical result before change in equalisation reserve for 2024 was a profit of EUR 50,425k. Unfavourable development regarding attritional losses (mainly Motor) and weather losses (Saarland flood and several regional hailstorms affecting Motor) were compensated partly by strong topline performance in both Retail and Commercial and favourable prior year development.

Italy

The net technical result before change in equalisation reserve for 2024 was a profit of EUR 51,340k mainly driven by positive topline performance from Mid-Market und Retail (mainly Motor) and a favourable CAT loss and prior year development.

Spain

The net technical result before change in equalisation reserve for 2024 was a profit of EUR 920k. Positive experience from topline and prior year development were offset by higher expense and current accident year losses (e.g. in Motor).

Other countries

The net technical result before change in equalisation reserve for 2024 was a profit of EUR 86,958k. Positive topline performance favourable claims development across all other branches.

Underwriting performance by line of business

The tables below detail the net technical result after change in equalisation reserve in 2024 and the insurance revenue result in 2023 by line of business.

	Fire and other damage to property	Motor vehicle	General liability	Other	Total
Underwriting performance by line of business - 2024					
in EUR thousands					
Earned Premiums net of Reinsurance	846,020	947,818	321,686	463,651	2,579,175
Written Premiums Gross	3,088,703	2,118,825	1,478,145	1,239,179	7,924,852
Written premiums Ceded	-2,230,618	-1,120,507	-1,149,713	-759,826	-5,260,664
Change in Unearned Premiums - Gross	-95,987	-72,890	-12,855	-8,242	-189,974
Change in Unearned Premiums - Ceded	83,922	22,389	6,110	-7,461	104,961
Allocated investment return transferred from NT Account - Direct	0	1,748	32	3,050	4,831
Other technical Income	23	224	216	336	799
Charges for Claims incurred Net	-525,006	-789,677	-215,584	-255,253	-1,785,520
Payments for Claims	-548,562	-815,316	-186,451	-249,937	-1,800,266
Payments for Claims Gross	-1,588,580	-1,573,748	-704,157	-608,827	-4,475,312
Payments for Claims Ceded	1,040,018	758,431	517,706	358,890	2,675,045
Change in provision for claims outstanding	23,555	25,639	-29,133	-5,316	14,746
Change in provision for claims outstanding Gross	-251,200	-25,726	-235,134	-121,131	-633,191
Change in provision for claims outstanding Ceded	274,755	51,366	206,001	115,815	647,937
Change in other technical provisions Net	-175	-194	-170	3,151	2,612
Charges for bonuses and rebates Net	355	-1,470	-40	-1,388	-2,544
Operating expenses Net	-222,291	-104,880	-49,840	-194,118	-571,129
Operating expenses Gross	-751,614	-509,283	-350,477	-442,663	-2,054,036
Operating expenses Ceded	529,323	404,403	300,637	248,544	1,482,908
Other technical expenses Net	-28,539	-8,029	-672	-1,340	-38,580
Technical result before change in equalisation provision	70,386	45,540	55,629	18,088	189,643
Change in equalisation provision and similar provisions	-47,532	-37,130	-2,267	-47,384	-134,313
Technical Result net of Reinsurance	22,854	8,410	53,362	-29,296	55,330

Table 5: Underwriting performance by line of business – 2024

	Fire and other damage to property	Motor vehicle	General liability	Other	Total
Underwriting performance by line of business - 2023					
in EUR thousands					
Continuing Operations					
Insurance contract revenue	2,607,248	1,850,050	1,608,883	991,351	7,057,533
Insurance service expense	-2,493,571	-1,932,763	-1,303,917	-805,336	-6,535,588
Net expenses from reinsurance contracts held	-201,698	115,198	-142,634	-119,703	-348,837
Insurance service result	-88,021	32,486	162,332	66,312	173,108

Table 6: Underwriting performance by line of business – 2023

Fire and other damage to property

The net technical result after change in equalisation reserve for 2024 is a profit of EUR 22,854k, including an allocation to equalisation reserve of EUR 47,532k. Positive impact mainly driven by normalised catastrophe and large loss experience.

The insurance service result in 2023 was a loss of EUR 88,021k, driven by an increase in weather-related and other large loss events.

Motor vehicle

The net technical result after change in equalisation reserve for 2024 was a profit of EUR 8,410k, including an allocation to equalisation reserve of EUR 37,130k. Positive impact mainly driven by slightly lower attritional losses partly offset by weather-related events.

The insurance service result was a profit of EUR 32,486k in 2023, despite higher value of current year claims, including the impact of weather-related events.

General liability

The net technical result after change in equalisation reserve for 2024 was a profit of EUR 53,362k driven by stable premium growth and loss development of current year claims.

The insurance service result was a profit of EUR 162,332k in 2023, driven by a lower value of current year claims.

Other lines of business

The net technical result after change in equalisation reserve for 2024 was a loss of 29,296k largely resulting from an allocation to equalisation reserve of 47,384k (mainly for in legal protection and credit and surety).

The insurance service result was a profit of EUR 66,312k in 2023.

A.3. Investment performance

Investment result

The investment result (HGB) consists of the ordinary and extraordinary results. The ordinary result includes interest, dividend, and rental income on the income side, and is reduced on the expense side primarily by administrative costs and scheduled depreciation. The extraordinary result nets profits and losses from disposals of capital investments, as well as write-downs due to impairments and reversals due to recoveries.

The following tables provide detailed information on the investment results for the year 2024 and 2023.

	Income	Expenses	Gains	Losses	Write-Ups	Write-Downs	Total
Income and Expense Sources by Asset Classes - 2024							
in thousand EUR							
Government Bonds	22,974	-3,842	4,974	-2,272	2,915	-4,743	20,007
Corporate Bonds	13,315	-1,914	1,996	-1,672	6,643	-296	18,072
Equities	40,427	-400	10,059	-3,219	728	-11,584	36,011
Collective Investment Undertakings	42,382	-3,209	0	-107	730	-2,009	37,787
Structured Notes	0	0	0	0	0	0	0
Collateralised Securities	3,381	-315	826	-13	429	-77	4,231
Cash and Deposits	633	-100	0	0	0	0	533
Mortgages and Loans	42,468	-5,108	91	-1	0	0	37,450
Property	39,867	-13,896	5,697	-994	0	-25,302	5,372
Other investments	0	0	3,344	-14,563	0	0	-11,219
Total result	205,447	-28,784	26,988	-22,840	11,446	-44,012	148,244

Table 7: Investment Result – 2024

	Investment Income	Gains/losses	Total Result
Investment Performance - 2023			
in EUR thousands			
Cash and Cash Equivalents	1,151	0	1,151
Equity Securities	9,898	32,096	41,994
Debt Securities	75,650	-58,450	17,200
Real Estate Held for Investment	33,150	-97,879	-64,729
Mortgage Loans	373	0	373
Other Loans	28,411	1	28,412
Other Investments	0	8,538	8,538
Investment result, gross	148,633	-115,694	32,939
Investment expenses	-12,254	0	-12,254
Investment result, net	136,379	-115,694	20,685
Unrealised gains/losses through the OCI			
Net unrealised gains/loss on financial assets		105,664	105,664
Investment in group undertakings revaluation		4,463	4,463
Own use property revaluation reserve		-813	-813
Total unrealised gain/losses through the OCI		109,314	109,314
Total Investment result		-6,380	129,999

Table 8: Investment Result – 2023

The Company achieved income of EUR 205,447k from capital investments. After deducting expenses of EUR 28,784k, the capital investment result amounted to EUR 176,664k.

The net write-downs, taking into account the write-ups, amounted to EUR 32,566k. Overall, the net result from capital investments in the reporting year was EUR 148,224k, leading to a net return of 3.08%. The ongoing average return according to a formula published by the German Insurance Association (Gesamtverband der Deutschen Versicherungswirtschaft) which refers to the average capital investment stock, was 3.43%.

Among the regular capital investment income result overall EUR 205,447k, income from loans and mortgages, amounting to EUR 42,468k, constituted the largest single item.

The income from loans and mortgages is composed as follows: interest income from mortgage loans amounted to EUR 463k, from bonded loans and loans amounted to EUR 4,501k, and from intra-group loans/liquidity assistance amounted to EUR 37,503k.

The income from investment funds mainly pertains to distributions from special funds.

The participations distributed dividends amounting to EUR 40,427k to ZIE. Thereof, dividends from directly held shares amounted to EUR 5,140k, from shares in affiliated companies amounted to EUR 34,852k, and from participations amounted to EUR 435k.

The expenses from capital investments amounting to EUR 28,784k were dominated by the expenses for property of EUR 13,896k.

Gains and losses on disposals arise from trading activities in the course of portfolio management and optimization. In the financial year, gains and losses on disposals mainly occurred from the sale of shares in investment funds.

In the financial year 2024, all gains or losses were recognised in profit or loss. There were no gains or losses recognised directly in equity.

Note on securitised investments

Asset backed securities of EUR 26,000k were held at December 31, 2024, compared to EUR 38,000k held at December 31, 2023. The valuation reflects the fair value of those securities, based on quoted prices where available or alternatively based on recognised valuation approaches. The weighted average credit rating of this portfolio was AA-, and the majority of the holdings are of the high AA grades. Investment guidelines and monitoring controls are in place for the external managers who manage these portfolios, to ensure adherence to the investment strategy of the Company, as approved by the Management Board.

A.4. Performance of other activities

	December 31, 2024
Result of Other Activities	
in EUR thousands	
Other Result	-9,729
Other Income	241,951
Other Expenses	-394,164
Extraordinary Expenses	-24,217
Taxes from Income and Result	9,995
Other Result	-176,164

Table 9: Results of Other Activities

The result from other business activities mainly includes other (non-underwriting related) income and expenses, interest income and expenses and the foreign currency result.

The other income of EUR 241,951k consists mainly of income for services provided to affiliate and other companies without direct relation to the own insurance business, e.g. Sales Activities for 3rd party products or income for leading coinsurance business (in total EUR 92,603k). In addition, an interest income of EUR 11,999k was recorded.

The other expenses of EUR 394,164k consist mainly of non-technical expenses that are not attributable to the operating expenses in accordance with section 48 Regulation on the Accounting of Insurance Undertakings (Versicherungsunternehmens-Rechnungslegungsverordnung). In particular, these are costs for the company as a whole and the central administration expenses and fees charged by foreign parent companies (EUR 173,840k). In addition, expenses occurred for services provided to affiliate and other companies without direct relation to the own insurance business (in total EUR 79,769k) occurred, as well as interest expenses of EUR 5,302k.

The net foreign currency result is nearly balanced in total, as all currency exposures are hedged using currency derivatives. The gross currency loss of EUR 128,804k and the gross currency gain of EUR 129,048k are shown in Other Expenses and Other Income.

Extraordinary expenses of EUR 24,217k occurred in connection with the creation of new or increase in existing provisions for restructuring expenses.

For the year 2024, a tax credit amounting to EUR 9,995k was recorded. This value was based on the current tax position in each branch. The tax regulations differ in each branch and reflect the tax policies of the respective countries, which also include variations in the applied tax rates. Additionally, all movements in the net deferred tax liabilities were recorded in the HGB income statement. Deferred tax assets are not reported according to HGB.

An expense of EUR 9,729k was recorded for other taxes.

Lease arrangements

There were no financial lease arrangements as at December 31, 2024.

A number of subsidiaries have various operating leases for office space, IT ("Information Technology") and other equipment. Operating leases were accounted for in line with IFRS 16.

A.5. Any additional information

Apart from the developments mentioned above, no other events occurred in 2024 which had a material impact on the business or performance of the Company.

B. System of Governance

B.1. General information on the system of governance

Cross border conversion

As a result of a cross-border conversion in accordance with the provisions of Directive (EU) 2019/2121, Zurich Insurance plc converted from an Irish public limited company into a German stock corporation (Aktiengesellschaft) on January 2, 2024, under the name of Zurich Insurance Europe AG, with its registered seat in Frankfurt am Main, Germany. There were no changes to the ownership of the Company. Whilst the Company has changed its name and legal form, this conversion was an identity-preserving process (i.e., no transfer of assets, dissolution or winding up were involved in this move).

The Head Office move had no material impact on the Company's organisation, customer facing and business activities in the local markets it operates in. Local regulators continue to supervise the Company's conduct in the markets where it operates. From January 2, 2024, prudential regulation of the Company has moved from CBI to BaFin.

Overview

The Company is part of the Zurich Group in Germany and is integrated there as shown in the following organizational chart.

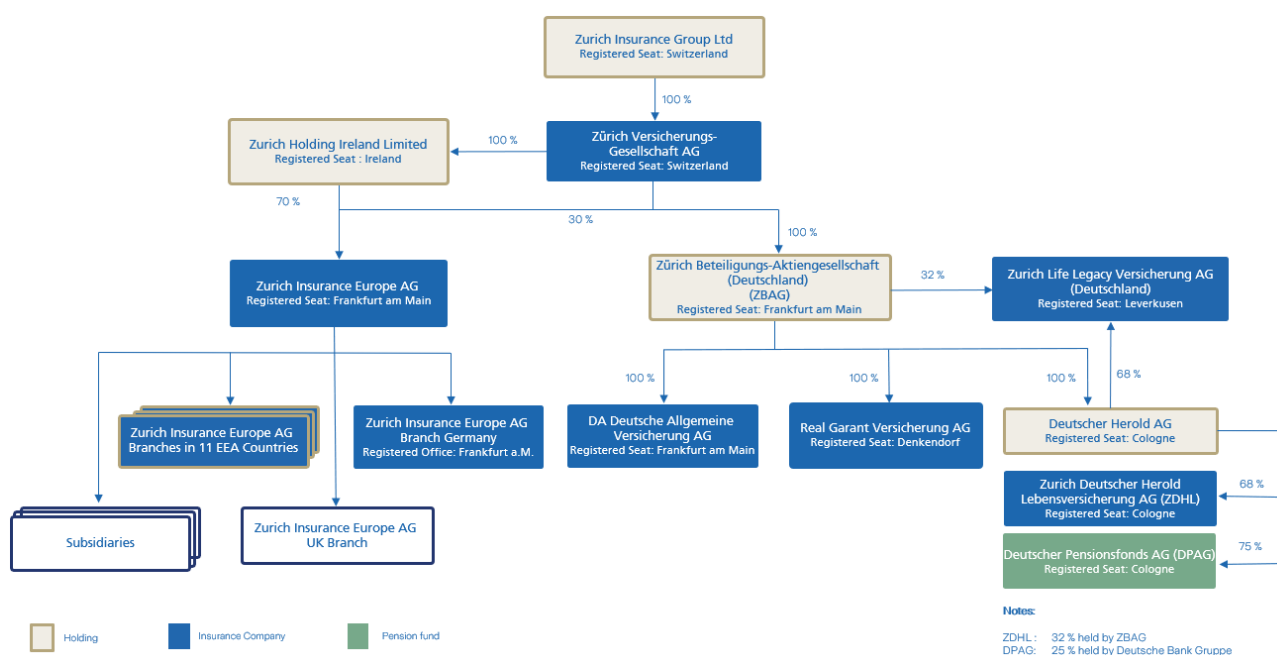


Chart 2: Corporate structure of the Zurich Group in Germany

The Company has an effective governance system that ensures a sound and prudent management. The system includes a transparent organizational structure with a clear allocation and appropriate segregation of responsibilities, as well as an effective system for monitoring business operations through the responsible control bodies.

In addition, the structure of the departmental assignments and the organisation of functions is shown in the following diagram:

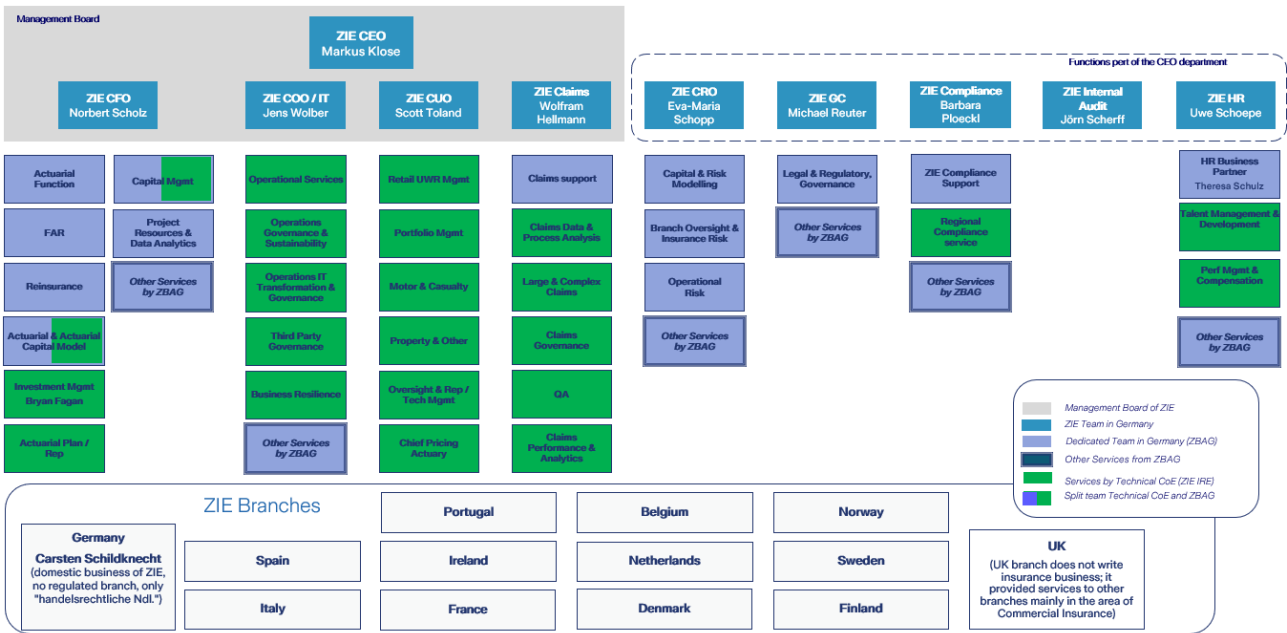


Chart 3: Organizational structure of ZIE

The above chart represents the organizational structure of the Company and therefore does not illustrate the interconnections that partially exist beyond the group structure.

In addition, the Company has established a Technical Center of Excellence ("TCoE") in Ireland, which provides services in various business areas (Finance, Actuarial, Compliance, Investment Management, Underwriting, Operations, Claims, Human Resources ("HR")) for the company's Head Office as well as for its branches. The TCoE is considered part of the Head Office, which is why the governance functions of the Company, particularly the key functions, have the oversight of the TCoE governance matters. The various functions within the TCoE report to the Management Board and are subject to its instructions regarding the services they provide.

Key Committees of the Company

The following chart provides an overview of the key committees of the company, including the management committees, the committees of the Supervisory Board, and the committees of the branches:

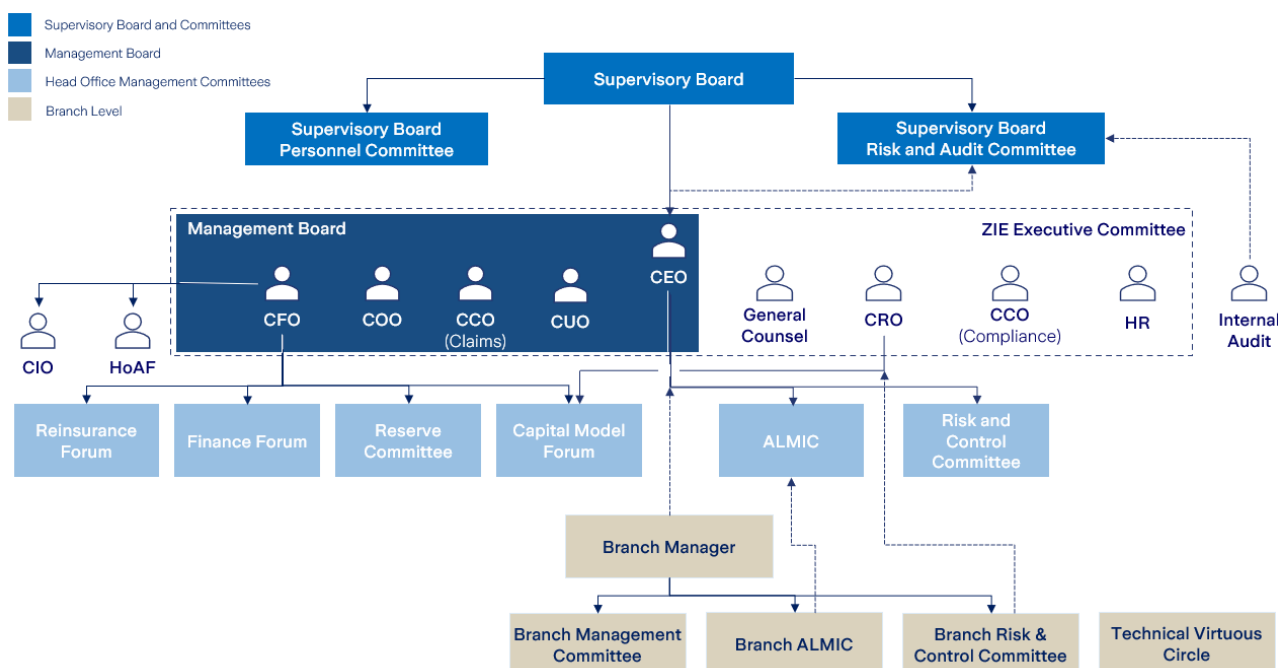


Chart 4: Overview of ZIE Governance and Committees

The Management Board

The focal point of the Company's system of governance is its Management Board. The Management Board of the Company manages the organization with full responsibility. There is a division of responsibilities among the board members, as shown below, which does not exempt the Management Board from its overall collective responsibility for the Company's business activities. According to the Management Board's Rules of Procedure, certain transactions require the approval by the entire Management Board. Additionally, certain transactions require the further approval by the Company's Supervisory Board.

As of December 31, 2024, the Management Board consisted of five members. The distribution of responsibilities within the board was as follows:

Markus Klose	Norbert Scholz	Dr. Wolfram Hellmann	Scott Toland	Jens Wolber
Chief Executive Officer (CEO)	Chief Financial Officer (CFO)	Chief Claims Officer (CCO)	Chief Underwriting Officer (CUO)	Chief Operating Officer (COO)
Strategy and Communication; Governance functions (Legal/Regulatory, Compliance, Risk Management, Internal Audit); Market Research and Development; Human Resources	Accounting, Controlling, Taxes, Reinsurance; Actuarial Services, Solvency II Capital Model, Data Analyses; Investments (Investment Management)	Claims processing – in particular: Claims Governance, Claims key performance indicators and Processes; Large & Complex Claims; Quality Assurance, Claims Performance & Analyses	Underwriting – esp. Retail Underwriting Management, Portfolio Management, Motor & Casualty, Property, Oversight & Reporting, Technical Management, Pricing-Actuary	Operative Services und IT – esp. Operations Governance & Sustainability, IT Transformation & Governance, Third Party Governance incl. Outsourcing, Business Resilience

Table 10: Management Board of ZIE

The ultimate responsibility for setting up the Governance System lies with the Company's Management Board. The Management Board receives regular updates on current governance issues. Within the

Management Board, the key functions of Compliance, Risk Management and Internal Auditing fall under the responsibility of the Company's CEO, Mr. Markus Klose. The Actuarial function falls under the responsibility of Mr. Norbert Scholz. The overall collective responsibility of the Management Board members remains unaffected by this. Mr. Klose is also the outsourcing officer for the key functions of Compliance, Risk Management and Internal Auditing. Mr. Scholz is the outsourcing officer for the Actuarial function.

The Management Board's responsibilities include, among other things:

- Defining the business strategy
- Responsibility for conducting business in an ethical, legal, sustainable and responsible manner
- Build a robust and transparent organizational structure with effective communication and reporting channels
- Establish and implement an appropriate and effective internal control framework that includes efficient key functions of risk management, actuarial function, compliance and internal audit, as well as an appropriate financial reporting and accounting framework
- Establishing and implementing guidelines and policies in key areas such as risk, reserving, compliance, internal audit, outsourcing, fitness and probity, business continuity, accounting, employee compensation and pensions, board diversity, customer relations, and financial, market, liquidity, credit and operational risks and systems
- Setting limits on risk appetite and overall risk tolerance limits
- Defining and implementing the strategy for the management of material risks, including liquidity risk
- Approval of significant changes to the Internal model

Management Board and Management Committees

The highest decision-making body of the company is the Management Board. In addition, there are other committees that deal with specific topics and prepare Management Board decisions accordingly. These include mainly the following bodies:

- Governance Committee: members of the key functions as well as the Legal function regularly discuss governance issues of the Company
- Risk and Control Committee ("RCC"): assists the Management Board by providing an integrated monitoring forum to conduct, control, monitor and coordinate risk management, compliance and internal control activities
- Asset Liability Management and Investment Committee ("ALMIC"): assists the CFO and the Chief Investment Officer in managing and overseeing the Company's investment portfolio in accordance with the investment strategy
- Capital Model Forum: supports the CFO and Chief Risk Officer ("CRO") in various aspects of the Internal model, such as monitoring, controlling and implementing the internal model, validation topics
- Finance Forum: assists the CFO in managing and overseeing the Finance department
- Reserving Committee: assists the CFO and the Head of the Actuarial function in managing, monitoring and coordinating accrual activities
- Reinsurance Forum: supports the CFO and the CUO in the fulfilment of their tasks, esp. the determination of an appropriate reinsurance programme for the Company and its branches, evaluation of the impact of potential reinsurance decisions on the Company's risk profile and risk appetite. Adherence to the Company's reinsurance strategy in line with the business strategy.

The Supervisory Board and its committees

The Company's Supervisory Board monitors and controls the activities of the Management Board. In 2024, it consisted of the following persons (shareholder representatives):

- Alison Martin (Chair)
- Richard Burden (Vice-Chair)

- Jonathan de Beer
- Kamila Horácková
- Sierra Signorelli
- Margaret Stack

The Personnel Committee

The Company's Supervisory Board has implemented a Personnel Committee, which included Ms. Martin, Mr. Burden and Ms. Stack as of December 31, 2024.

One of the main tasks of the Personnel Committee is the preparation of personnel and remuneration decisions relating to the Management Board members. The Personnel Committee also prepares the conclusion, amendment, extension and cancellation of the employment contracts for the members of the Management Board as well as other contracts for the Management Board members in connection with their employment relationship.

The Audit and Risk Committee

In addition, an Audit and Risk Committee ("ARC") within the meaning of section 107 (4) of the German Stock Corporation Act ("AktG", Aktiengesetz) has been implemented in the Company. As of December 31, 2024, the ARC consisted of Mr. Burden (Chairman), Ms. Martin and Ms. Horácková. The expert member of the Supervisory Board pursuant to section 100 (5) AktG for accounting is Mr. Burden; the expert Supervisory Board member for auditing is Ms. Martin.

The ARC's tasks include the preparatory audit of the annual financial statements and the management report, as well as the audit report and the report on the relations with affiliated companies of the Management Board. It can set priorities for the audit of the financial statements and monitors the independence of the auditor. The ARC also reviews the Risk Management System and Compliance, the Internal Control Systems and the Internal Audit Work Plan.

Key Functions

In accordance with legal requirements, the Company's Governance System includes the key functions of risk management (independent Risk Management function), Internal Audit, Compliance and the Actuarial function. The Management Board has not defined any other key functions.

All key functions have been outsourced to Zürich Beteiligungs-AG (Deutschland) ("ZBAG"). In addition, actuarial services are provided by the TCoE staff, who are predominantly located in the Company's Irish branch (therefore not considered an outsourcing). Furthermore, ZIC provides services for the Risk Management and Internal Audit functions as well as support services for the Compliance function.

The relevant service level agreements ensure that sufficient resources are provided with appropriate skills and competencies to enable key functions to adequately meet regulatory requirements.

Risk Management Tasks

Responsibility for Risk Management lies with the Company's Management Board. This determines the risk appetite and risk tolerance limits and adopts the most important risk management strategies and policies.

The Risk Management function supports the Management Board with regard to the effective operation of the Risk Management System in particular by:

- Creation and approval of risk strategy and risk limits
- Monitoring of the Risk Management System
- Reports to the Management Board regarding exposure to strategic risks
- Identification and assessment of existing and emerging risks
- Ensuring the adequacy of the methodology (and related aspects) of the Internal Model

Further information on the Risk Management System is provided in section B.3 of this report.

Tasks of the Compliance function

The tasks of the Compliance function are in particular:

- Advising the Management Board on compliance with legal and regulatory requirements
- Assessment of possible effects of changes in the legal environment
- Identification and assessment of the risk associated with the violation of legal requirements (compliance risk)
- Promoting and reviewing an integrated control system and assessing the adequacy of the measures taken to prevent non-compliance.

For more information on the Compliance function, see section B.4 of this report.

Tasks of the Actuarial function

The main tasks of the actuarial function are:

- Coordination of the calculation of technical provisions
- Validation of the calculation methods used, the assumptions made, the data used and the complete recording of obligations
- Statement on underwriting policy and reinsurance
- Working closely with the Risk Management function in connection with the Internal Model.

For more information on the Actuarial function, see section B.6 of this report.

Tasks of the Internal Audit function

The Internal Audit function conducts an independent and objective review of the entire business organization's and the internal control system's appropriateness and effectiveness.

For more information on the role of Internal Audit, please see section B.5 of this report.

Persons responsible for key functions

The following persons have been appointed for the key functions mentioned above (as of December 31, 2024):

Function	Responsible person (Outsourcing officer)
Risk Management	Markus Klose
Internal Audit	Markus Klose
Compliance	Markus Klose
Actuarial	Norbert Scholz

Table 11: Key functions of ZIE

The key functions are independent of each other and report directly to Mr. Klose (Risk Management, Internal Audit and Compliance) and Mr. Scholz (Actuarial function). To this end, key functions will be granted full access to the information needed to carry out their responsibilities.

In addition, the company's RCC receives regular reports from the Heads of key functions, among others. The reports and, if applicable, Matters to Raise / Matters to Note are forwarded to the ARC via the RCC. In addition, further escalations may be necessary for risk issues within the Zurich Group.

Branch governance

Each branch is managed by a Branch Manager. The Branch Managers are appointed by the Management Board.

The Branch Manager is responsible for managing the branch's insurance business and all related activities. Each Branch Manager reports to the CEO.

The branches have a Branch Management Committee ("BMC") and a Risk & Control Committee (Branch RCC).

The BMC assists the respective Branch Manager in developing, managing and monitoring the branch's business as well as in implementing the Company's strategy, policies and business plans in the branch.

The Branch RCC supports the respective Branch Manager, as well as the CRO and the CCO of the Company in the implementation and monitoring of the internal audit, risk management, compliance and internal control activities of the branches.

The branches in Denmark, Norway, Sweden and Finland have each established a joint BMC and RCC for reasons of proportionality. The same applies to the branches in BeNe.

In addition, the branches have a Branch ALMIC, which takes on the role of the Management Board-ALMIC at the branch level.

In addition, the Heads of the respective local functions Reserving, Pricing, Underwriting, Claims, Risk Management and Finance participate in a Technical Virtuous Circle, a discussion forum for current trends and developments within the Zurich Group.

Additional committees may be established in the branches depending on local business needs and regulatory requirements.

Remuneration Policy and Practices

The Zurich Group's remuneration rules establish a balanced and effectively managed remuneration system for employees that ensures competitive overall compensation opportunities, for which the resulting variable remuneration is adjusted depending on the actually achieved results. The Short and Long-Term Incentive Plans aim to align the compensation architecture with the achievement of key financial goals, the implementation of the business strategy, the Risk Management Framework and the operational planning. The Management Board and, as far as the Management Board members are concerned, the Supervisory Board must ensure that the Company's remuneration practices do not lead to excessive risk-taking.

Supervisory board

The activities of the members of the Supervisory Board were not remunerated in financial year 2024.

Management Board

The remuneration of the Management Board members comprises a fixed and a variable component, with the variable component regularly ranging between 60% and 130% of the fixed remuneration.

The basic salary is aligned with the median market values. Important factors include the experience and performance of the respective Management Board member. The base salary should range between 80% and 120% of the median market value.

The variable compensation plans ensure that the compensation architecture is linked to the achievement of the Company's and the Group's key financial goals, business strategy and risk management requirements. Both short-term and long-term remuneration plans are utilised for this purpose.

Short-term variable compensation generally has a one-year assessment basis and is based on factors such as the performance of the Zurich Group or the Company, the success of individual business areas and individually achieved performance targets. The relevant performance metrics are determined annually based on the business strategy and underline the achievement of business priorities. The evaluation of the individual target achievement is carried out according to quantitative and qualitative criteria.

Short-term variable remuneration is regularly combined with variable remuneration components with a multi-year assessment basis, ensuring that a long-term behavioural incentive is consistently set. This is achieved by involving the executive management in the Zurich Group's long-term compensation plan.

The long-term variable remuneration is granted in the form of shares. The variable remuneration plans are designed such that the proportion of long-term variable remuneration increases with the significance of the position, particularly concerning the risk profile of the Group. In general, at least 60% of the variable remuneration should be designed as long-term. Sustainability aspects – which form a core pillar of the Company's business strategy – play a role in the calculation of performance-related, variable remuneration. They are part of individual target objectives of the Management Board members and are intended to promote the sustainable development of the Company. The Company thus links the calculation of variable

remuneration to the achievement of defined sustainability goals while simultaneously excluding hazardous misleading incentives.

In line with ZIG's risk profile and business strategy, long-term variable remuneration has a deferral effect. The deferral effect is ensured through two mechanisms:

- Payment of long-term remuneration three years after the year of plan allocation based on the performance of the year of plan issuance and the two subsequent years
- After payment, half of the shares will not be admitted to sale for an additional three years

Performance criteria for granting long-term variable remuneration are:

- Relative stock performance of ZIG compared to a global group of insurance companies from the Dow Jones Titan Insurance Index
- Return on equity of net income attributable to shareholders after taxes
- Inflows of ZIG

Regarding the Company's pension scheme for executive managers, the following applies:

- Executive managers receive a defined contribution, share-based commitment. In this case, a fixed percentage of the annual base salary is credited to the pension account of the Management Board member. The investment is made through a specialised fund model.

Key functions

The key functions of Risk Management, Internal Audit, Compliance and Actuarial function are outsourced to the ZBAG company of the Zurich Group in Germany. For holders of key functions, the requirements of remuneration for managing directors apply mutatis mutandis.

Other Staff

The company has outsourced all functions and has no employees of its own.

Significant changes to the Governance System

In 2024, there were changes to the Governance System resulting from the cross-border conversion. The corporate structure was adapted to German stock corporation law, which places specific requirements on corporate governance and management. In particular, the transition from a one-tier to a two-tier board structure and the establishment of a Supervisory Board were necessary.

At the same time, the company's structure, process and overall business organization had to be adapted to German stock corporation law as well as to the German legal and regulatory requirements for the business organization of insurance companies. This also relates to the establishment of the TCoE as part of the Head Office, due to the relocation of the Company's headquarters to Germany following the cross-border conversion, whereas the Company now holds an Irish branch.

In view of Regulation (EU) 2022/2554 on digital operational resilience in the financial sector ("DORA"), the Management Board initiated comprehensive measures during the reporting year, to be implemented with the entry into force of the regulation on January 17, 2025.

Furthermore, the transparency and reporting requirements deviate from the previously applicable Irish standards. The company must adhere to the provisions of HGB instead of the IFRS standards that applied under the legal form of the Irish public limited company.

Apart from the above, the Governance System remains basically unchanged after the cross-border conversion.

Significant transactions with Zurich Group companies in 2024

During the year, several reinsurance contracts were concluded with ZIC. The most significant agreements are:

- Quota reinsurance contracts for the private and commercial business sectors
- Reinsurance arrangements to facilitate international programme business

- Non-proportional reinsurance contracts to protect against individual large loss events in specific business areas
- Reinsurance to protect against cumulative claims from Nat Cat and man-made catastrophe (“MMC”) events
- Reinsurance to protect against adverse developments in the liability sectors

To mitigate the risk from foreign exchange and equity investments, ZIC used currency and equity hedging instruments throughout 2024. In 2023, similar hedging instruments with different levels of protection were in place.

In the course of the year 2024, loans amounting to EUR 712,800k were due to ZIC. New loans to ZIC totalling EUR 1,082,800k were disbursed in 2024. Compared to the end of 2023, when the amount was EUR 956,100k, the loans issued to ZIC increased by EUR 370,000k in terms of nominal volume.

Intra-group transactions are conducted on similar terms to those applicable to transactions with third parties, as appropriate. Significant intra-group transactions are subject to approval by the Management Board.

Assessment of the effectiveness of the Governance System

The Management Board considers the Company's Governance System as appropriate for the nature, scope and complexity of the Company's business activities.

The Company's organizational structure and operational processes are deemed adequate for the complexity and business size of the Company and are in line with the business strategy. Important corporate decisions are made by the entire Management Board.

The key functions are designated and established. They are properly involved in significant decisions. The necessary internal policies are adopted and are reviewed and updated annually and ad hoc if necessary.

The Governance System is reviewed annually by the Management Board. The relevant processes are adequately documented.

B.2. Fit and Proper requirements

General Information

The Company has summarised the requirements under section 24 German Insurance Act (“VAG”, Versicherungsaufsichtsgesetz) on fitness and propriety of individuals who actually manage the Company or perform key tasks in a policy. This policy also includes the process to ensure fulfilment of those requirements. The following persons are in the policy's scope:

- Members of the Management Board
- Members of the Supervisory Board
- Key function holders/outsourcing officers
- Persons responsible for other key tasks (currently not applicable)
- Persons who perform key functions or tasks
- Other persons who have a significant influence on Company decisions (currently not applicable)

Responsibilities

The Supervisory Board of the Company is responsible for ensuring compliance with the requirements for the Management Board members of the Company. Additionally, it is responsible for ensuring compliance with the requirements for the Supervisory Board itself.

The Management Board is responsible for ensuring compliance with the requirements for the following persons:

- Key function or key task holders
- Outsourcing officers

- Persons who perform key functions or tasks
- Other persons who have a significant influence on Company decisions

Within the Management Board, the Chairman is responsible for monitoring compliance with the legal requirements for professional qualification and personal reliability (fitness and propriety).

Assessment of Fitness and Propriety

Fitness requires professional qualifications, knowledge, and experience that ensure the solid and prudent management of the Company. This requires appropriate theoretical and practical knowledge in insurance business as well as sufficient management experience in the case of managerial tasks. The specific requirements for professional qualifications depend on the respective position or function, according to the principle of proportionality.

Throughout the appointment process, the Supervisory Board ensures that the members of the Management Board collectively have adequate qualifications, experience, and knowledge in the following areas:

- Insurance business and financial markets
- Business strategy and business model
- Governance System
- Financial analysis and actuarial analysis
- Regulatory framework and regulatory requirements
- Internal Model

For members of the Supervisory Board, the following requirements apply:

- The members of the Supervisory Board must be professionally capable of adequately controlling the Management Board, understanding the business, and assessing the Company's risks. Each member has sufficient theoretical and practical knowledge of all business areas of the Company as well as a sufficient overall understanding of the internal model. Furthermore, it must be ensured that at least one Supervisory Board member has expertise in accounting and another one in auditing.

The Company conducts an annual self-assessment of the Supervisory Board members. This ensures that the Supervisory Board members have sufficient knowledge in the areas of investment management, insurance technology, accounting and governance and supervisory regimes, as well as a sufficient overall understanding of the internal model. The self-assessment is also carried out with each new appointment to the Supervisory Board.

Based on the self-assessment, an annual development plan for the Supervisory Board is created.

When assessing the propriety of the Management Board and the Supervisory Board members, the integrity and financial soundness are also evaluated. This is based on relevant indications of character, personal conduct, and business practices, including criminal, financial, and regulatory aspects. The regulatory requirements for propriety are identical for all groups of persons in scope of the policy.

The Legal department of the Zurich Group Germany ("ZGD") assesses prior to every appointment whether the regulatory requirements for Management Board members, key function holders, and other key tasks as well as for Outsourcing officers are met. These appointments are then coordinated with BaFin. An appointment is only completed once BaFin has confirmed its non-objection.

The Legal department carries out a fitness and propriety check before the appointment of Supervisory Board members, too. The notification and coordination with BaFin, however, takes place only after the appointment.

A comparable process has been implemented for persons in key functions or with key tasks. This process ensures compliance with regulatory requirements for this group of individuals. The HR department of ZGD checks fitness and propriety in cooperation with the Legal department.

The assessment of fitness and propriety is not ceased with taking on a role but is continuously monitored by the Legal department and HR.

B.3. Risk Management System including the Own Risk and Solvency Assessment

Overview of the Risk Management System

Taking risk is inherent to the insurance business; however, such risk-taking needs to be made in an informed and disciplined manner, and within a pre-determined risk appetite and tolerance. The Enterprise Risk Management (“ERM”) Framework embedded in the System of Governance is designed to achieve this objective.

A “three lines of defence” approach is applied across the Company, so that risks are clearly identified, assessed, owned and managed as follows:

- First line: business managers take risks in carrying out their roles and are responsible for day-to-day risk management
- Second line: the Risk Management function oversees the overall Risk Management Framework and helps manage risk. Other governance and control functions, such as Compliance and Actuarial, help the business manage and control specific types of risks
- Third line: the Internal Audit function, amongst other duties, provides independent assurance regarding the effectiveness of the Risk Management Framework, internal controls and governance processes

Implementation of the Risk Management System

The internal governance policies require that a risk vote is taken before material decisions from the Management Board and that the Risk Management function participates in the Executive Committees meetings. The Management Board is responsible for ensuring that the rules and procedures for decision-making are well defined, transparent and supported through appropriate risk management and culture. At least annually the Management Board approves a risk appetite statement which details the Company’s willingness and capacity to take risk to achieve its strategic objectives.

The Management Board requires periodic assurance from management that its risk management requirements are being met. To achieve this, risk appetite metrics and associated limits are approved by the Management Board at least annually as part of the setting of risk appetite. The risk appetite and tolerance limits define the maximum level of risk the Company is willing to take, both on an overall basis and also with respect to individual types of risks. The risk tolerance is set with due regard for circumstances that may give rise to increased risk.

The levels of risk exposure against the risk appetite limits are measured by risk management at legal entity and branch level (where appropriate to do so) and are reported to the senior management via quarterly risk reporting, using metrics defined in the Company’s risk appetite statement. The ERM Framework is designed to support decision-making by providing consistent, reliable and timely risk information, thereby protecting the business from undesired deviations from its risk appetite and strategy.

The output from the Risk Management System, and in particular from the Internal Model, is used across the Company in business decisions such as underwriting, purchasing reinsurance and investment management.

The Risk Management function

As part of the ERM Framework, the Risk Management function coordinates with other functions, including Compliance, Legal, Actuarial and Finance, to develop and operate methodologies to identify, manage and mitigate designated types of risk. The Risk Management function measures and reports the actual risk profile against the agreed risk appetite and tolerance limits, both overall and for specific risk types, to identify breaches or potential breaches. This is done using data from the Internal Model and other information, with escalation taking place through the system of governance as required.

The CRO is responsible for the implementation and effective operation of the ERM Framework across the Company. The CRO regularly reports risk matters to the CEO and senior management through the RCC and to the Supervisory Board through the ARC.

Risk Policy

The Management Board has approved a Risk Management Policy, which refers to the Zurich Group Risk Policy and other relevant policies, as its primary risk governance document. For each type of risk, the policy specifies the requirements, roles and responsibilities, monitoring and reporting procedures, and describes the

parameters for acceptable risk-taking. Periodic assessments are carried out across the organisation to verify that the requirements of the policy are being met. The Risk Management Policy is reviewed annually and revised if necessary. As significant changes to the Risk Management Policy require the approval of the Management Board, this process is adequately documented. In addition, there is a risk strategy as part of ZIE's System of Governance, which is also reviewed at least once a year. Regular changes to the Group's Risk Policy are reviewed on a quarterly basis to ensure that ZIE's risk governance documents comply with the Group's requirements.

The Own Risk and Solvency Assessment

The Own Risk and Solvency Assessment ("ORSA") is an overarching process which brings together the results from various other processes employed by the Company as part of its ERM Framework. The ORSA process consolidates the various outputs and provides an analysis of the risk capital required to be held in respect of all of the Company's risks, both currently and over the business planning horizon. The ORSA process is embedded within the ERM Framework and is aligned with capital management activities. The risk and capital assessments in the ORSA take account of the Company's risk profile, its approved risk appetite and its business strategy. The assessments and conclusions arising from the ORSA are used in the Company's business decision-making processes, including decisions about:

- Whether the Company's strategy remains appropriate
- Whether to retain, transfer or otherwise mitigate risks
- How best to optimise the Company's management of capital
- Which segments to underwrite and how to establish appropriate premium levels
- Whether the business plan is aligned with risk appetite
- Other strategic matters relevant to risk appetite

A key part of the ORSA process is the annual Total Risk Profiling ("TRP") process, carried out by senior management in each location where the Company operates. This process enables the identification, assessment, mitigation and monitoring of risks that threaten the ability to achieve the strategic objectives and business plan and informs the stress tests and scenarios that are considered in the ORSA report.

The Risk Management function manages the ORSA process and drafts the ORSA report which is reviewed by management and approved by the Management Board prior to submission to the BaFin. Other functions contribute to the ORSA as appropriate, particularly in defining appropriate scenarios and stress tests for inclusion.

The Management Board is responsible for directing and overseeing the ORSA process. It plays an active role in the ORSA, challenging its outcome and suggesting a range of adverse scenarios to test. The Management Board also challenges the assumptions behind the calculation of the Solvency Capital Requirement ("SCR") to ensure that they are appropriate in view of the assessment of the risks.

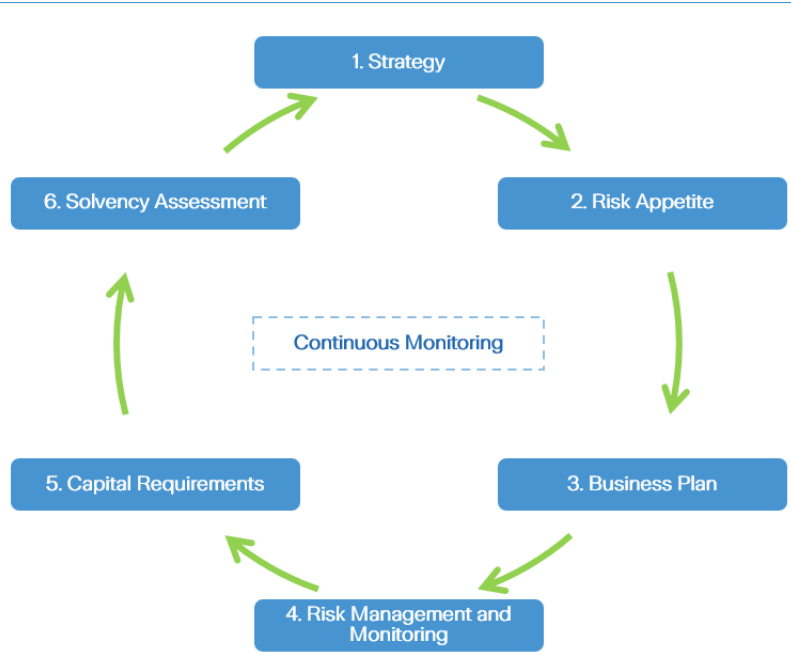


Chart 5: The Company's ORSA process

The ORSA process is governed by the ORSA Policy, which includes the following:

- Roles and responsibilities within the ORSA process
- Processes and procedures for conducting the ORSA including the assessment of overall solvency needs as well as forward-looking own risks and solvency
- Links with the wider risk and Capital Management Frameworks, risk profile, risk tolerance limits and overall solvency needs
- The approach to stress testing/scenario analyses
- Frequency and timeline for production of the ORSA report

The cornerstone of the ORSA is an assessment of the current and planned risk profiles, together with stress tests of those profiles and a determination of the resulting capital requirements, including:

- An analysis of the current capital position under stressed conditions
- Consideration of the current and likely future risks inherent to the business strategy and plan as identified by the ERM Framework
- A forward-looking assessment of the capital position over the planning horizon and implications for strategy
- Determination of the Company's overall solvency needs, including its target SCR ratio in accordance with its risk appetite

The regular ORSA process takes place annually. The Management Board is significantly involved and reviews and approves the results of the ORSA process. Usually, the ORSA report is prepared in the second half of the year and finalized by the end of the year at the latest. It is submitted to BaFin within two weeks after approval by the Management Board. Apart from regular cycle, the ORSA process takes place with more frequent updates, if necessary, to reflect material changes in the risk profile including major acquisitions or divestments, major shifts in product mix, or other major changes in the business, operating or external environment. In respect of such extraordinary situations, any ad hoc ORSA or components thereof may be adapted, restricted or expanded in relation to the full annual process in order to apply the appropriate degree of focus to those risks most impacted by the specific circumstances.

Internal Model governance

The Company uses an internal model approved by the BaFin for calculating its regulatory SCR. The model measures the capital required for each of the material risks to which ZIEs exposed to and aggregates the results to produce the SCR. The Internal Model is used extensively throughout the business to manage risk in relation to capital and earnings. For example, the model is used to allocate economic capital as a reference point for numerous processes including insurance portfolio and asset portfolio management, business planning and pricing analysis. It is further used to monitor accumulations of risks, especially Nat Cat risks.

While the SCR represents the capital required by regulation, the Management Board targets to hold a higher level of capital in its risk appetite statement. The appropriate buffer capital over the SCR is set annually and serves to mitigate short term volatility in the SCR ratio and hence to reduce the likelihood of breaching the regulatory capital requirement.

The Management Board has approved an Internal Model Governance Policy to ensure appropriate governance of the Internal Model. The policy is reviewed and approved by the Management Board at least annually. The CRO is responsible for implementing the policy, and is, in particular, responsible for the appropriateness of the Internal Model methodology, which is also reviewed at least annually. The CRO may approve minor changes to the methodology, while major changes must be approved by the Management Board (on the recommendation of the CRO) and the BaFin.

The CRO is also responsible for ensuring that an appropriate validation function is in place for the Internal Model which includes the requirement to produce an annual validation report including submission to the Management Board.

The validation process is governed by a policy which is also approved by the Management Board. Certain aspects of the validation function are carried out by the Group's independent validation team under a service level agreement.

The CRO is supported in the oversight of model governance by the Capital Model Forum, which meets at least quarterly and includes representatives from relevant management functions.

The CFO has responsibility for the calculation of the SCR using the Internal Model and the operation of the related internal controls and is supported in this role by representatives from the Finance, Actuarial and Risk Management functions. The CRO and CFO both report to the Management Board (or one of its committees) in relation to the methodology and operation of the Internal Model.

There were no material changes to the Internal Model governance during 2024.

B.4. Internal control System

The Company has adopted principles and tools used by the Group in relation to internal controls, with adaptation to local requirements. This includes controls which support financial reporting processes (including Internal Model results production) and the wider operations, including underwriting and claims management.

Accountability for the design and operational effectiveness of each control resides with the relevant management function in the Company in each location where there are business operations. The responsibility for performing the relevant controls may be delegated, subject to certain conditions (e.g. the control delegate must have sufficient knowledge to perform the control). The certification process is managed using the Risk and Control Engine ("RACE") tool.

The Risk Management and Finance functions support the implementation of the Internal Control Framework and ensure the framework is consistently applied. They do this by monitoring and reporting on the certification process and investigating with relevant personnel when exceptions occur.

Control deficiencies require remediation action plans to be put in place and these action plans are tracked on RACE and reported to the Management Board via RCC and to the Supervisory Board via ARC on a quarterly basis.

Internal and external auditors also regularly report their conclusions, observations and recommendations that arise as a result of their independent reviews and testing of the internal controls.

Other key elements of the Internal Control System include administrative and accounting procedures, appropriate reporting arrangements at all levels of the Company, and the activities of the Compliance function which are described below.

Compliance function

As noted in section B.1, the Compliance function is outsourced from ZIE to ZBAG. A Chief Compliance Officer is appointed for ZIE and is independent from the first line of defence and its operational controls.

The Compliance function operates on the basis of a yearly conducted risk assessment and the yearly compliance plan. The Compliance Guideline defines the responsibilities, competencies and reporting duties of the Compliance function. The compliance plan sets out the planned activities of the Compliance function taking into account all relevant activities undertaken within the Company and their respective exposures to compliance risk.

The tasks of ZIE's Compliance function as a key function include, in particular:

- Advising the management on compliance with the laws and administrative regulations that apply to the operation of the insurance business, in particular
- Assessment of the potential impact of changes in the legal environment on the company
- Identification and assessment of the risk associated with the violation of legal requirements (compliance risk)
- Monitoring of compliance guidelines according to Solvency II

The ongoing compliance activities at ZIE and in the branches are defined in a risk-based compliance plan to be drawn up annually. In addition to local requirements such as IT, Tax or HR, this plan also contains the Group's thematic specifications (see table):

Compliance Risk Universe	
Information Management	<ul style="list-style-type: none">• Data protection and data security• Data retention
Crime	<ul style="list-style-type: none">• Anti-bribery and Corruption• Anti-money laundering and countering the financing of terrorism• Automatic exchange of information on financial accounts (esp. FATCA - Foreign Account Tax Compliance Act)• Trade and economic sanctions
Investment Compliance	<ul style="list-style-type: none">• Investments
Business Management	<ul style="list-style-type: none">• Entity Licensing• Product Management• Sales• Customer Service and Complaints• Claims and Payouts
Market Integrity	<ul style="list-style-type: none">• Antitrust law and fair competition• Conflict of interest• Dealing in securities
Compliance Business Model	<ul style="list-style-type: none">• Outsourcing
Corporate Governance	<ul style="list-style-type: none">• Corporate Governance

Table 12: Compliance Risk Universe of ZIE

ZIE branches are confronted with various scenarios (e.g., regulatory environment of target markets, offered products, relative size of each unit, etc.). Therefore, the compliance risk assessment process is tailored to the

nature, scope, and complexity of ZIE's business activities, as well as the expectations of BaFin and, if applicable, other local regulatory authorities.

Additional assurance is provided through regular in-depth discussions between the CCO and the compliance officers of local branches.

The Compliance function also advises the Management Board on regulatory requirements in accordance with section 29 (2) VAG (advisory task). Compliance with all laws and regulations to be observed and all supervisory requirements (i.e. external requirements) is covered by the consulting mandate. In this regard, suitable control instruments have been set up ("Laws & Trends Process").

A process for reporting concerns and violations by employees (whistleblowing) has been set up and has been adapted to the requirements of the Whistleblower Protection Act.

B.5. Internal Audit function

As noted in section B.1, the Internal Audit function for the Company is delegated to the Group Internal Audit team. An Audit-Director of the Group Audit team is appointed as the Head of Internal Audit for the Company and is responsible for providing assurance to the Management Board and the Audit Committee on the adequacy and effectiveness of the Company's risk management, internal control and governance processes.

The Management Board and the Audit Committee has approved an Internal Audit Policy as local addendum of Zurich's Group Audit Charter which provides provisions for the development of a risk-based audit plan, based on the full spectrum of business risks and any specific concerns raised by the Audit Committee or other stakeholders. The Audit Committee is responsible for approving the annual audit plan after confirmation of the audit plan by the Management Board. The audit plan is executed in accordance with defined operating standards, which incorporate and comply with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. Key issues observed by the Internal Audit function during its audit work are communicated to the responsible management function, the CEO and the Audit Committee using its suite of reporting tools.

The Head of Internal Audit has a functional reporting line to the chair of the Audit Committee and a secondary executive reporting line to the CEO in order to preserve independence from any particular business area or function. The Audit function carries out its tasks to report to and advise the Management Board and the Audit Committee with an objective, impartial and unbiased approach as well as providing balanced assessments of relevant information. The Internal Audit Policy provides that if the independence or objectivity of the Internal Audit function is impaired, then details of the impairment must be disclosed to the Chair of the Audit Committee and will be disclosed in its Internal Audit report to the Management Board and the Audit Committee.

B.6. Actuarial function

The Head of Actuarial function is responsible for the Actuarial function and for the tasks carried out by that function in accordance with the Solvency II framework. He is involved in all committees and forums that are relevant for the tasks of the Actuarial function, e.g. the ZIE Reserving Committee, ZIE Capital Model Forum and Reinsurance Forum.

The tasks, resources and the organisational structure including outsourcing for the key functions are described in section B.1

The Actuarial function provides independent and objective assurance to the Management Board and its committees. In particular, the Actuarial function reports to the Management Board on its activities at least annually, documenting the tasks performed, identifying any deficiencies where relevant and giving recommendations as to how they should be remedied. The Actuarial function also provides independent and objective assurance to the RCC as well as the ARC in respect of the valuation of technical provisions.

The Actuarial function is independent of the operational management of the business and of the activities it reviews as part of its control responsibilities. It receives relevant inputs from other functions, with appropriately governed processes in place for the production and delivery of those inputs.

B.7. Outsourcing

Outsourcing refers to the non-temporary and non-insignificant transfer of processes and activities, or parts thereof, to another company, which were previously performed or should have been performed by ZIE. This entails that these services will henceforth be provided by the service provider on behalf of ZIE. The crucial aspect is that the Company does not (any longer) perform activities that it would otherwise have undertaken itself without the transfer, but rather delegates them to the service provider, thereby allowing the services to be executed by the service provider.

In this context, the Management Board of ZIE has adopted an Outsourcing Policy, also referred to as the Outsourcing Guideline, which sets forth the minimum requirements for outsourcing to both internal and external service providers. This policy is reviewed annually and as needed.

In accordance with the requirements of this policy, each outsourcing must be monitored and managed throughout its entire lifecycle via the central process defined in the Outsourcing Policy, which is coordinated by the central governance area of ZIE. The Company has implemented the outsourcing requirements within its business organization, ensuring that the monitoring and management of outsourcing is conducted throughout its entire lifecycle in compliance with regulatory requirements.

Based on the relevant audit processes, the Management Board of ZIE decides prior to each new outsourcing whether it should be classified as important under section 32 VAG or whether any changes to existing outsourcing arrangements should be classified as significant. In accordance with the decision made by the Management Board, the necessary measures for monitoring and managing the outsourcing are established and implemented at both the operational and contractual levels, enabling the Management Board to make decisions regarding the approval of the implementation of outsourcing or significant changes.

The COO holds management responsibility for outsourcing governance. The overall responsibility remains with the Management Board of ZIE.

The operational responsibility for ensuring compliance with outsourcing requirements, particularly the ongoing monitoring and management of the service relationship, lies with the contract owner. The tasks and responsibilities of the contract owner are defined in the Outsourcing Policy and in supplementary documents.

The implementation of regulatory requirements within the framework of contract design is the responsibility of the Legal department.

Outsourcing is only carried out when it does not have any adverse effects on ZIE, does not jeopardise the provision of services contractually owed under the insurance policy due to outsourcing, ensures continued compliance with legal and regulatory requirements for the operation of the company, and does not increase operational risks.

The goal of the Group is to provide services centrally within the Group for all insurance companies wherever possible. In this context, various services of staff and governance functions as well as operational units are provided by ZBAG, unless these services are provided by the internal capacities of ZIE or other companies within the Group.

ZIE avails itself of services for the following functions through outsourcing:

	Location of service provider
Outsourcing to Zurich Group	
Internal Audit function	Switzerland, Germany
Accounting systems	Switzerland
Actuarial services	Switzerland, Germany
Investment Management services	Ireland, Spain, Germany
Financial Accounting and Reporting services, Finance operations, Financial services	Ireland, Germany, Hong Kong, Poland, Spain, Switzerland
Global Catastrophe Management	Switzerland
Investment Accounting & Administration	Germany, Ireland, Spain, Hong Kong
Risk and Control of Strategic Suppliers	Switzerland, Germany
Solvency II support services	Switzerland, Germany
IT services	Germany, Ireland, Switzerland
Underwriting support services	Germany, Switzerland
Claims – Large Referrals, Claims handling and support services	Germany, Switzerland, Spain, Canada
Treasury services	Ireland, Spain
Auxiliary support services provided to Spain Branch via Economic Interest Group Company	Spain
Operations and Enterprise services	Germany, Spain, Switzerland
Compliance	Germany
Risk Management	Germany
Legal, HR, General Services	Germany
Real Estate Asset Management	Spain

Table 13: Outsourcing of ZIE to Zurich Group

	Location of service provider
Outsourcing to external provider	
Claims handling and support services	France, Italy, Ireland, Spain
Telecommunications, call centres, document logistics, postal, printing, storage	Italy, Portugal
Finance operations, Financial services, Investment services	Italy
IT services	France, Germany, Ireland, Italy, Spain
Property assistance	Spain

Table 14: Outsourcing of ZIE to external suppliers

B.8. Any other information

Anti-Crime Management

The Anti-Crime Management, centrally responsible for the Company, supports the Management Board and, when necessary, the Branch Managers amongst others in the prevention, investigation, and clarification of actions related to financial crime. This includes reports of criminal or fraudulent behaviour by employees, intermediaries, or service providers of ZIE. The primary obligation to investigate suspected cases lies with the respective branches, which are required to maintain appropriate know-how and resources.

The Anti-Crime Management is authorised to make independent decisions regarding necessary follow-up measures. The CEO, the General Counsel, and Risk Management are regularly informed about suspected criminal activities and, depending on the potential damage or the members of the management team that might be involved, Internal Audit and the Anti-Fraud function at group level may additionally be informed in accordance with internal reporting obligations regarding the relevant suspicions. The branches report fraud incidents directly to the Anti-Crime Management of ZIE and to Risk Management via RACE.

C. Risk Profile

Introduction

This section analyses the main risks for the Company. These include all the risks measured in the Internal Model and other risks not measured in the Internal Model.

The range of risks faced by the Company are typical of a non-life insurance company: Underwriting risk, Market risk, Credit risk, Liquidity risk, Operational risk, Pension risk, Expense risk, Strategic risk and Reputational risk. A framework is in place to monitor and mitigate these risks, as described in this section.

The measuring of risks in the Internal Model results in the calculation of the SCR, which represents the modelled value of an adverse 1 in 200 year event (an event with a 0.5% probability of occurring in the next year for the Company). The SCR value is calculated by modelling the value of 1 in 200 year modelled losses for individual risks and then aggregating and applying diversification on the basis that not all of the 1 in 200 year modelled losses across risk types would occur at the same time. Finally, a number of post aggregation steps are applied to reach the SCR.

Further detail on the calculation of the SCR result is provided in section E.

The elements of the SCR result of EUR 1,148,174k at December 31, 2024 are shown in the Appendix: Quantitative Reporting Templates ("QRT") S25.05.21. The SCR increased in 2024, largely driven by a decrease in the Loss Absorbing Capacity of Deferred Taxes ("LACDT") and increases in Scenarios, Premium & Reserve risk and Market risk. This was partly offset by an increase in the expected result and a decrease in Pension risk and Operational risk.

The sensitivities which are reported in this section are based on the Internal Model results as of December 31, 2024. The commentary in this section on the change in risk exposures compares the position on December 31, 2023, with the position on December 31, 2024.

The Own Funds available to meet the SCR on December 31, 2024 were EUR 1,619,230k and the SCR ratio was 141%. Therefore, the Company had excess Own Funds of EUR 471,056k over the SCR.

The table below shows the estimated SCR ratio post transition to Germany as of January 2, 2024, compared to the annual results 2023 and 2024.

The reduction in Own Funds is primarily driven by the derecognition of the contingent capital contribution agreement by the shareholder as Ancillary Own Funds ("AOF") or Tier 2 capital. The agreement is still in place, but ZIE had not sought for approval with BaFin as AOF. The transition to Germany and applicability of German statutory accounting rules led to changes in balance sheet valuations and consequently to a reduction in the LACDT in the SCR.

The decrease in Own Funds during 2024 is mainly driven by earned economic results offset by the foreseeable dividend of EUR 293,000k.

	December 31, 2024	January 2, 2024	December 31, 2023
Solvency Capital Position			
in EUR thousands			
Own Funds	1,619,230	1,709,306	1,937,306
SCR	1,148,174	1,169,872	1,098,824
SCR ratio	141%	146%	176%

Table 15: Solvency Capital Position of ZIE

C.1. Underwriting risk

This risk refers to the potential economic loss arising from an unexpectedly high frequency of insurance claims and/or an unexpectedly high severity of insurance claims.

In the Internal Model the Underwriting risk is measured under the following categories:

- Premium & Unearned Premium Reserve (“UPR”) risk: the risk measured is that insurance claims from the insurance business in the next year (unexpired and future risks) will deviate adversely from the insurance claims expected at the beginning of the year. The risks for future insurance claims relating to natural catastrophe (“Nat Cat”) events are measured separately (see Nat Cat risk detail below). The exposures at December 31, 2024 were the planned earned premiums for 2025 and the planned unearned premiums at December 31, 2025. There was no material change in the value of the exposure to these risks in 2024.
- Reserve risk: the risk measured is that for expired risks the insurance claims reserves booked prove to be insufficient to cover the ultimate value of the claims. The exposures at December 31, 2024 were the insurance claims reserves booked at that date. There was no material change in the value of the exposure to this risk in 2024.
- Nat Cat risk: the risk measured is that insurance claims in the next year due to Nat Cat events (affecting multiple insurance policies) will deviate adversely from the claims for such events expected at the beginning of the year. The exposures used for measuring Nat Cat risk at December 31, 2024 were the sums insured which are expected to be exposed to Nat Cat risks in 2025. Most material changes were a model change, including geographic scope extension and increased granularity of exposure data for Italy in hail. The modelled geographic scope has also been extended for EU flood.

As at December 31, 2024 there was significant reinsurance protection in place to protect against the underwriting exposures noted above, including extensive protection in place to mitigate the impact of Nat Cat events. The elements of the reinsurance programme in 2024 were similar to those which were in place for 2023 with the most significant change related to Nat Cat reinsurance treaties.

Risk measure

The Underwriting risks were measured by the Internal Model in both 2024 and 2023. For Nat Cat the measurement of risks in the Internal Model is enabled by the use of an external, industry recognised, Nat Cat model.

At December 31, 2024, the SCR for these risks (which were part of the diversified SCR of EUR 1,148,174k) was as follows:

- Premium, UPR & Reserve risks (the three risks diversified): EUR 644,922k
- Nat Cat risk: EUR 90,705k

These values can be compared to the available Own Funds of EUR 1,619,230k at December 31, 2024, which are held to provide protection against a 1 in 200 year modelled loss event, considering all modelled risk types.

Risk concentrations

Premium, UPR and Nat Cat Risks

The main area of concentration risk arises from potential Nat Cat and man-made-catastrophe (“MMC”) events. The potential concentrations of Nat Cat risk are identified by mapping exposures of the Company to peril regions, and modelling the potential losses, with reinsurance purchased to appropriately manage these exposures to the agreed risk appetite. The level of this reinsurance cover is reviewed and approved annually. The experience in monitoring potential exposures from Nat Cat is also applicable to the concentrated risks posed by MMC. Exposures to losses in the workers’ injury and property lines of business are reviewed, to identify areas of significant concentrations and appropriate action is taken to mitigate as necessary. Other lines of business are also assessed, such as liability and motor, although the concentration risk across these lines is not as significant.

Reserve risk

Concentration risk can arise where external factors (e.g. court judgments, widespread inflation) can affect an entire class of business and thereby the value of all of the insurance claim reserves held in that class. Such potential events are monitored by the Head of Actuarial Function and reported to the Reserving Committee.

Risk mitigation

The scale and scope of the business, with insurance written in Germany and further branches, results in significant diversification of Underwriting risks, due to the relative independence of the drivers of adverse insurance claims in each location.

In addition, the implementation of the reinsurance strategy, approved annually by the Management Board, cedes significant underwriting risks through proportional and non-proportional reinsurance treaties and facultative single-risk placements. This includes reinsurance to protect against accumulated claims from Nat Cat and MMC events.

Premium, UPR and Nat Cat risks

An extensive underwriting governance framework is in place, with the objective of minimising unintended risk taking.

The key aspects of the framework are:

- Limits in place to underwriting authority, with specific approvals required for transactions involving new products or where established capacity limits may be exceeded
- Guidelines are issued to ensure accurate and consistent setting of premiums and implementation of these guidelines is subject to regular review
- A variety of reserving and modelling methods used to aid understanding of the risks inherent in the insurance business being written
- A “Virtuous Circle” process is in place to ensure a culture of continuous collaboration between underwriting, actuarial, claims, sales and distribution, finance, risk management and risk engineering teams. The objective is to communicate, inform and ensure a common understanding, interpretation and approach to managing the risks being written.
- Potential new emerging risk exposures are monitored through an Emerging Risk working group, which has cross-functional expertise to identify, assess and recommend actions for such risks
- Regular reviews by management of the underwriting results by line of business, with actions taken on growing or reducing the different businesses based on both past and expected performance
- For Nat Cat risk an industry recognised model is used to identify accumulations and perils; principally windstorm, earthquake and flood. The output from this model, adapted for the specifics of the Company where deemed necessary, is used to inform future underwriting and pricing decisions and guide the levels of reinsurance purchased against potential losses from Nat Cat events.

Reserve risk

The implementation of the Company’s Reserving Policy, along with the “Virtuous Circle” process described above, mitigates the risk that the insurance claims reserves are misstated, and thereby could be subject to unexpected claims.

The reserves booked are valued based on the work performed by qualified and experienced actuaries, taking into consideration the latest available facts, historical trends and past payment patterns. In reaching the final booked amounts, actuarial analyses are performed as appropriate. The insurance claims reserves are regularly reviewed by the Head of Actuarial Function and reported to the Reserving Committee, including the reserves held for different lines of business.

Monitoring of risk mitigation

There are a number of tools used for risk mitigation, in particular:

- The underwriting performance for each business unit is reviewed by management on a regular basis as part of the financial performance reviews. Actions are taken to address issues identified.
- The value of the insurance reserves is reviewed quarterly at the Reserving Committee, which includes analysis of why estimates have changed from quarter to quarter
- The operation of the reinsurance programme is monitored and reported on a regular basis during the renewal phase and quarterly meetings with all stakeholders under consideration of the reinsurance strategy which is reviewed once a year in alignment with the Management Board.
- The Actuarial function provides its opinion on the adequacy of the reinsurance arrangements according to the Solvency II requirements.

Risk sensitivities

Underwriting risks the Company is sensitive to:

- Legal judgments and political decisions
- Movements in inflation and interest rates
- Uncertainty on frequency and valuation of individual large claims
- Environmental factors impacting the level of Nat Cat events
- Market competition/capacity and pricing adequacy
- Emerging trends in terrorism activity and pandemic events
- Technology trends impacting the business mix
- Future claims experience differs to historic claims development due to changing claims handling processes and claims environment

A systematic process is in place to capture specific instances of how these uncertainties could affect each line of business, and these are reviewed at the Reserving Committee.

Results from the Internal Model are used to measure potential losses with different likelihoods. For illustration, a selection of the modelled sensitivities as at December 31, 2024 is shown below. The amounts reflect the severity of losses, net of reinsurance, that are modelled to occur at a stated frequency. For example, a one in 10 year Nat Cat loss event would result in losses of EUR 46,647k. Note that the losses listed below are additional losses above the expected mean loss. The impact to the SCR ratio was calculated as the loss in Own Funds divided by the total SCR as of year-end 2024.

Probability	Severity (EUR k)	SCR ratio impact (pp)
Premium, unearned premium and reserve risk sensitivities – 2024		
1 in 10 year losses	-287,981	-25%
1 in 50 year losses	-491,160	-43%

Table 16: Premium, Unearned Premium and Reserve risk sensitivities

Probability	Severity (EUR k)	SCR ratio impact (pp)
Nat Cat risk sensitivities – 2024		
1 in 10 year losses	-46,647	-4%
1 in 50 year losses	-70,480	-6%

Table 17: Nat Cat risk sensitivities

C.2. Market risk (including Investment Credit risk)

Market risk

This risk refers to the potential economic loss arising from adverse financial market movements. This risk arises from the holding of financial assets and liabilities whose values are subject to such movements. The main risk factors are analysed below.

- Equities and real estate market prices
- Interest rates
- Credit spreads and sovereign spreads
- Currency exchange rates
- Investment Credit risk

Equities and real estate market prices

Exposure to these risks arises from holdings of common stocks, equity unit trusts and from direct holdings in property. Exposure also arises from investments in listed property companies and property funds, and holdings of property debt securities such as mortgages and mortgage-backed securities.

The risk measured is that market prices for equity securities and real estate will move adversely, resulting in unexpected losses.

There was a decrease in the value of the exposure to real estate in 2024, driven by asset sales and adverse revaluations. There was also an increase in the exposure to Equity risk in 2024 due to decreased utilisation of a hedging instrument.

Interest rates

Exposure to this risk arises mainly from holdings of debt securities, term loans and receivables, and from the financial liabilities held for insurance claims and other liabilities.

Movements in interest rates are largely driven by central bank monetary policies and expected changes in the economic and inflation outlook. The risk is measured by considering the impact of changes in interest rates and/or changes in the shape of yield curves, impacting the values of assets and financial liabilities and resulting in unexpected losses.

A cornerstone of mitigating the Interest Rate risk is to match the maturity profile of the insurance claims reserves with a similar maturity profile for the related assets.

There was no material change in the value of the exposure to this risk in 2024.

Credit spreads and sovereign spreads

The main exposure to Spread risks arises from holdings of corporate debt securities and holdings of Eurozone government bonds. For corporate debt securities the risk measured is that there will be movements in credit spreads, for example driven by an increase in the expected probability of default, thereby impacting the value of the assets and resulting in unexpected losses. For Eurozone government bonds, the risk measured is that there will be movement in sovereign spreads, thereby impacting the value of the bonds and resulting in unexpected losses.

There was no material change in the value of the exposure to credit and sovereign Spread risk in 2024.

Currency exchange rates

The risk measured is that there will be exchange rate movements resulting in unexpected losses, as reported in Euro, the reporting currency for the Company. Euro is the main currency denomination of the geography in which the Company operates, however certain cashflows are denominated in other currencies.

The exposure to risk arises from foreign exchange transactions and holding non-Euro currencies, mitigated by currency hedges in place.

There was a decrease in the value of the exposure to Foreign Exchange ("FX") risk in 2024 due to a decrease in non-Euro assets.

Investment Credit risk

This risk refers to the potential economic loss arising from third parties (external to the Group) failing to fulfil their financial obligations on investment instruments. The Credit risk relating to such investment instruments with Zurich Group counterparties is covered in section C.3.

The exposure to this risk arises from holding the following categories of assets:

- Cash and cash equivalents
- Debt securities
- Derivatives

Cash and cash equivalents

The exposures to this risk are the holdings of cash and cash equivalents in financial institutions and in money market funds. The risk arising is that the counterparties would default or partially default, on their obligations.

There was no material change in the value of the exposure to this risk in 2024.

Debt securities

The exposures to this risk are the debt securities held. The risk arising is that counterparties would default on their obligations. The counterparties include governments and corporates.

Derivatives

The exposure to this risk arises from derivative instruments, and the risk arising is that there would be a default by the counterparty. Derivatives are used solely for hedging purposes.

There was no material change in FX hedging during 2024; however, the value of the equity hedge was substantially reduced in 2024.

Risk measure

The Market and Investment Credit risks were measured by the Internal Model in both 2024 and 2023. The measurement of these risks in the Internal Model is supported by the use of an external, industry recognised, model.

At December 31, 2024, the SCR for these risks (which was part of the diversified SCR of EUR 1,148,174k) was EUR 399,695k.

This value can be compared to the available Own Funds of EUR 1,619,230k on December 31, 2024, which are held to provide protection against a 1 in 200 year modelled loss event, considering all modelled risk types.

Risk concentration

There were no material risk concentrations at December 31, 2024. The largest value individual holdings are in government issued securities, which are held to match the maturity profile of the insurance liabilities.

Issuer limits are in place for non-government exposures to ensure no material concentrations arise.

Risk mitigation

Prudent person principle

Under Solvency II it is a requirement that investments are managed in accordance with the prudent person principle, which compels companies to invest in a manner to ensure the security, quality, liquidity and profitability of the investment portfolio. Market and Investment Credit risks for the Company are managed in accordance with the "prudent person principle". The investment management team targets excess risk adjusted returns relative to liabilities, by applying a systematic and structured investment process. The Company is focused on asset and liability management and when formulating its strategic asset allocation ("SAA"), it takes both asset and liability exposures into account. The SAA includes limits on exposures to specific asset classes, such as equities and real estate. The Market risk capital requirement associated with the SAA, and the actual values versus the upper and lower limits for the various asset classes, are monitored on an ongoing basis. The investment team monitors the portfolio using the Company's investment applications which provide up-to-date views of the portfolio and its risk exposures.

A comprehensive reporting package is prepared for the quarterly meetings of the ALMIC. The information from the ALMIC meetings is made available to the Management Board when it decides on relevant changes to the investments.

Other processes and policies in place to reinforce the prudent person principle are:

- Holding well diversified portfolios, across all asset classes
- Having a Liquidity Policy that specifies limits on holdings of less liquid assets and subjects the portfolio to extreme stress scenario analysis
- Due diligence on asset managers prior to appointing them to manage mandates
- Using established custodian banks to safeguard invested securities
- The use of derivatives solely for hedging purposes

- Investments which are not admitted to trading on a regulated financial market are subject to restriction through limits on both asset classes and less liquid assets

Monitoring of risk mitigation

The performance of the investment portfolio is reviewed quarterly in the ALMIC, with reporting on adherence to the SAA and compliance with the Investment Risk Management Policies. These include adherence to the limits on holdings of an individual issuer and appropriate matching of the maturity profile of financial assets with that of the financial liabilities.

Risk sensitivities

Market and Investment Credit risks for the Company are sensitive to:

- Macro-economic performances
- Political developments
- Demographic trends
- Environmental factors

Results from the Internal Model are used to measure potential losses with different likelihoods. A selection of the modelled sensitivities as at December 31, 2024 is shown below. For example, a one in 10 year market loss event would result in losses of EUR 182,949k. The impact to the SCR ratio was calculated as the loss in Own Funds divided by the total SCR as of year-end 2024.

Probability	Severity (EUR k)	SCR ratio impact (pp)
Market risk sensitivities – 2024		
1 in 10 year losses	-182,949	-16%
1 in 50 year losses	-308,538	-27%

Table 18: Market risk sensitivities

The risks associated with the Company's investment portfolio are monitored in detail at the ALMIC. A selection of sensitivities to financial market events, as at December 31, 2024, is set out in the table below.

Probability	Severity (EUR k)	SCR ratio impact (pp)
Sensitivities to financial market events – 2024		
-25% on equity prices	-63,043	-5%
+25% on equity prices	63,043	5%
-50bp parallel shift on yields	6,799	1%
+50bp parallel shift on yields	-8,462	-1%
-50bp parallel shift on credit spreads	45,654	4%
+50bp parallel shift on credit spreads	-42,439	-4%

Table 19: Sensitivities to financial market events

C.3. Credit risk

This risk refers to the potential economic loss arising from counterparties failing to fulfil their financial obligations, other than those risks for third party investment instruments (see section C.2).

This Credit risk is measured separately for:

- Third party reinsurance assets
- Third party receivables

- Intra-Group assets

Third party reinsurance assets

The exposures to this risk are balances arising from third parties under existing reinsurance contracts. Such contracts are entered in accordance with the reinsurance strategy.

The counterparties are reinsurance entities and the risk measured is that these counterparties would default or partially default on their obligations. The potential loss of value due to Rating Migration risk is also measured; this is the potential reduction in the value of reinsurance assets if counterparties were downgraded.

There was no material change in the value of the exposure to this risk in 2024.

Third party receivables

The exposures are premiums due from counterparties and amounts due on co-insurance arrangements and other contractual obligations. The counterparties are policyholders, agents, brokers, intermediaries and other insurance companies, and the risk measured is that the counterparties would default or partially default on their obligations.

There was no material change in the value of the exposure to this risk in 2024.

Intra-Group assets

The exposures are amounts due from Group counterparties in respect of reinsurance contracts, loans and other amounts due under contractual obligations. The risk measured is that the Group counterparties would default or partially default on their obligations. Also measured is the Rating Migration risk, the potential reduction in the value of the assets if the counterparty was downgraded.

There was no material change in the value of the exposure to this risk in 2024.

Risk measures

These credit risks were measured by the Internal Model in both 2024 and 2023. At December 31, 2024, the SCR for these risks (which were part of the diversified SCR of EUR 1,148,174k) was as follows:

- Third party reinsurance assets Credit risk: EUR 26,090k
- Third party receivables Credit risk: EUR 33,020k
- Intra-Group assets Credit risk: EUR 99,605k

These values can be compared to the available Own Funds at December 31, 2024 of EUR 1,619,230k, which are held to provide protection against a 1 in 200 year modelled loss event, considering all modelled risk types.

Risk concentration

Concentration of credit risk towards third parties can arise from significant amounts due under reinsurance contracts. These exposures are subject to monitoring on an on-going basis to ensure that concentrations are acceptable, based on the credit rating of the counterparty or the collateral provided.

Similar to 2023, there were material concentrations of Intra-Group assets at December 31, 2024, largely due to the reinsurance contracts in place.

Risk mitigation

Third party reinsurance assets

An authorised list of approved counterparties, who represent good credit quality and a high willingness to pay, is maintained. As a guiding principle, a minimum credit rating of "A–" is required for long duration reinsurance arrangements and "BBB–" for short duration reinsurance arrangements. On placement, reinsurance counterparties must be on this authorised list or a specific exemption must be granted. The balances due from reinsurers are reviewed on a periodic basis against limits, which are set according to credit ratings. Collateral is requested to mitigate credit risks where deemed necessary and there are limits and quality criteria in place for acceptable collateral.

Third party receivables

The objective is to minimise overdue balances, whilst maintaining customer relationships. Overdue accounts are escalated as required. Policies and standards are in place to manage and monitor credit risk related to intermediaries.

Intra-Group assets

Exposures are monitored and reported on a regular basis, based on the prevailing financial strength of the Group counterparties. The financial strength of the Group counterparties can be assessed using detailed financial data, in addition to external ratings. The concentration of exposures to Group counterparties is addressed in the risk appetite statement of the Company.

Monitoring of risk mitigation

The level of overdue balances by location and by duration is monitored at least quarterly. Actions are initiated to address any issues identified in this review.

The financial strength of relevant Group counterparties is monitored on a regular basis, including their capital position, to assess the appropriateness of the level of exposures. The concentration of risk arising from the exposures to Group counterparties is assessed against defined risk appetite limits.

Risk sensitivities

Credit risk for the Company is sensitive to:

Third party reinsurance assets

- Occurrence of large claim events and or Nat Cat events impacting financial resources of reinsurers

Third party receivables

- Economic indicators impacting collections

Intra-Group assets

- Volatility in the financial strength of Group counterparties
- Adverse business performance of Group counterparties

Results from the Internal Model are used to measure the potential losses with different likelihoods. A selection of the modelled sensitivities as at December 31, 2024 is shown below. For example, a one in 10 year third party reinsurance asset loss event would result in losses of EUR 1,878k. The impact to the SCR ratio was calculated as the loss in Own Funds divided by the total SCR as of year-end 2024.

Probability	Severity (EUR k)	SCR ratio impact (pp)
Third party reinsurance risk sensitivities – 2024		
1 in 10 year losses	-1,878	0%
1 in 50 year losses	-12,744	-1%

Table 20: Third party reinsurance risk sensitivities

Probability	Severity (EUR k)	SCR ratio impact (pp)
Third party receivables risk sensitivities – 2024		
1 in 10 year losses	-6,179	-1%
1 in 50 year losses	-19,222	-2%

Table 21: Third party receivables risk sensitivities

Probability	Severity (EUR k)	SCR ratio impact (pp)
Intra-Group assets sensitivities – 2024		
1 in 10 year losses	-12,756	-1%
1 in 50 year losses	-46,940	-4%

Table 22: Intra-Group assets sensitivities

C.4. Liquidity risk

Liquidity risk is the risk of insufficient liquid financial resources being available to meet financial obligations when they fall due.

Risk measure and risk concentration

As a general insurance business, the Company is not vulnerable to mass surrenders or other such calls on its liquidity, as may happen to other financial institutions. Liquidity risk is not measured in the Internal Model. The risk is managed through the implementation of the Liquidity Policy which includes a quarterly stress testing process. The most likely events that could cause liquidity issues are:

- Claims arising from a catastrophe event, possibly combined with a default on related reinsurance
- Bank default event

There are a number of sources of liquidity for the Company including:

- Portfolio of readily available realisable government bonds
- Cash held in local bank accounts
- Short-term receivables in regards to the Group's central cash pool
- Sales of securities other than government bonds

The liquidity position is reported to the ALMIC on a quarterly basis, with the elements of the investment portfolio analysed by liquidity quality on a rating of 1 to 4, from strongest to weakest. For example, highly rated government bonds are classified as rating 1.

Expected profit included in future premiums

The total amount of expected gross profit in future premiums at December 31, 2024 was EUR 591,384k. These expected future profits are not relied on in liquidity planning.

Risk mitigation

As noted, liquidity risk is the risk of insufficient liquid financial resources being available to meet financial obligations when they fall due. To mitigate this risk a cash allocation is mandatory as part of the SAA.

In addition, there are limits in place to protect liquidity as follows:

- Limits are in place on mismatches between assets and liabilities of different currencies
- Limits are in place on concentration for debt security holdings, tapering with credit quality to minimise counterparty default risk
- Limits are in place for holdings of assets deemed less liquid, such as real estate

Liquidity stress tests

The resilience to modelled catastrophic claim events and other extreme negative cash flow scenarios is regularly tested and reported to the ALMIC. All liquidity stress tests were passed as at December 31, 2024.

C.5. Operational risk

Operational risk relates to the risk of losses due to inadequate or failed internal processes or systems, failure of personnel, the impact from external events such as failures in outsourcing arrangements, changes in legislation or tax laws, and external fraud, including cyber-attacks.

This includes the risk arising from the outsourcing of certain key services to Group counterparties.

The following tools are used in the identification, assessment and management of Operational risk:

- Self-Assessment of Operational Risk ("SAOR"):
This involves a short-term perspective based on day-to-day operational risk management
- Top-Down Scenario ("TDS"):
This is used as the basis for calculating the SCR for Operational risk. It is a scenario-based assessment undertaken at branch-level and at ZIE Head Office level

Operational events and near misses are considered within the assessment of the TDS and SAOR processes.

Self-Assessment of Operational Risk ("SAOR")

The main objective of the SAOR is to provide a comprehensive view of residual operational risk above the risk priority boundary at branch and legal entity level by applying the TRP methodology (see section B.3).

The outputs of the SAOR are reported to the RCC on a quarterly basis.

Calculation of Operational Risk SCR - Top-Down Scenario ("TDS")

A TDS framework is used to identify and measure operational risks. Under the TDS, scenario-based approach is applied to assess, model and quantify the operational risks under extreme circumstances. The assessment is made in each location where the Company operates. For each scenario, the management in each branch is required to estimate the frequency and the severity of possible losses, both from a most likely and a worst-case perspective. Results are then aggregated.

There was no material change to the value of the exposures to this risk during 2024.

Risk measure

The risks, sourced from the TDS process, are measured by the Internal Model.

On December 31, 2024, the SCR for Operational risk (which was part of the diversified SCR of EUR 1,148,174k), was EUR 322,028k (Q4 2023: EUR 340,495k). The value of the risk decreased in 2024 following the annual reassessment of the various TDS scenarios.

This value can be compared to the available Own Funds of EUR 1,619,230k at December 31, 2024, which are held to provide protection against a 1 in 200 year loss event, considering all modelled risk types.

Risk concentration

Many of the risk drivers are country specific (e.g. laws, regulations, projects, customer facing activities), which results in risk diversification when the risks are aggregated.

Concentration of risk can arise from processes and systems that are shared across locations and also where changes in legislative, regulatory or tax laws are implemented on a Europe-wide basis. These risks are monitored closely at the RCC and other relevant committees.

Risk mitigation

The effective operation of the Internal Control System (as described in section B.4) is an important mitigating factor for Operational risk, and the implementation of this system is monitored on an ongoing basis.

Actual operational loss events and near misses exceeding a threshold are documented and evaluated.

There are a number of other tools used to minimise the risk of operational losses.

- Risk policies including escalation procedures for reporting security and data breaches, claims events, business disruptions, fraud, financial crime and other concerns
- Risk exposure tracking and monitoring

- Risk awareness and understanding of controls is achieved through communication to staff and training
- Data held by business partners is protected through contractual arrangements and controls that are designed to secure data in accordance with both regulatory requirements and the information security policies
- Risks associated with strategic suppliers are regularly assessed to verify that suppliers remain financially viable and able to deliver services, and also to manage geographic and supplier concentration risks

Actions are taken to reduce the likelihood of events occurring that could lead to a disruption of business including:

- Understanding the organisation's environment, vulnerabilities, and business processes
- Identifying potential disruptions that pose risk to continuity of operations
- Understanding the potential consequences of such events
- Implementing strategies to mitigate the risk of business disruption
- Maintaining a crisis management response capability that is flexible, trained and readily available at short notice

Monitoring of risk mitigation

The status of operational risks is reviewed quarterly at the RCC meetings, and includes, but is not limited to, monitoring in respect of:

- Changes in risk exposures
- Actual operational loss data, including root-cause analysis of specific events and near misses exceeding a defined threshold
- Control framework effectiveness and tracking of action plans
- Performance against defined risk appetite

Risk sensitivities

Operational risk for the Company is subject to the following sensitivities:

- Legal judgments and political decisions
- Environmental factors
- Technology trends
- Project activity
- Recruitment and training procedures

Results from the Internal Model are used to measure the potential losses with different likelihoods. A selection of the modelled sensitivities as of December 31, 2024 is shown below.

For example, increasing the frequency for all worst case scenarios to 1 in 20 years would result in a loss in Own Funds of EUR 38,132k, while decreasing the frequency for all scenarios to 1 in 50 years results in a gain in Own Funds of EUR 37,433k. The impact to the SCR ratio was calculated as the loss in Own Funds divided by the total SCR as of year-end 2024.

Probability	Severity (EUR k)	SCR ratio impact (pp)
Operational risk sensitivities – 2024		
Increase the Worst Case Frequency to the minimum of 1-in-20 year event	-38,132	-3%
Decrease the Worst Case Frequency to the maximum of a 1-in-50 year event	37,433	3%

Table 23: Operational risk sensitivities

C.6. Other material risks

In addition to the risks described in the sections C.1 to C.5 above, the following risks are relevant for the company and hence described in the remainder of this section:

- Pension risk
- Expense risk
- Strategic risk
- Reputation risk

Sustainability risk is not considered a separate risk category but can arise in the aforementioned risk categories.

Pension risk

This risk refers to the potential economic loss due to the assets held in defined benefit pension funds being insufficient to meet the obligations to the members of the pension funds when these obligations become due, resulting in the Company potentially being required to bridge the shortfall.

The elements of this risk measured in the Internal Model are:

- Longevity risk: the risk that mortality of scheme members is different from what was expected
- Market risk: the risk associated with the movement in the values of the assets and liabilities in the pension fund schemes, where the values can be impacted by movements in financial markets

There was a decrease in the value of exposure during 2024, largely driven by credit spread tightening and higher yield curves.

Risk measure

The risks were measured by the Internal Model in both 2024 and 2023. At December 31, 2024, the SCR for Pension risk (which was part of the diversified SCR of EUR 1,148,174k) was EUR 85,702k.

This value can be compared to the available Own Funds of EUR 1,619,230k at December 31, 2024, which are held to provide protection against a 1 in 200 year modelled loss event, considering all modelled risk types.

Risk concentration

The Company operates defined benefit pension schemes in Ireland, Italy, Belgium, Germany, Portugal, Netherlands and France. The concentration of risks within these schemes is managed either internally or by external pension trustees, dependent on the location of the scheme.

Risk mitigation

The pension schemes are monitored on an ongoing basis in order to decide whether any actions need to be taken to ensure the liabilities can be met. External pension consultants are engaged to value the schemes on a regular basis and a full actuarial valuation report is carried out every three years, where required under statutory regulation. If necessary the pension trustees will submit proposals to senior management (e.g. revised funding plan) for their approval.

Monitoring of risk mitigation

The position of the pension schemes is reviewed by senior management and/or the pension trustees on a regular basis and an annual report is prepared for the larger schemes which is provided to the Company's management.

Risk sensitivities

Movements in interest rates and mortality rates are the key sensitivities for Pension risk. Results from the Internal Model are used to measure the potential losses with different likelihoods. A selection of the modelled sensitivities as at December 31, 2024 is shown below. For example, a one in 10 year pension loss event would result in losses of EUR 43,005k. The impact to the SCR ratio was calculated as the loss in Own Funds divided by the total SCR as of year-end 2024.

Probability	Severity (EUR k)	SCR ratio impact (pp)
Pension risk sensitivities – 2024		
1 in 10 year losses	-43,005	-4%
1 in 50 year losses	-68,315	-6%

Table 24: Pension risk sensitivities

Other sensitivities for Pension risk which are not measured in the Internal Model (such as changes in the mix of single/married members or changes in inflation rates) are assessed annually, to ensure they continue not to be material.

Expense Risk

This risk is the potential economic loss due to adverse development in the value of expenses, relative to business volumes.

The main components of the expense base are commission costs and administration expenses.

There was no material change in the value of the exposure to this risk during 2024.

Risk measure

The risk was measured by the Internal Model in both 2024 and 2023. At December 31, 2024, the SCR for Expense risk (which was part of the diversified SCR of EUR 1,148,174k) was EUR 215,553k.

This value can be compared to the available Own Funds of EUR 1,619,230k at December 31, 2024, which are held to provide protection against a 1 in 200 year modelled loss event, considering all modelled risk types.

Risk concentration

The majority of the risk drivers are country specific (e.g. changes in business volumes) which results in significant risk diversification when the risks are aggregated.

Risk mitigation

Expenses are monitored by the management in each location on an ongoing basis and corrective actions are taken where necessary to address adverse trends, such as changes in business volumes.

Monitoring of risk mitigation

The expense performance for each business is reviewed by management on a regular basis as part of the overall financial performance reviews.

Risk sensitivities

Adverse movements in the volume of business, changes in commission rates, wage inflation or technology developments are key sensitivities for this risk. Results from the Internal Model are used to measure the potential losses with different likelihoods. A selection of the modelled sensitivities as at December 31, 2024 is shown below. For example, a one in 10 year expense event would result in losses of EUR 107,796k. The impact to the SCR ratio was calculated as the loss in Own Funds divided by the total SCR as of year-end 2024.

Probability	Severity (EUR k)	SCR ratio impact (pp)
Expense risk sensitivities – 2024		
1 in 10 year losses	-107,796	-9%
1 in 50 year losses	-172,878	-15%

Table 25: Expense risk sensitivities

Strategic risk

Strategic risk is the risk that unexpected losses will occur due to not achieving strategic targets. Drivers of the risk are:

- Inadequate assessment of strategic plans
- Ineffective implementation of strategic plans
- Unexpected changes to assumptions underlying strategic plans

Risk measure

Strategic risk is not explicitly measured in the Internal Model. The risks of not delivering on strategy are captured elsewhere in the Internal Model such as in the Premium risk, Operational risk and Expense risk modules.

Risk concentration

This risk exists across the locations where the Company operates, with significant geographical diversification arising.

Risk mitigation

Strategic risks are identified through risk assessment tools, including the TRP process. This process enables the identification, assessment and monitoring of risks that threaten the ability to achieve the strategic objectives and business plan. Using the TRP process, senior management has identified the current strategic risks to include macro-economic and geopolitical uncertainties and their impact on financials, profitability and growth in general insurance business as well as operational resilience, data management and non-compliance of IT governance regulation (DORA). All risks identified on the TRP are assigned actions to ensure they are managed and monitored appropriately.

Reputation risk

This is the risk of economic loss due to losing the trust of stakeholders.

Risk measure

Reputation risk is not explicitly measured in the Internal Model. The risks are captured elsewhere in the Internal Model, such as in the Premium risk, Operational risk and Expense risk modules.

Risk concentration

The risk exists at all the locations where the Company operates and where management and employees have the responsibility to maintain the good reputation of the Company.

Risk mitigation

All risks, if materialising, also have potential consequences for reputation; therefore, effectively managing each type of risk helps reduce the threat of Reputation risk. Reputation is preserved by adhering to applicable laws and regulations, and by following the core values and principles of the Group Code of Conduct, which details good business practices. Each employee is required to carry out training on these topics, at least annually.

Scenarios

Scenarios are defined by the Company as events which could negatively impact the economic capital and are not fully reflected in the modelling of the individual risk types in the Internal Model. In effect, scenarios can be added to augment the SCR. At December 31, 2024, the impact of adding scenarios was to increase the SCR by EUR 98,265k.

C.7. Any other information

Stress scenarios in the ORSA

Background

A number of stresses and scenarios were calculated in 2024 based on reasonably foreseeable events, albeit with a low probability of occurring. The calculation of these scenarios allowed the Management Board to compare the impact of these events on the solvency capital position of the Company, and thereby consider the resilience of the Company to such events.

Processes and reporting

The scenarios were defined with the involvement of the Management Board. The impact of the scenarios was measured using historical data, supplemented by models and expert judgments, and the results were reported in the 2024 ORSA, which was approved by the Management Board and submitted to BaFin.

Results

Of the stress tests and scenarios considered, none has been identified which would reduce the level of assets below the level of liabilities and so directly threaten the Company's ability to meet its obligations to policyholders. However, certain scenarios would reduce the Own Funds significantly below the target capital level and so would require capital management actions to be implemented.

It was concluded that the risks identified from the scenarios are adequately addressed as part of the regular risk management activities of the Company.

Management actions

Management actions were identified which could restore the target capital position.

D. Valuation for Solvency Purposes

Solvency II and HGB valuations

Solvency II valuation rules are used to produce the economic balance sheet which is known as the Market Consistent Balance Sheet ("MCBS"). The fundamental accounting principle in Solvency II is that assets and liabilities are recorded according to the value of expected future cashflows, the cashflow accounting principle.

For 2024, the statutory financial statements of the Company were prepared in accordance with the provisions of the German Commercial Code ("HGB"), the German Insurance Supervision Act ("VAG"), the German Stock Corporation Act ("AktG") and special provisions applicable to insurance companies.

The different accounting rules between Solvency II and HGB result in significant differences in the values of assets and liabilities, with a resulting difference in the net value of assets of EUR 955.679k at December 31, 2024.

The variances in the valuations of assets and liabilities between the MCBS and the HGB balance sheet at December 31, 2024 are shown in the table below.

	Solvency II MCBS	HGB	Variance
Excess of Assets over Liabilities - December 31, 2024			
in EUR thousands			
Assets			
Goodwill	0	0	0
Deferred acquisition costs	0	0	0
Intangible assets	0	23,697	-23,697
Deferred tax assets	4,003	0	4,003
Pension benefit surplus	95,429	659	94,770
Property, plant & equipment held for own use	110,017	35,000	75,017
Investments (other than assets held for index-linked and unit-linked contracts)	3,659,921	3,597,391	62,530
Loans and mortgages	1,577,906	1,562,285	15,621
Reinsurance recoverables	8,122,111	10,150,857	-2,028,747
Deposits to cedants	5,666	5,789	-124
Insurance and intermediaries receivables	423,373	880,256	-456,883
Reinsurance receivables	530,336	101,870	428,466
Receivables (trade, not insurance)	460,957	414,970	45,987
Cash and cash equivalents	222,974	222,974	0
Any other assets, not elsewhere shown	125,593	242,922	-117,329
Total assets	15,338,286	17,238,671	-1,900,385
Liabilities			
Technical provisions – non-life	11,734,617	14,294,154	-2,559,537
Technical provisions – life (excluding index-linked and unit-linked)	416,738	432,196	-15,457
Other technical provisions	0	202,773	-202,773
Contingent liabilities	0	0	0
Provisions other than technical provisions	103,701	110,822	-7,121
Pension benefit obligations	23,518	31,542	-8,024
Deposits from reinsurers	18,363	18,363	0
Deferred tax liabilities	132,956	57,647	75,310
Derivative liabilities	4,139	1,547	2,592
Debts owed to credit institutions (incl. Bank Overdraft)	17,592	5,236	12,356
Financial liabilities other than debts owed to credit institutions	76,623	335	76,288
Insurance and intermediaries payables	160,604	246,143	-85,539
Reinsurance payables	116,055	203,563	-87,508
Payables (trade, not insurance)	439,086	432,027	7,059
Subordinated liabilities	103,354	103,602	-248
Any other liabilities, not elsewhere shown	182,063	245,524	-63,461
Total liabilities	13,529,410	16,385,474	-2,856,064
Excess of Assets over Liabilities	1,808,876	853,197	955,679

Table 26: Excess of Assets over Liabilities

D.1. Assets

The following section explains both the valuation of assets including the valuation methods, as well as the reconciliation of Solvency II reporting to financial reporting according to HGB.

The table below shows the differences between the Market Consistent Balance Sheet and HGB approaches.

	Solvency II MCBS	HGB	Variance
Comparison of Valuations – Assets - December 31, 2024			
in EUR thousands			
Goodwill	0	0	0
Deferred acquisition costs	0	0	0
Intangible assets	0	23,697	-23,697
Deferred tax assets	4,003	0	4,003
Pension benefit surplus	95,429	659	94,770
Property, plant & equipment held for own use	110,017	35,000	75,017
Investments (other than assets held for index-linked and unit-linked contracts)	3,659,921	3,597,391	62,530
Property (other than own use)	840,776	829,780	10,996
Participations	26,236	25,214	1,021
Equities	97,483	89,153	8,330
Bonds	1,748,630	1,733,357	15,273
Collective investment undertakings	938,428	916,642	21,786
Derivative assets	4,889	0	4,889
Deposits other than cash equivalents	3,480	3,245	235
Other investments	0	0	0
Assets held for unit-linked & index-linked	0	0	0
Loans and mortgages	1,577,906	1,562,285	15,621
Loans on policies	25	25	0
Loans & mortgages to Individuals	3,808	1,859	1,949
Other loans & mortgages	1,574,074	1,560,402	13,672
Reinsurance recoverables	8,122,111	10,150,857	-2,028,747
Deposits to cedants	5,666	5,789	-124
Insurance and intermediaries receivables	423,373	880,256	-456,883
Reinsurance receivables	530,336	101,870	428,466
Receivables (trade, not insurance)	460,957	414,970	45,987
Cash and cash equivalents	222,974	222,974	0
Any other assets, not elsewhere shown	125,593	242,922	-117,329
Total assets	15,338,286	17,238,671	-1,900,385

Table 27: Comparison of valuation – Assets

Details on the use of individual valuation methods "Mark to Market" (market prices from active markets), "Mark to Model" (application of valuation models based on observable market data as input factors) as well as other valuation methods are explained in the course of the section for each item. The company uses the provisions according to Article 9 (4) of the Delegated Regulation (EU) 2015/35 and applies the valuation rules according to financial reporting under IFRS for the category "other valuation".

The following table shows the methods for the valuation of assets:

	Mark to Market	Mark to Model	Other Valuation	Solvency II Value
Valuation Methods of Assets - December 31, 2024				
in EUR thousands				
Goodwill	0	0	0	0
Deferred acquisition costs	0	0	0	0
Intangible assets	0	0	0	0
Deferred tax assets	0	0	4,003	4,003
Pension benefit surplus	0	0	95,429	95,429
Property, plant & equipment held for own use	0	110,017	0	110,017
Investments (other than assets held for index-linked and unit-linked contracts)	142,929	2,597,054	919,938	3,659,921
Property (other than own use)	0	840,776	0	840,776
Participations	0	0	26,236	26,236
Equities	92,198	4,713	572	97,483
Bonds	0	1,748,630	0	1,748,630
Collective investment undertakings	45,842	0	892,586	938,428
Derivative assets	4,889	0	0	4,889
Deposits other than cash equivalents	0	2,936	544	3,480
Other investments	0	0	0	0
Assets held for unit-linked & index-linked	0	0	0	0
Loans and mortgages	0	1,474,188	103,718	1,577,906
Reinsurance recoverables	0	0	8,122,111	8,122,111
Deposits to cedants	0	0	5,666	5,666
Insurance & intermediaries receivables	0	0	423,373	423,373
Reinsurance receivables	0	0	530,336	530,336
Receivables (trade, not insurance)	0	0	460,957	460,957
Cash and cash equivalents	0	0	222,974	222,974
Any other assets, not elsewhere shown	0	0	125,593	125,593
Total assets	142,929	4,181,259	11,014,097	15,338,286

Table 28: Valuation Methods – Assets

The following notes are derived from the above-listed tables in relation to the ZIE:

Intangible Assets

Intangible assets are not recognised in the MCBS. The HGB balance sheet includes capitalised self-developed and purchased software.

Deferred Tax Assets

For a detailed explanation of the valuation differences in deferred taxes, please refer to section D.3. Other liabilities, sub-section „Deferred Tax Liabilities“.

Pension benefit surplus

For a detailed explanation of the valuation differences in the pension benefit surplus, please refer to section D.3. Other liabilities, sub-section „Pension benefit obligations“.

Property, plant & equipment held for own use

This item includes tangible assets that are intended for own use - primarily owner-occupied property, office equipment and Right-Of-Use Assets. According to Solvency II, these must be measured at fair value. In the case of office furniture and equipment, they are measured at amortized cost. The amortized cost is considered to be a reasonable estimate of the fair value. Right-Of-Use Assets are valued in accordance with IFRS 16.

In accordance with HGB, these items are recognized at amortised cost of acquisition or production. Right-Of-Use Assets are not recorded on the HGB balance sheet. The difference between Solvency II and HGB amounts to EUR 75,017k. The difference is mainly attributable to the Right-Of-Use Assets not accounted under HGB.

Property (other than own use)

The land, land rights and buildings including buildings on third-party land were recognised under HGB in accordance with the regulations for fixed assets at amortised cost of acquisition or production. Impairment losses are only recognised if they are expected to be permanent.

Under Solvency II, the properties were valued at fair value. The fair value was determined by internal or external valuations based on the respective income or cost value in accordance with the real estate valuation ordinance of July 14, 2021. The internal valuation or external appraisal is performed on an annual basis. As a result, under Solvency II, a higher value of EUR 10,996k was reported in the "Property (other than own use)" position.

Participations and holdings in affiliates

The holding in affiliates were recognised under HGB in accordance with the regulations for fixed assets at acquisition cost. Impairment losses are only recognised if they are permanent. In 2024, two Spanish holdings were impaired by EUR 3,500k.

Under Solvency II, the valuation of holding in affiliates is carried out at fair value. This corresponds to the redemption price of the shares. This results in a valuation difference between HGB and Solvency II of EUR 1,021 k. According to Solvency II, shares in affiliated companies are shown under equity instruments.

Equities

For stocks, equity interests or stocks on investment funds and other non-fixed income securities reported in special funds that are valued as fixed assets, the valuation under HGB is carried out in accordance with the regulations for fixed assets at amortized cost.

In the equity instruments category, there were listed stock, unlisted stocks, and participations. Listed securities are valued using the "Mark to Market" valuation method. ZIE holds unlisted equities, where the fair value corresponds to the amortised cost according to the "other valuation" method under Solvency II. This results in a valuation difference between HGB and Solvency II of EUR 8,330k.

Bonds

The position "Bonds" includes various positions of the HGB balance sheet.

For stocks, equity interests or stocks on investment funds and other non-fixed income securities, as well as for bearer bonds and other fixed income securities, the valuation is carried out in accordance with the regulations for the valuation of current assets at acquisition cost or the lower stock market or market value on the balance sheet date.

For bearer bonds and other fixed income securities added to fixed assets, the valuation for HGB is carried out in accordance with the regulations for fixed assets at amortised cost. Resulting premiums are amortised over the remaining term. Under Solvency II, these are assigned to the financial instrument category "available for sale" and valued at market value. The fair values are determined based on stock market prices or market values on the reporting date.

Bonded loans and loans are accounted for differently under Solvency II: bonded loans against counterparties of the Zurich Group are shown under "Loans and Mortgages." Bonded loans against third parties are shown as bonds. All are categorised as "available for sale" financial instruments and valued at market value.

Bonded loans are accounted for under HGB both under bonds and under "Loans and Mortgages." They are recognised at amortised cost under HGB. The difference between the acquisition cost and the redemption amount is amortised over the term using the effective interest method.

The fair value determination for bonded loans and loans is carried out using the yield factor (interest rate curve taking spreads into account).

There is a total valuation difference of EUR 15,273k for the entire bond portfolio, including accrued interest, for the direct holdings.

Under Solvency II, accrued interest is allocated to the individual balance sheet items. Accrued interest represents the calculated interest claims on loans as of the balance sheet date. Under HGB, these are shown under the position "Receivables (trade, non-insurance)." This results in a shift between "Receivables (trade, non-insurance)" and bonds as well as loans and mortgages.

Collective investment undertakings

For stocks, equity interests or stocks on investment funds and other non-fixed income securities, the valuation under HGB is generally carried out in accordance with the regulations for the valuation of current assets at acquisition cost or the lower stock market or market value on the balance sheet date.

Special funds are not sub-consolidated in the MCBS, meaning that the securities contained therein are not listed individually and are not assigned to their corresponding Solvency II categories. For these, no or only incomplete data is observable on the markets. Unobservable input factors are used to determine the market price. The valuation relies on valuation models that require a variety of input factors, such as contractual agreements, interest rate curves, volatility measurements, default risks, etc.

The accounting of special funds under HGB is based on fund units as fixed assets at amortised cost. This mechanism allows short-term fluctuations in the value of the fund's units to be treated neutrally in the balance sheet within certain limits.

Derivative Assets

Derivatives are recognised at fair value under Solvency II. They are recognised separately from the underlying transaction, the value of which remains unchanged. Positive fair values are recognised as an investment, negative fair values as a liability. Under HGB, unrealised gains are not accounted as ZIE does not form valuation units according to section 254 HGB. Therefore, only derivative liabilities are included in the HGB balance sheet.

Loans and Mortgages

The position "Loans and Mortgages" includes various positions of the HGB balance sheet.

Loans to affiliated companies are recognised under HGB in accordance with the regulations for fixed assets at acquisition cost or nominal amounts. For Solvency II purposes, they are valued at fair value. The fair value calculation is carried out using interest rate curves and expected cash flows. This resulted in a valuation difference of EUR 7,627k.

Loans and prepayments on insurance policies are shown under "Loans and Mortgages." They are valued at nominal amount less repayments under both HGB and Solvency II. This results in no valuation difference. Premium and discount amounts are distributed over the term through active or passive accruals.

Bonded loans and loans are presented under Solvency II either as bonds or under loans and mortgages. They are recognised at amortised cost under HGB. The difference between the acquisition cost and the redemption amount is amortised over the term using the effective interest method.

Under Solvency II, bonded loans are shown as bonds or loans and mortgages and valued at fair value. The fair value determination for bonded loans is carried out using the yield factor (interest rate curve taking spreads into account).

Mortgage, land charge, and annuity charge claims are recognised at amortised cost under HGB. The difference between the acquisition cost and the redemption amount is amortised over the term using the effective interest method.

Under Solvency II, this position is valued at fair values and assigned to the position "Loans and Mortgages" in the financial instrument category "Loans and Receivables." The fair value determination is carried out using

the yield factor (interest rate curve taking spreads into account). Mortgages are recognised at amortised cost under HGB. This resulted in a valuation difference of EUR 6,298k.

Reinsurance Recoverables

The amounts recoverable from reinsurance contracts is calculated as part of the best estimate for technical provisions in the MCBS. The development corresponds to the development of the gross technical provisions in the MCBS. In HGB, the value corresponds to the sum of the technical provisions from reinsurance contracts, valued under the HGB valuation rules. The amounts recoverable from reinsurance contracts, as well as the valuation of the reserves (actuarial valuation), are usually lower under Solvency II.

Insurance and Intermediaries Receivables

This balance sheet item comprises receivables from insurance business, like insurance companies, policyholders and insurance brokers. Under HGB, these receivables are recognised at their nominal value, less impairments. Under Solvency II, they must be recognised at fair value. In the absence of an active market for receivables, they are also largely recognised at nominal value. The nominal value is regarded as an appropriate estimate of the fair value. In the MCBS, all such receivables relating to risks that have not yet expired are recognised in the technical provisions, as they relate to future cash flows. Receivables from insurance and intermediaries have maturities of less than 12 months and are therefore not discounted.

Reinsurance Receivables

This balance sheet item comprises receivables from reinsurers, e.g. for settled claims. Under HGB, these receivables are recognised at their nominal value, less impairments. Under Solvency II, they must be recognised at fair value. In the absence of an active market for receivables, they are also largely recognised at nominal value. The nominal value is regarded as an appropriate estimate of the fair value. In the MCBS, all such receivables relating to risks that have not yet expired are recognised in the technical provisions, as they relate to future cash flows. Receivables from reinsurers have maturities of less than 12 months and are therefore not discounted.

Receivables (trade, not insurance)

This item mainly includes receivables from affiliated companies, receivables from current taxes as well as receivables from third parties (including receivables from real estate). Under HGB, these receivables are recognised at their nominal value, less impairments. Under Solvency II, they must be recognised at fair value. In the absence of an active market for receivables, they are also largely recognised at nominal value. The nominal value is regarded as an appropriate estimate of the fair value. Receivables with maturities exceeding 12 months are discounted.

The main difference occurs from a tax receivable of EUR 42,487k in the Spanish branch that is not accounted under HGB due to the overall prudence principle.

Cash and Cash equivalents

For cash and cash equivalents, the accounting under Solvency II and HGB corresponds to the nominal value. Thus, there is no valuation difference between Solvency II and HGB.

Any other assets, not elsewhere shown

This item is measured at nominal value. The largest items are prepayments, accrued premiums and other accrued income. The main difference occurs from accrued interests and rents from investments (EUR 49,660k). The accrual of interest and rents, under Solvency II, is allocated to the individual balance sheet items. Under HGB, these are reported separately under "Any Other Assets". In addition, accrued premiums are EUR 44,307k lower in the MCBS. As all future cash flows are included in the Solvency II technical provisions and these are partly based on accrued premiums that have been written but not yet received, the accrued premiums are reduced by these effects in order to avoid double recognition.

D.2. Technical provisions

The technical provisions are set to cover unpaid losses and future expenses which arise from the writing of insurance policies. The technical provision calculation takes into account factors that can influence their value, some of which are subjective and some of which are dependent on future events. These factors include future inflation projections, historical trends and patterns of loss payments, pending levels of unpaid claims and types of coverage. In addition, court decisions and economic conditions may affect the ultimate cost of claims settlement and, as a result the estimation of technical provisions.

The time required to learn of and settle claims can vary significantly by line of business. Short-tail claims, such as those for motor material damage and property damage, are normally reported soon after the incident and are generally settled within months of the incident. Long-tail claims, such as bodily injury, asbestos related and product liability, can take years to develop and additional time to settle. For these long-tail claims, information concerning the event, such as the required medical treatment for bodily injury claims, may not be readily available. Accordingly, the analysis of claims for long-tail lines of business is generally more challenging and subject to greater uncertainties than for short-tail claims. A number of generally accepted actuarial methods are used to estimate and evaluate the amount of technical provisions required.

Although the underlying principles are aligned, there are significant differences in the measurement and classification of technical provisions in the MCBS, compared to HGB.

The gross technical provisions in the MCBS at December 31, 2024 were EUR 2,777,767k lower than under HGB as shown below.

	Solvency II MCBS	HGB	Variance
Comparison of Valuations – Technical Provisions - December 31, 2024			
in EUR thousands			
General Liability	5,198,784	6,263,192	-1,064,408
General Liability - Risk margin	50,551	0	50,551
Motor	2,477,331	2,947,700	-470,369
Motor - Risk margin	41,603	0	41,603
Fire and Other Damage to Property	3,017,692	4,183,634	-1,165,941
Fire and Other Damage to Property - Risk margin	37,194	0	37,194
Other	895,768	1,102,402	-206,635
Other - Risk margin	15,694	0	15,694
Life	396,353	432,196	-35,842
Life - Risk margin	20,385	0	20,385
Total	12,151,355	14,929,123	-2,777,767

Table 29: Comparison of valuation – Technical provisions

The table below explains the variances in the value of the Technical Provisions between the MCBS and HGB at December 31, 2024.

Comparison of valuation bases – Technical provisions	
Unexpired risks i.e. insurance policies which are accounted, however the risk coverage period has not fully elapsed	<p>Under HGB the UPR effectively represents the premium written on unexpired risks. The corresponding premiums received or receivable form part of the assets in HGB.</p> <p>In the MCBS (and in accordance with Solvency II accounting rules) the UPR liability is effectively replaced with the premium provision, which consists of the expected future claims and expense payments, offset by expected future premiums on existing policies. Also, the definition of insurance policy boundaries and inception dates is wider in the MCBS than under HGB, for example including a category of bound but not incepted policies.</p>
Discounting (time value of money)	<p>Under HGB discounting is only applied to annuity reserves.</p> <p>In the MCBS discounting is applied to all of the technical provisions, reducing the value of these liabilities.</p>
Profit recognition	<p>Under HGB profits and losses are treated impartially, i.e. unequally, in relation to the time of recognition in profit or loss. Gains are not recognised until they are realised, but losses and foreseeable risks are recognised if they are sufficiently certain.</p> <p>In the MCBS profits and losses arising are booked on the recognition of the insurance policies.</p>
Margin for uncertainty/ENID/MMC	<p>Under HGB there is the principle of prudence: if only incomplete information is available for the valuation or if there is uncertainty regarding future events that influence the valuation, all foreseeable risks must be taken into account so that assets are not valued too high, and liabilities are not valued too low.</p> <p>In the MCBS the technical provisions are booked at best estimate. However, there is an explicit requirement to consider booking additional reserves in the MCBS for Events not in data ("ENID"); these are potential future claims which are not reflected in the history of past claims development. In addition, an allowance for MMC events is included in the premium provision, this is to ensure consistency of risks between the technical provision and the approved Internal Model.</p>
Risk margin	<p>Under Solvency II, a reserve is required for the value that another (re)insurer would require for taking on the reported liabilities at the valuation date, over and above best estimate value. There is no requirement for an equivalent reserve under HGB.</p>

Table 30: Comparison of valuation bases – Technical provisions

Indication of the level of uncertainty

There is inherent uncertainty in any estimate of technical provisions, as the ultimate cost of claims is subject to the outcome of events which are yet to occur.

The main sources of uncertainty with regard to the future cost of existing claims include the following:

- The final settlement cost of open claims cannot be known precisely, as it depends on factors such as court decisions on liability or the prognosis for recovery from injuries
- Material adverse or favourable developments in large claims may occur
- Actual future claims inflation may differ from that assumed

- The social, legal, technological or economic environment may differ from that assumed, e.g. there may be a retrospective change in legislation which increases the claim cost beyond that which has been allowed for
- Change in the underlying mix of business or types of coverage over time or the emergence of new claim types or other events not included in the historical data may result in a different claims development pattern from that extrapolated from the historical data
- Additional uncertainty stems from future expenses and premiums

Significant additional uncertainty arises in relation to the technical provisions for future claims where the potential loss event has not yet occurred. There is significant uncertainty around what the loss ratio from this future business will ultimately be and consequently uncertainty in the value of future profits included in the MCBS.

The valuation of the technical provisions includes assumptions around certain future management actions such as assuming a similar reinsurance structure will continue in place and certain underwriting or claims initiatives are achieved. Again, as these are future events there is a degree of uncertainty in the extent to which these actions may occur.

An active approach is taken by management to identify sources of uncertainty, quantify them and take actions to mitigate their potential impact.

Matching adjustment

No matching adjustment was applied to the valuation of the technical provisions in the MCBS at December 31, 2024.

Volatility adjustment

No volatility adjustment was applied to the valuation of the technical provisions in the MCBS at December 31, 2024.

Transitional risk-free interest rate-term structure

The transitional risk-free interest rate-term structure was not used in the valuation of technical provisions in the MCBS at December 31, 2024.

Transitional deduction

The transitional deduction was not used at December 31, 2024.

Recoverables from reinsurance contracts

There were reinsurance recoverables of EUR 8,122,111k at December 31, 2024, as reported in the MCBS. These were largely related to the non-proportional and proportional reinsurance contracts in place with Group counterparties.

Change in assumptions

Standard actuarial assumptions were updated in the course of setting the level of technical provisions at December 31, 2024. There was no significant change in standalone assumptions during 2024.

Special Purpose Vehicles

There were no special purpose vehicles at December 31, 2024.

D.3. Other liabilities

The following section explains the valuation of other liabilities, including the valuation methods, and the reconciliation of Solvency II reporting to financial reporting in accordance with HGB.

The table below shows the differences between the MCBS and HGB approach.

	Solvency II MCBS	HGB	Variance
Comparison of Valuations – Other Liabilities - December 31, 2024			
in EUR thousands			
Contingent liabilities	0	0	0
Provisions other than technical provisions	103,701	110,822	-7,121
Pension benefit obligations	23,518	31,542	-8,024
Deposits from reinsurers	18,363	18,363	0
Deferred tax liabilities	132,956	57,647	75,310
Derivative liabilities	4,139	1,547	2,592
Debts owed to credit institutions (incl. Bank Overdraft)	17,592	5,236	12,356
Financial liabilities other than debts owed to credit institutions	76,623	335	76,288
Insurance and intermediaries payables	160,604	246,143	-85,539
Reinsurance payables	116,055	203,563	-87,508
Payables (trade, not insurance)	439,086	432,027	7,059
Subordinated liabilities	103,354	103,602	-248
Any other liabilities, not elsewhere shown	182,063	245,524	-63,461
Other Liabilities	1,378,054	1,456,351	-78,297

Table 31: Comparison of valuation – Other Liabilities

The other liabilities reported in the HGB balance sheet were EUR 78,297k higher than the amounts reported in the MCBS as at December 31, 2024.

In the following the reasons for the variances in the valuations for Other Liabilities between HGB and in the MCBS at December 31, 2024 will be explained.

Provisions others than technical provisions

Provisions that are not part of the technical provisions are valued in accordance with IFRS principles and recognised at this value in the MCBS. They are recognised at the best estimate of the costs required to settle the current obligation as at the balance sheet date. Provisions of a long-term nature are discounted. Under HGB, provisions are recognised at the settlement amount required according to prudent business judgment in accordance with section 253 HGB. Provisions with a remaining term of more than one year are discounted at the average market interest rate of the past seven years corresponding to their remaining term.

The main difference occurs from a tax provision of EUR 15,297k that is held as provision under HGB as the amount and timing are still uncertain. In the MCBS, the similar amount is included under “Payables (trade, not Insurance)”.

Pension benefit obligations

The Company operates defined benefit pension schemes for its employees in certain branches. The pension scheme valuations are based on IAS 19 (Employee Benefits). The liabilities of the pension schemes represent the present value of all projected cashflows discounted using the appropriate discount rate. These future cash flows include pension payments to currently retired members, deferred members and active members of the scheme. The assets in the pension schemes are a combination of bonds, equities and other assets including cash. A breakdown of the assets is included below.

	Fair Value	Proportion
Defined Benefit Scheme Assets - December 31, 2024		
in EUR thousands		
Equities	154,345	23%
Bonds	413,685	61%
Other	108,192	16%
Total Assets	676,221	100%

Table 32: Plan Assets

Compared to HGB accounting, there are two main reasons for differences in the measurement of pension plans. Firstly, some defined benefit pension plans that must be recognised in accordance with IAS 19 do not represent a direct obligation under HGB and therefore do not have to be recognised (section 28 (1) sentence 2 Introductory Act to the German Commercial Code). These are plans in which the pension obligation has been transferred to an external third party (i.e. an external pension provider) and the employee has an independent claim against the external pension provider for payment of their pension, or this is financed primarily from the assets of the pension instalment.

For the remaining pension plans, which are also recognised in the balance sheet in accordance with HGB, valuation differences mainly result from the discount rate and the actuarial assumptions.

The effects explained above have also implications on the Pension Benefit Surplus on the asset side of the MCBS.

Deferred tax liabilities

Deferred taxes under Solvency II are calculated based on the difference between the Solvency II values ascribed to assets and liabilities and the values ascribed to the same assets and liabilities for tax purposes. These differences give rise to both deferred tax assets and deferred tax liabilities which are calculated in each branch at the applicable tax rate. In addition, carry forward tax losses also give rise to deferred tax assets.

Both deferred tax assets and deferred tax liabilities are recognised in the MCBS.

Deferred tax assets are only booked following the passing of recoverability tests, which are carried out in each branch. The recoverability tests consider the source of the deferred tax assets and are designed in accordance with recognised accounting principles. In summary, they require evidencing the ability to recover the deferred tax assets in the branch against the deferred tax liabilities in the branch at the same reference date and, if necessary, against the tax payable on probable future taxable profits in the branch.

Applying this approach, the Company reported net deferred tax assets of EUR 4,003k and net deferred tax liabilities of EUR 132,956k in the MCBS as at December 31, 2024. These deferred tax balances reported in the MCBS at December 31, 2024 included an amount of EUR 40,991k related to carry forward tax losses. For a small number of branches, the carry forward tax losses are subject to a time limitation; in the other branches the losses can, in principle, be carried forward indefinitely. At December 31, 2024, there is an amount of EUR 46,840k related to carry forward tax losses, which was not recognised in the MCBS.

Under HGB, only deferred tax liabilities are recognised for expected future tax expenses. Deferred tax assets are not recognised in accordance with the option under section 247 (1) HGB.

Derivative liabilities

Derivatives are recognised at fair value under Solvency II. They are recognised separately from the underlying transaction, the value of which remains unchanged. Positive fair values are recognised as an asset, negative fair values as a liability. Under HGB, unrealised gains are not accounted as ZIE does not form valuation units according to section 254 HGB. Therefore, only derivative liabilities are included in the HGB balance sheet.

Debts owed to credit institutions

Debts owed to credit institutions typically consist of short-term underfunding of bank accounts. The difference between the HGB balance sheet and the MCBS occurs from unpaid claims cheques, that are reported as Insurance and Intermediaries payables in HGB. In both HGB and MCBS, the valuation is based on nominal values.

Financial liabilities other than debts owed to credit institutions

This balance sheet item includes for example liabilities from insurance taxes and long-term lease liabilities. Financial liabilities other than debts owed to banks are measured in accordance with IFRS principles and recognised at this value in the solvency overview. They are recognised at the amount repayable. Under HGB, financial liabilities are recognised at the settlement amount in accordance with section 253 HGB. The main difference occurs from the IFRS 16 Lease Liabilities of EUR 70,164k that are not reported under HGB.

Insurance and intermediaries payables

This balance sheet item comprises liabilities from direct insurance business to insurance companies, policyholders and insurance brokers. Those liabilities are recognised at the settlement amount both under HGB and in the MCBS. In the MCBS, all such liabilities relating to risks that have not yet expired are recognised in the technical provisions, as they relate to future cashflows. Liabilities to insurance and intermediaries have maturities of less than 12 months and are therefore not discounted.

Reinsurance payables

This balance sheet item includes, for example, settlement liabilities. Those liabilities are recognised at the settlement amount both under HGB and in the MCBS. In the MCBS, all such liabilities relating to risks that have not yet expired are recognised in the technical provisions, as they relate to future cash flows. Liabilities with maturities of more than 12 months are discounted.

Payables (trade, not insurance)

Other payables are recognised at the settlement amount under both HGB and Solvency.

Subordinated liabilities

The subordinated liabilities are recognised under HGB at nominal amounts. For Solvency II purposes, they are valued at fair value.

Any other liabilities, no elsewhere shown

This item is measured at nominal value. The largest items are accrued reinsurance premiums, accrued commissions and other accruals. In the MCBS, all such liabilities relating to risks that have not yet expired are recognised in the technical provisions, as they relate to future cash flows. Liabilities with maturities of more than 12 months are discounted.

Duration of liabilities (other than technical provisions)

The liabilities (other than technical provisions) are generally short term in nature, that is they will be discharged in less than one year, except for:

- A subordinated loan of EUR 103,354k (MCBS) which has no maturity date; this instrument is classified as Tier 3 Own Funds under Solvency II rules
- Amounts of EUR 70,164k due on operating leases with a term in excess of one year
- Pension benefit obligations net of plan assets of EUR 23,518k; the pension benefit obligations will be ultimately discharged over the lifetime of the employees who are members of the pension schemes
- Other provisions, e.g., restructuring provisions or litigation provisions, whose timing depends on the conclusion of the restructuring or the outcome of the underlying potential liability

D.4. Alternative methods for valuation

Information on alternative valuation methods for assets can be found in section D.1.

D.5. Any other information

There is no other material information regarding the valuation of assets and liabilities for solvency purposes.

E. Capital Management

Overview of Capital Management

Background

The Company aligns its capital management with the continuous fulfilment of regulatory requirements for covering the Solvency Capital Requirement. The available financial resources under Solvency II are known as the Own Funds.

The capital requirements under Solvency II are known as the Solvency Capital Requirement ("SCR") and the Minimum Capital Requirement ("MCR"). The regulatory requirement is that Own Funds should exceed the SCR; the MCR is a relevant metric only in extreme capital distress situations. The SCR always significantly exceeds the MCR.

In 2024, the SCR result for the Company was measured using an Internal Model, which has been approved by the former regulator CBI and accepted by BaFin during the conversion and transition to Germany.

The ratio of Own Funds to the SCR is known as the SCR ratio. If the SCR ratio is less than 100% (or trending towards that level in the next three months) then the regulator must be notified and in the event that the SCR ratio is below 100% then a recovery plan must be approved by the Management Board and provided to the regulator within two months of the date of the breach. This plan should include the actions to restore the SCR ratio above 100% within six months, from the date of the breach.

The SCR ratio at December 31, 2024 was 141%, representing an excess of EUR 471,056k of Own Funds held over the SCR. The Own Funds were reduced by a foreseeable dividend of EUR 293,000k.

The corresponding metrics at December 31, 2023 were an SCR ratio of 176% and an excess value of EUR 838,482k of Own Funds held over the SCR. In 2023, the company had Ancillary Own Funds of EUR 228,000k, for which ZIE did not apply to BaFin for recognition (see section E.1. Own Funds).

The MCR calculation is based on the business volume and mix; the ratio of Own Funds to the MCR is known as the MCR ratio. If the MCR ratio is below 100%, or trending below 100%, then this is an extreme event which could result in regulatory intervention in the running of the Company. The MCR ratio at December 31, 2024 was 293%.

Capital Management Policy of the Company

The primary objective of the Capital Management Policy is to support the Company in meeting its capital requirements. To achieve this goal, appropriate processes and reporting are implemented.

Due to the cross-border transition of ZIE and the change to a German Stock Corporation (Aktiengesellschaft), ZIE's capital management objectives were expanded to include the "Tied Asset Coverage ratio" which relates to the fulfilment of obligations from the insurance business at all times with corresponding eligible tied assets.

The Capital Management Policy also outlines the expectations of stakeholders in the capital position of the Company and how these are met. The Capital Management Policy describes measures available to the Management Board to strengthen the capital position, if required.

Processes and changes in 2024

A full production run of the Own Funds, SCR and MCR results takes place quarterly, with the results reported to the Management Board and filed with BaFin. Between quarters the values of the Own Funds and the SCR are monitored on a regular basis, taking account of known movements in values since the previous quarterly report.

The capital management process with regard to the Solvency position of the Company remained largely unchanged compared to previous years. As mentioned above, the Company now also considers the tied asset coverage requirement according to section 125 VAG in its Capital Management Policy.

E.1. Own Funds

Own Funds

The Own Funds are the sum of Basic Own Funds and Ancillary Own Funds ("AOF").

Basic Own Funds are the excess of assets over liabilities in the Market Consistent Balance Sheet and subordinated liabilities.

As of December 2023, still regulated by the CBI, the Company held Tier 2 Own Funds of EUR 228,000k as approved by the Irish regulator in 2020 in relation to a contingent capital commitment by its shareholders to the Company. With the cross-border conversion, recognition of the instrument as Tier 2 Own Fund item ceased. ZIE did not apply for further recognition of the AOF with the German regulator BaFin.

As a result, ZIE no longer holds Tier 2 capital in relation to this contingent capital contribution agreement, although the agreement is still in place. As of December 2024, the company has no AOF.

In addition to the local capitalization and liquidity of ZIE, the Group has a substantially larger capital base and liquidity that is managed centrally at the group level.

Projection of Own Funds

Annually the Own Funds are projected in alignment with the Company's business plan for the next three years, considering projected profit generation, planned changes in risk profile, planned capital activities and regulatory changes. The business plan reflects the Company's strategy and is approved by the Management Board.

Structure and Tiering of Own Funds

The Own Funds of the Company at December 31, 2024 were EUR 1,619,230k.

Tiering is applied to the Own Funds, in accordance with the Solvency II rules. The tiering rules which determine the eligibility of Own Funds to meet the SCR and MCR and are based on the deemed quality of the capital.

The Tier 1 Own Funds of the Company at December 31, 2024 are EUR 1,511,873k comprising of

- Ordinary share capital (fully paid) of EUR 8,158k
- Reconciliation Reserve of EUR 1,503,715k

These items meet the criteria for Tier 1 Own Funds including the availability to immediately absorb future losses.

The reconciliation reserve equals the excess of assets over liabilities, less other basic Own Fund items, such as share capital. As of December 31, 2024 the reconciliation reserve essentially consists of retained earnings from previous years, expected profits from future premiums, valuation benefits of technical provisions according to Solvency II and capital contributions from the shareholder to the free capital reserve according to section 272 (2) number 4 HGB. The change in the reconciliation reserve compared to the previous year is mainly due to the valuation of technical provisions including the expected profits from future premiums and the valuation of investments.

Under CBI regulation, capital contributions by the shareholder had to be approved for being eligible to Solvency II Own Funds and thus had to be presented in a separate line item under capital contribution reserves as part of the "Other basic own funds items". This reporting requirement is no longer applicable under BaFin, capital contributions are part of the reconciliation reserve.

Following the approval of the Management Board, a distribution of EUR 293,000k was deducted from the Own Funds as foreseeable dividend. There is a risk that the final dividend amount may change for example in case of suddenly arising adverse business or financial market events.

The value of the reconciliation reserve is subject to changes, as illustrated by the sensitivities described in section C. The reconciliation reserve is shown in the table below.

	December 31, 2024	December 31, 2023	Variance
Basic Own Funds			
in EUR thousands			
Total assets	15,338,286	14,350,333	987,953
Total liabilities	13,529,410	12,744,346	785,064
Excess of assets over liabilities	1,808,876	1,605,987	202,889
Foreseeable dividends, distributions and charges	293,000	0	293,000
Other Basic Own Fund items	12,161	776,810	-764,648
Reconciliation reserve	1,503,715	829,177	674,538

Table 33: Basic Own Funds

As of December 31, 2024, the Company had no Tier 2 capital.

Tier 3 Own Funds at December 31, 2024 were EUR 107,357k and relate to a subordinated loan with a fair value of EUR 103,354k entered with ZIC and a deferred tax asset of EUR 4,003k. The loan was entered in 2005 with a nominal value of EUR 103,602k and has no specified repayment date.

Eligibility and availability of Own Funds

At December 31, 2024, all of the Tier 1 Own Funds were eligible and available for meeting the SCR and MCR.

At December 31, 2024, all of the Tier 3 Own Funds were eligible and available for meeting the SCR; however, were not eligible or available for meeting the MCR. The Tier 1 Own Funds far exceeded the MCR.

Duration and loss absorbency of Own Funds

There was no time limitation to the Tier 1 Own Funds of EUR 1,511,873k at December 31, 2024.

Of the Tier 3 Own Funds of EUR 107,357k, the EUR 103,354k subordinated loan is perpetual in nature, however this loan can be repaid by the Company with a minimum notice period of 5 years.

The total Own Funds of EUR 1,619,230k were available to absorb losses; no triggers were required for creating their loss absorbency.

The grandfathering rules as set out by BaFin based on the requirements of section 53c (3b) VAG in its version as of 31 December 2015 for the subordinated loan from ZIC to permit as Tier 3 capital will expire with the end of December 31, 2025. It is assumed, that an equivalent substitute will be in place latest by the end of 2025, considering the repayment of the current loan and issuance of a new subordinated loan.

Own Funds requiring supervisory approval or subject to transitional arrangements

Supervisory approval

No amounts of the Own Funds were subject to supervisory approval.

Transitional arrangements

No amounts included in the Own Funds at December 31, 2024 were subject to transitional arrangements.

Deductions from Own Funds and transferability of Own Funds

No deductions from Own Funds were relevant at December 31, 2024 and no restrictions existed at December 31, 2024 which affected the transferability of Own Funds within the Company.

Changes in Own Funds

A comparison of the Own Funds at December 31, 2024 and December 31, 2023, were as follows:

	December 31, 2024	December 31, 2023	Variance
Changes in Own Funds			
in EUR thousands			
Tier 1	1,511,873	1,602,376	-90,503
Tier 2	0	228,000	-228,000
Tier 3	107,357	106,930	427
Total	1,619,230	1,937,306	-318,076

Table 34: Changes in Own Funds

There was a decrease of EUR 90,503k in Tier 1 Own Funds during 2024 mainly due to the economic capital generation related to business profits in 2024 in addition to valuation changes in technical provisions and investments offset by the foreseeable dividend to be paid in 2025 of EUR 293,000k.

As of December 31, 2024, Tier 2 Own Funds changed to zero as from January 2, 2024, the contingent capital contribution agreement with ZIE's shareholders is no longer recognised as AOF.

There was only a minor change to the value of Tier 3 Own Funds during 2024 due to changes in valuation parameters. Deferred tax assets have moved by EUR 392k.

There were no other movements in Own Funds during 2024.

Reconciliation to HGB shareholders' equity

The statutory accounting standards applied in 2024 were HGB.

	December 31, 2024
Reconciliation of HGB shareholders' equity to MCBS excess of assets over liabilities	
in EUR thousands	
Net HGB shareholders' equity	853,197
Profit recognition	485,690
Value of claims provision	333,050
Risk Margin reserve	-165,428
Value of Equalisation Provision	183,205
Intangible assets	-23,697
Fair value investments	25,896
Net Value of Pension Plans	102,794
Other Assets & Liabilities	85,477
Deferred Tax	-71,306
MCBS excess of Assets over Liabilities	1,808,876

Table 35: Reconciliation of HGB shareholders' equity to MCBS excess of assets over liabilities

The key explanations for the reconciling items are as follows:

Profit recognition

- Profit is recorded in the MCBS at the recognition date of the insurance contracts, whereas under HGB the profits and losses are recognised over the duration of the insurance contracts. The recognition of profit in the MCBS is based on the expected future cash flows, discounted for the time value of money.

- A wider scope of insurance contracts is considered in the MCBS compared to HGB, in accordance with Solvency II contract boundary and contract recognition rules.

Value of claims provision

- Discounting for the time value of money is applied in the MCBS, when valuing all future insurance claims. Under HGB, claims provisions are generally not discounted, and usually have a prudency uplift compared to Solvency II undiscounted best estimates.
- There is a requirement to book additional reserves in the MCBS, such as for Events not in Data (“ENID”) and non-claims handling expenses required to run off the reserves.

Risk margin reserve

- In the MCBS this reserve is the value that another (re)insurer would require to take on insurance liabilities, above the best estimate value of the insurance liabilities. There is no requirement for an equivalent reserve under HGB.

Value of Equalisation Reserve

- In the HGB balance sheet, an equalisation reserve must be recognised, to equalise the underwriting result over the time. In the MCBS, this provision is not reported.

Intangible assets

- These assets recorded in HGB are considered to have zero value in the MCBS, as they do not generate future cash flows.

Fair value investments

- A majority of investments are not reported at market value under HGB, because under HGB, the valuation is strictly based on “lower of cost or market”. Investments are reported at market value in the MCBS. Therefore, differences in the valuation of investments are significant.

Deferred tax

- Deferred tax assets are not recognised under HGB for expected future tax credits. In the MCBS, deferred tax also arises due to the valuation differences between the MCBS and local tax balance sheet values.

Reconciliation to IFRS Shareholders’ equity

The statutory accounting standards applied in 2023 were IFRS.

	December 31, 2023
Reconciliation of IFRS shareholders' equity to MCBS excess of assets over liabilities	
in EUR thousands	
Net IFRS shareholders' equity	1,460,029
Profit recognition	470,987
Value of claims provision	-94,230
Risk Adjustment	68,938
Risk Margin reserve	-150,620
Intangible assets	-42,373
Fair value investments	-43,062
Deferred Tax	-63,682
MCBS excess Assets over Liabilities	1,605,987

Table 36: Reconciliation of IFRS shareholders’ equity to MCBS excess of assets over liabilities

The key explanations for the reconciling items are as follows:

Profit recognition

- Under IFRS profits arising on groups of insurance contracts that are expected to be profitable are booked as they occur over the duration of the insurance policies. For groups of insurance contracts that are expected to be loss-making, losses are booked on the recognition of the groups of insurance contracts. In the MCBS both profits and losses arising are booked on the recognition of the insurance policies.

Value of claims provision

- Under IFRS discounting is applied to the claims reserves using Solvency II rates provided by the European Insurance and Occupational Pensions Authority ("EIOPA") plus an illiquidity adjustment. In the MCBS discounting is applied to all of the technical provisions using Solvency II EIOPA rates.
- There is an explicit requirement to consider booking additional reserves in the MCBS for ENID; these are potential future claims which are not reflected in the history of past claims development. Under IFRS an Allowance for Limited Historical Experience is recognised, which represents a reserve for potential claims not captured in Claims Reserves.

Risk Adjustment/ Risk Margin reserve

- Under Solvency II, a Risk Margin reserve is required for the value that another (re)insurer would require for taking on the reported liabilities at the valuation date, over and above best estimate value. Under IFRS, a Risk Adjustment reserve is required. This represents the compensation the entity requires for bearing the uncertainty that arises from non-financial risk.

Intangible assets

- These assets recorded in IFRS are considered to have zero value in the MCBS, as they do not generate future cash flows.

Fair value investments

- Certain investments are not reported at market value under IFRS, whereas these are reported at market value in the MCBS. This is relevant for a small element of the investment portfolio, such as loans and mortgages classified as held to collect.

Deferred Tax

- Deferred tax assets are recognised in IFRS for expected future tax credits. In the MCBS, deferred tax also arises due to the valuation differences between the MCBS and the local tax balance sheet values.

E.2. Solvency Capital Requirement and Minimum Capital Requirement

SCR

The SCR is the modelled value of a 1 in 200 year modelled loss event, occurring in the next year.

The SCR result at December 31, 2024 was EUR 1,148,174k. The breakdown of this result is shown in the Appendix: QRT 25.05.21. The final SCR result is subject to supervisory review.

MCR

The MCR result is based on the business volume and business mix. The MCR is subject to a minimum value of 25% of the SCR and a maximum value of 45% of the SCR.

The MCR result at December 31, 2024 was EUR 516,678k.

The inputs used to calculate the MCR result are shown in the Appendix: QRT S.28.01.01. These inputs were the value of the technical provisions as at December 31, 2024 and the value of the written premium in 2024, both net of reinsurance.

Movements in SCR and MCR

The SCR result increased by 4% during 2024, from EUR 1,098,824k to EUR 1,148,174k.

The drivers for changes in the value of the SCR were:

- Updates of exposures and risk measures
- The transition to Germany and applicability of German statutory accounting rules led to changes in balance sheet valuations and consequently to a reduction in the loss absorbing capacity of deferred taxes.
- The Equity risk exposure increased during the year as the exposure hedged by a total return swap was reduced significantly
- Incorporating latest business plans
- Minor model changes (e.g. tax for excluding tax benefit from future profits)

	December 31, 2024	December 31, 2023	Variance
Analysis of SCR movements in 2024			
in EUR thousands			
Premium, Reserve & UPR risk	644,922	620,330	24,593
Nat Cat risk	90,705	85,482	5,223
Market/ALM risk	399,695	370,653	29,041
Expense risk	215,553	205,943	9,610
Reinsurance credit risk	26,090	29,263	-3,173
Receivables credit risk	33,020	29,510	3,511
Pension risk	85,702	114,070	-28,368
Operational risk	322,028	340,495	-18,467
Total undiversified risk	1,817,716	1,795,744	21,971
Diversification	-611,343	-640,714	29,371
Aggregated risk (diversified)	1,206,373	1,155,030	51,342
Post-aggregation steps	-58,198	-56,206	-1,992
SCR	1,148,174	1,098,824	49,350

Table 37: Analysis of SCR movements

The MCR increased by 4% during 2024, from EUR 494,471k to EUR 516,678k.

E.3. Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

Germany has not made use of the option to permit the use of a duration-based sub-module for Equity risk. Accordingly, such a sub-module cannot be used. This sub-module was not used by the company in the past either.

E.4. Differences between the Standard Formula and the Internal Model used

The Standard Formula is designed by the EIOPA to fit the business profile of an average insurance company in the EEA for example a company predominantly exposed to insurance risks in one country. The business profile of the Company does not fit with the business profile of an average insurance company in the EEA given the scale and size of its operations, writing insurance business in Germany and out of eleven regulated branches in 2024. The Internal Model better reflects the actual risk profile of the Company than the Standard Formula.

The Internal Model used by ZIE measures the SCR equivalent to a 1 in 200 year modelled loss event for the Company occurring in the next year. In this regard, the Internal Model meets the Solvency II rules to provide the appropriate level of protection to policyholders and other beneficiaries and has been approved for use under Solvency II.

Purposes for which ZIE is using the Internal Model

In addition to using an Internal Model for the calculation of the SCR, the Internal Model is used widely by the Company, in particular for:

- Pricing: the setting of premium values to earn a target return on economic capital; this economic capital is derived from the Internal Model
- Business planning, strategy and performance management reviews: using economic return metrics, derived from the Internal Model
- Risk management: the measurement of risks within the business includes the use of results from the Internal Model
- Purchase of reinsurance: results from the Internal Model are a key input to deciding on the level of reinsurance coverage purchased
- Investment portfolio mix: results from the Internal Model are used in setting the SAA. In addition, the economic return on investments is monitored relative to the level of economic capital deployed, derived from the Internal Model
- Capital Management: results from the Internal Model are a key input in future capital planning and any capital action decisions
- Reserving: the Internal Model is used to assess the strength of booked insurance reserves

Scope of the Internal Model in terms of business units and risk categories

Results are produced by risk type for each reporting unit and branch and then aggregated to produce risk type results for the Company. The risk type results for the Company, as measured with the Internal Model, are shown above and described in section C.

Methods used in the Internal Model for the probability distribution forecast

The probability distribution forecast is an estimation of the probabilities for modelled future outcomes. In the Internal Model 200,000 simulations of risk type results for the following year are generated. The modelling of Nat Cat risk and Market risk makes use of external industry recognised models. These simulated results by risk type are aggregated to produce the aggregated probability distribution forecast. The aggregation is achieved by applying a copula to the sum of the individual risk type results, to reflect the diversification effect. A copula is a statistical method used to help calculate the association or dependence between variables.

The 199,000th result of the aggregated results is then selected, being the equivalent of a 1 in 200 year modelled loss event occurring in the next year.

The post-aggregation steps then take place to determine the final value of the SCR:

- Allowance for expected result in the following year
- Allowance for tax absorptency benefit
- Addition of certain scenarios (if necessary) to augment the modelling of individual risk types
- Addition of the Dynamic Model result, which measures Credit risk with Group counterparties

The Internal Model is run on the Risk Modelling Platform RMP which has been developed by the Zurich Group.

Data used in Internal Model

A policy is in place for ensuring the data used in the Internal Model is accurate, complete and appropriate. Roles and responsibilities are defined and documented for each of the steps in the SCR result production process.

Central to the Data Policy is the adherence to the risk based control framework, which applies to all elements of the SCR result production process. Compliance with controls in the SCR production process is recorded on a central database.

The data used in the Internal Model is in scope for the annual review by the Independent Validation function.

Differences in risk calculation between Internal Model and Standard Formula

The divergence of the Internal Model and Standard Formula approaches is shown in the table below.

Risk Type & comparative view	Internal Model ("IM")	Standard Formula ("SF")
Comparison between the Internal Model and the Standard Formula		
Premium, UPR & Reserve Risk	The volatility factors applied are based on historical experience of the Company, supplemented with expert judgment. Geographical diversification is based on correlation factors between branches and segments. Non proportional reinsurance is allowed for appropriately in the modelling. Additional Reserve risk scenarios are added to allow for further volatility due to events that may not have occurred in the past but that may impact the reserves in the future. These are based on the ENIDs developed as part of the Solvency II technical provisions process.	The volatility factors are based on market wide experience, with the calibration being appropriate for an average sized insurer in the EEA, which would operate in a single market, with a limited product and customer base.
MMC	MMC risks are allowed for by explicit consideration and quantification of scenarios which are relevant to the specific underwriting exposures of the Company.	The MMC risks are measured based on defined shocks.
Nat Cat	An exposure-based probabilistic model populated with actual Company exposure data is used and there is the facility to reflect the various forms of policy conditions.	Industry wide scenarios are used.
Lapse/Expense Risk	Expense risk is measured as the risk of a loss that arises if the actual expenses loading exceeds the expected expense loading.	The lapse risk is calculated as the potential increase in technical provisions resulting from the discontinuance of insurance policies.
Market Risk	The risk is derived from simulations of assets and liabilities, covering a wide range of financial market impacts. The calibration is done using market factors which are sourced externally.	Defined shocks are applied to assets and liabilities. The shock factors are applied to asset classes and do not consider the granular asset positions held.
Operational Risk	The modelling considers the actual operational loss history of the Company and relevant industry factors, to inform the identification and assessment of operational risk scenarios, including their likelihood and severity.	A formula is applied; the key elements of the formula are earned premiums and Technical Provisions.
Pension Risk	Pension Market risk is measured using the market risk model. Pension Longevity risk is measured based on industry data.	Market risk is measured using the approach in the Standard Formula. Longevity risk is not considered.

Diversification	A copula approach is applied for risk type aggregation which allows for tail dependence but remains comparatively simple to calibrate. The main set of input parameters is the bi-variate dependence matrix across risk types.	The Variance Covariance aggregation method is used, which produces only point estimates of the diversification benefit, rather than distributions.
Tax absorbency	The tax absorbency is based on the net deferred tax liabilities on the MCBS and tax carry backs.	No standard methodology for the tax calculation, though guidance is provided.
Scenarios	Certain scenarios are added, if necessary, in the SCR. These scenarios are intended to augment the SCR for risks that are not adequately reflected in the modelling of the individual risk types.	The Standard Formula does not include additional scenarios to augment the SCR.
Credit risk/ Dynamic Default Model	Credit risk for third parties is based on external ratings and historic trends. The Credit risk for balances with Group counterparties is assessed by simulating loss events impacting the counterparties, against which balances are held.	Credit risk for Group counterparties is calculated in the same way as for external counterparties, based on a simple formula.

Table 38: Comparison between the Internal Model and the Standard Formula

Loss absorbing capacity of deferred taxation included in the calculation of the Solvency Capital Requirement

Under Solvency II, it is permissible to allow for a deduction from the SCR to reflect the Loss Absorbing Capacity of Deferred Taxes ("LACDT"). The LACDT reflects the fact that in a 1 in 200 scenario, the Company will suffer a loss which gives rise to potential tax credits. The LACDT represents the value of these tax credits which would arise due to the SCR loss event. The LACDT value is calculated in accordance with the methodology of the approved Internal Model and the calculation is based on the circumstances in each of the jurisdictions in which the Company operates.

On December 31, 2024, the benefit to the SCR recognised in the internal model of the LACDT was EUR 98,529k, which largely related to the deferred tax liabilities reported on the MCBS; a minor tax benefit was due to the availability of carry back tax losses.

E.5. Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

There were no incidences of non-compliance with the MCR or SCR during 2024.

E.6. Any other information

Financial Strength through Group Capital Management

ZIE is a company of the Zurich Insurance Group Ltd. Zurich Insurance Group Ltd endeavours to manage its capital so that its regulated entities meet local regulatory capital requirements in each country in which the ZIG operates. The local regulator specifies the minimum amount and type of capital each of the regulated entities must hold in addition to their liabilities. Further to the minimum capital required to comply with the solvency requirements, ZIG 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.

ZIG consolidates risks, capital, and liquidity as much as possible at the central level while taking into account local regulatory requirements. The solvency and financial position of ZIE must be viewed in the context of the financial stability of the group.

Zurich's solvency position is disclosed on the basis of the Swiss Solvency Test ("SST") ratio. Zurich's SST internal model is approved by the Swiss Financial Market Supervisory Authority ("FINMA"). Zurich's goal is to

maintain capital consistent with a “AA” financial strength rating for ZIG, which translates into an SST ratio target of 160% or above.

ZIG applies the Zurich Economic Capital Model (Z-ECM) as an internal metric.

The estimated SST ratio (unaudited) as of December 31, 2024, stood at 252% (previous year final ratio stood at 234%). The final SST ratio as of December 31, 2024, will be filed with FINMA by the end of April 2025 and is subject to review. The final ratio will be published in Zurich's Financial Condition Report (FCR).

ZIG publishes further information about risk and capital management in the Risk Review section, an integral part of the Zurich Insurance Group's annual report, at www.zurich.com.

Appendix

S.02.01.02

Balance Sheet, Assets

in EUR thousands, as of December 31

Solvency II value
C0010

Assets		
Intangible assets	R0030	0
Deferred tax assets	R0040	4,003
Pension benefit surplus	R0050	95,429
Property, plant & equipment held for own use	R0060	110,017
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	3,659,921
Property (other than for own use)	R0080	840,776
Holdings in related undertakings, including participations	R0090	26,236
Equities	R0100	97,483
Equities — listed	R0110	92,198
Equities — unlisted	R0120	5,285
Bonds	R0130	1,748,630
Government Bonds	R0140	1,095,775
Corporate Bonds	R0150	562,087
Structured notes	R0160	0
Collateralised securities	R0170	90,769
Collective Investments Undertakings	R0180	938,428
Derivatives	R0190	4,889
Deposits other than cash equivalents	R0200	3,480
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	0
Loans and mortgages	R0230	1,577,906
Loans on policies	R0240	25
Loans and mortgages to individuals	R0250	3,808
Other loans and mortgages	R0260	1,574,074
Reinsurance recoverables from:	R0270	8,122,111
Non-life and health similar to non-life	R0280	7,981,974
Non-life excluding health	R0290	7,766,900
Health similar to non-life	R0300	215,073
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	140,137
Health similar to life	R0320	71,923
Life excluding health and index-linked and unit-linked	R0330	68,214
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	5,666
Insurance and intermediaries receivables	R0360	423,373
Reinsurance receivables	R0370	530,336
Receivables (trade, not insurance)	R0380	460,957
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	222,974
Any other assets, not elsewhere shown	R0420	125,593
Total assets	R0500	15,338,286

S.02.01.02

Balance Sheet, Liabilities

in EUR thousands, as of December 31

Solvency II value
C0010**Liabilities**

Technical provisions — non-life	R0510	11,734,617
Technical provisions — non-life (excluding health)	R0520	11,319,076
TP calculated as a whole	R0530	0
Best Estimate	R0540	11,180,158
Risk margin	R0550	138,918
Technical provisions — health (similar to non-life)	R0560	415,541
TP calculated as a whole	R0570	0
Best Estimate	R0580	409,417
Risk margin	R0590	6,124
Technical provisions — life (excluding index-linked and unit-linked)	R0600	416,738
Technical provisions — health (similar to life)	R0610	252,312
TP calculated as a whole	R0620	0
Best Estimate	R0630	239,046
Risk margin	R0640	13,266
Technical provisions — life (excluding health and index-linked and unit-linked)	R0650	164,426
TP calculated as a whole	R0660	0
Best Estimate	R0670	157,307
Risk margin	R0680	7,119
Technical provisions — index-linked and unit-linked	R0690	0
TP calculated as a whole	R0700	0
Best Estimate	R0710	0
Risk margin	R0720	0
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	103,701
Pension benefit obligations	R0760	23,518
Deposits from reinsurers	R0770	18,363
Deferred tax liabilities	R0780	132,956
Derivatives	R0790	4,139
Debts owed to credit institutions	R0800	17,592
Financial liabilities other than debts owed to credit institutions	R0810	76,623
Insurance & intermediaries payables	R0820	160,604
Reinsurance payables	R0830	116,055
Payables (trade, not insurance)	R0840	439,086
Subordinated liabilities	R0850	103,354
Subordinated liabilities not in BOF	R0860	0
Subordinated liabilities in BOF	R0870	103,354
Any other liabilities, not elsewhere shown	R0880	182,063
Total liabilities	R0900	13,529,410
Excess of assets over liabilities	R1000	1,808,876

S.04.05.21

Home country: Non-life insurance and reinsurance obligations	in EUR thousands, as of December 31	Country	R0010	IT	ES	IE	FR	PT
		Home country	Top 5 countries: non-life					
		C0010	C0020	C0020	C0020	C0020	C0020	
Premiums written (gross)								
Gross Written Premium (direct)	R0020	2,205,207	1,710,322	1,400,107	460,605	385,035	405,807	
Gross Written Premium (proportional reinsurance)	R0021	175,995	5,597	20,059	-192	29,821		0
Gross Written Premium (non-proportional reinsurance)	R0022	0	0	0	0	0		0
Premiums earned (gross)								
Gross Earned Premium (direct)	R0030	2,191,678	1,628,353	1,375,072	456,670	357,054	394,992	
Gross Earned Premium (proportional reinsurance)	R0031	180,902	5,226	22,604	-346	30,444		19
Gross Earned Premium (non-proportional reinsurance)	R0032	0	0	0	0	0		0
Claims incurred (gross)								
Claims incurred (direct)	R0040	1,331,503	991,451	832,112	229,659	134,833	236,907	
Claims incurred (proportional reinsurance)	R0041	104,564	762	21,699	400	4,802		-1
Claims incurred (non-proportional reinsurance)	R0042	0	0	0	0	0		0
Expenses incurred (gross)								
Gross Expenses Incurred (direct)	R0050	1,079,520	543,624	530,520	187,359	118,599	133,073	
Gross Expenses Incurred (proportional reinsurance)	R0051	0	0	0	0	0		0
Gross Expenses Incurred (non-proportional reinsurance)	R0052	0	0	0	0	0		0

S.04.05.21

Home country: Life insurance and reinsurance obligations		Country	R1010	PT	ES	NL	FR	BE
in EUR thousands, as of December 31		Home country		Top 5 countries: non-life				
		C0030		C0040	C0040	C0040	C0040	C0040
Gross Written Premium	R1020	0	0	0	0	0	0	0
Gross Earned Premium	R1030	0	0	0	0	0	0	0
Claims incurred	R1040	9,204	15,769	0	6	441	0	0
Gross Expenses Incurred	R1050	0	0	0	0	0	0	0

S.05.01.02
Premiums, claims and expenses by line of business, non-life

in EUR thousands, as of December 31

Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)

		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross – Direct Business	R0110	121,271	337,255	120,721	1,203,880	788,281	154,228	2,935,575	1,437,610	134,939
Gross – Proportional reinsurance accepted	R0120	0	2,729	1,168	79,795	46,608	3,504	153,019	39,744	3,024
Gross – Non-proportional reinsurance accepted	R0130									
Reinsurers' share	R0140	86,582	182,371	67,775	673,674	448,042	125,032	2,230,695	1,149,713	82,383
Net	R0200	34,689	157,613	54,114	610,001	386,847	32,700	857,899	327,641	55,580
Premiums earned										
Gross – Direct Business	R0210	124,408	334,236	118,071	1,158,855	756,338	151,480	2,837,522	1,425,551	131,728
Gross – Proportional reinsurance accepted	R0220	0	2,867	1,183	82,336	48,145	3,306	155,086	38,948	4,850
Gross – Non-proportional reinsurance accepted	R0230									
Reinsurers' share	R0240	90,346	182,273	66,652	659,336	439,991	124,940	2,146,773	1,143,603	86,791
Net	R0300	34,062	154,830	52,602	581,855	364,492	29,846	845,835	320,896	49,787
Claims incurred										
Gross – Direct Business	R0310	92,299	161,009	75,718	823,805	491,843	165,467	1,625,007	795,773	20,680
Gross – Proportional reinsurance accepted	R0320	-147	1,255	549	48,293	36,470	2,921	43,598	24,943	7,573
Gross – Non-proportional reinsurance accepted	R0330									
Reinsurers' share	R0340	67,244	87,328	44,443	449,073	293,742	156,964	1,265,363	659,368	20,635
Net	R0400	24,908	74,936	31,825	423,025	234,571	11,425	403,242	161,348	7,618
Expenses incurred	R0550	12,283	74,720	17,817	184,103	120,391	15,965	468,773	148,562	23,075
Balance - other technical expenses/income	R1210									
Total technical expenses	R1300									

S.05.01.02

Premiums, claims and expenses by line of business, in EUR thousands, as of December 31 non-life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of business for: accepted non-proportional reinsurance				Total
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross – Direct Business	R0110	107,861	31,425	216,984					7,590,030
Gross – Proportional reinsurance accepted	R0120	3,192	477	1,496					334,755
Gross – Non-proportional reinsurance accepted	R0130				0	0	0	0	0
Reinsurers' share	R0140	64,964	21,338	129,226	0	0	0	0	5,261,796
Net	R0200	46,088	10,563	89,254	0	0	0	0	2,662,989
Premiums earned									
Gross – Direct Business	R0210	107,221	29,263	218,021					7,392,694
Gross – Proportional reinsurance accepted	R0220	3,402	487	1,508					342,118
Gross – Non-proportional reinsurance accepted	R0230				0	0	0	0	0
Reinsurers' share	R0240	65,432	19,657	131,040	0	0	0	0	5,156,835
Net	R0300	45,191	10,092	88,489	0	0	0	0	2,577,976
Claims incurred									
Gross – Direct Business	R0310	37,911	7,518	50,769					4,347,799
Gross – Proportional reinsurance accepted	R0320	1,713	275	-201					167,244
Gross – Non-proportional reinsurance accepted	R0330				0	0	0	0	0
Reinsurers' share	R0340	21,462	7,038	38,083	0	0	0	0	3,110,741
Net	R0400	18,162	754	12,486	0	0	0	0	1,404,301
Expenses incurred	R0550	22,255	11,159	114,344	0	0	0	0	1,213,447
Balance - other technical expenses/income	R1210								
Total technical expenses	R1300								1,213,447

S.05.01.02
**Premiums,
claims and
expenses by
line of business,
Life**

in EUR thousands, as of December 31

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	0	0	0	0	0	0	0	0	0
Reinsurers' share	R1420	0	0	0	0	0	0	0	0	0
Net	R1500	0	0	0	0	0	0	0	0	0
Premiums earned										
Gross	R1510	0	0	0	0	0	0	0	0	0
Reinsurers' share	R1520	0	0	0	0	0	0	0	0	0
Net	R1600	0	0	0	0	0	0	0	0	0
Claims incurred										
Gross	R1610	0	0	0	0	18,107	7,312	0	0	25,419
Reinsurers' share	R1620	0	0	0	0	8,587	10,882	0	0	19,469
Net	R1700	0	0	0	0	9,519	-3,570	0	0	5,950
Expenses incurred	R1900	0	0	0	0	0	0	0	0	0
Balance - other technical expenses/income	R2500									
Total technical expenses	R2600									0
Total amount of surrenders	R2700	0	0	0	0	0	0	0	0	0

S.12.01.02
**Life and Health
SLT Technical
Provisions**

in EUR thousands, as of December 31		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees			
			C0020	C0030	C0040	C0050	C0060	C0070			
Technical provisions calculated as a whole	R0010	0	0			0			0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020										
Technical provisions calculated as a sum of BE and RM											
Best Estimate											
Gross Best Estimate	R0030	0		0	0		0	0	136,996	20,311	157,307
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	0		0	0		0	0	63,610	4,604	68,214
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090	0		0	0		0	0	73,386	15,707	89,093
Risk Margin	R0100	0	0			0			5,923	1,196	7,119
Technical provisions – total	R0200	0	0	0	0	0	0	0	142,919	21,508	164,426

S.12.01.02
**Life and Health
SLT Technical
Provisions**

in EUR thousands, as of December 31		Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
			Contracts without options and guarantees	Contracts with options or guarantees			
		C0160	C0170	C0180			
Technical provisions calculated as a whole	R0010	0			0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020	0			0	0	0
Technical provisions calculated as a sum of BE and RM							
Best Estimate							
Gross Best Estimate	R0030		0	16,348	222,686	12	239,046
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080		0	0	71,918	5	71,923
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090		0	16,348	150,768	7	167,123
Risk Margin	R0100	1,313			11,952	1	13,266
Technical provisions – total	R0200	17,661	0	0	234,638	13	252,312

S.17.01.02

Non-life
Technical
Provisions

in EUR thousands, as of December 31		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions calculated as a whole	R0010	0	0	0	0	0	0	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050	0	0	0	0	0	0	0	0	0
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross	R0060	22,330	4,965	1,850	251,696	156,096	12,505	596,591	85,271	-3,563
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	6,767	-3,872	2,442	129,571	73,221	4,174	251,382	62,534	-5,938
Net Best Estimate of Premium Provisions	R0150	15,564	8,836	-591	122,124	82,875	8,331	345,209	22,737	2,375
Claims provisions										
Gross	R0160	51,355	275,165	53,751	1,860,497	209,043	217,136	2,317,085	5,057,910	167,243
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	35,859	135,281	38,596	944,495	122,763	188,865	1,820,349	3,944,035	100,474
Net Best Estimate of Claims Provisions	R0250	15,496	139,885	15,155	916,002	86,280	28,271	496,735	1,113,875	66,770
Total Best estimate – gross	R0260	73,685	280,130	55,602	2,112,192	365,138	229,641	2,913,676	5,143,182	163,681
Total Best estimate – net	R0270	31,059	148,721	14,564	1,038,126	169,155	36,602	841,944	1,136,613	69,145
Risk margin	R0280	726	3,927	1,471	37,794	3,810	1,265	35,196	49,081	7,708
Technical provisions – total										
Technical provisions – total	R0320	74,412	284,057	57,072	2,149,986	368,948	230,906	2,948,872	5,192,263	171,388
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default – total	R0330	42,626	131,409	41,038	1,074,066	195,984	193,039	2,071,731	4,006,569	94,536
Technical provisions minus recoverables from reinsurance/SPV and Finite Re – total	R0340	31,786	152,648	16,034	1,075,920	172,964	37,867	877,141	1,185,693	76,853

S.17.01.02

Non-life Technical Provisions

in EUR thousands, as of December 31		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	
Technical provisions calculated as a whole	R0010	0	0	0	0	0	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050	0	0	0	0	0	0	0	0
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross	R0060	-4,120	2,945	36,978	0	0	0	0	1,163,545
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	-3,534	-2,663	21,934	0	0	0	0	536,018
Net Best Estimate of Premium Provisions	R0150	-587	5,609	15,045	0	0	0	0	627,527
Claims provisions									
Gross	R0160	143,665	6,141	67,038	0	0	0	0	10,426,029
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	72,889	4,842	37,507	0	0	0	0	7,445,956
Net Best Estimate of Claims Provisions	R0250	70,776	1,299	29,531	0	0	0	0	2,980,074
Total Best estimate – gross	R0260	139,545	9,086	104,017	0	0	0	0	11,589,574
Total Best estimate – net	R0270	70,189	6,907	44,576	0	0	0	0	3,607,601
Risk margin	R0280	1,985	83	1,997	0	0	0	0	145,043
Technical provisions – total									
Technical provisions – total	R0320	141,530	9,169	106,014	0	0	0	0	11,734,617
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default – total	R0330	69,356	2,179	59,441	0	0	0	0	7,981,974
Technical provisions minus recoverables from reinsurance/SPV and Finite Re – total	R0340	72,175	6,990	46,573	0	0	0	0	3,752,644

S.19.01.21
**Non-life Insurance
Claims Information -
Gross Claims Paid**

in EUR thousands, as of
December 31

in EUR thousands, as of December 31	Year	Development year											In Current year	Sum of years (cumulative)		
		0	1	2	3	4		5	6	7	8	9			10 & +	
		C0010	C0020	C0030	C0040	C0050		C0060	C0070	C0080	C0090	C0100			C0110	
Prior	R0100												110,138	R0100	110,138	
N-9	R0160	1,368,429	1,069,011	417,753	180,174	134,400	0	55,476	55,580	20,160	52,425	48,907	0	R0160	48,907	3,402,315
N-8	R0170	1,285,266	946,481	280,196	193,181	109,643	0	118,984	59,955	69,176	63,734	0	0	R0170	63,734	3,126,617
N-7	R0180	1,217,158	883,226	350,962	177,497	87,564	0	139,707	92,315	43,299	0	0	0	R0180	43,299	2,991,728
N-6	R0190	1,334,351	828,925	265,816	145,890	106,771	0	102,693	48,634	0	0	0	0	R0190	48,634	2,833,079
N-5	R0200	1,317,575	957,633	323,442	148,250	127,929	0	81,650	0	0	0	0	0	R0200	81,650	2,956,479
N-4	R0210	1,104,004	796,089	285,846	137,964	99,206	0	0	0	0	0	0	0	R0210	99,206	2,423,110
N-3	R0220	1,295,156	913,862	385,086	176,052	0	0	0	0	0	0	0	0	R0220	176,052	2,770,157
N-2	R0230	1,300,925	942,099	488,783	0	0	0	0	0	0	0	0	0	R0230	488,783	2,731,807
N-1	R0240	1,544,672	1,200,214	0	0	0	0	0	0	0	0	0	0	R0240	1,200,214	2,744,885
N	R0250	1,517,603	0	0	0	0	0	0	0	0	0	0	0	R0250	1,517,603	1,517,603
Total												R0260	3,878,219	27,607,920		

S.19.01.21
**Non-life Insurance
Claims Information -
Gross undiscounted Best
Estimate Claims
Provisions**

in EUR thousands, as of
December 31

Year	Development year											Year end (discounted data)			
	0	1	2	3	4	5	6	7	8	9	10 & +				
	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300				
Prior	R0100										1,210,253	R0100	C0360	1,089,525	
N-9	R0160	0	1,460,150	1,064,586	817,972	603,773	0	479,948	455,995	380,597	292,316	242,936	0	R0160	222,861
N-8	R0170	2,288,671	1,412,584	1,005,375	755,002	680,950	0	536,126	444,412	437,044	349,296	0	0	R0170	320,505
N-7	R0180	2,290,349	1,463,754	1,034,845	840,109	742,284	0	572,431	464,585	378,989	0	0	0	R0180	347,598
N-6	R0190	1,958,040	1,225,533	892,458	729,914	593,532	0	484,533	401,621	0	0	0	0	R0190	368,266
N-5	R0200	2,329,617	1,416,111	1,020,613	805,615	622,180	0	506,070	0	0	0	0	0	R0200	463,799
N-4	R0210	2,238,827	1,368,600	980,510	752,735	568,395	0	0	0	0	0	0	0	R0210	520,721
N-3	R0220	2,489,492	1,654,258	1,111,091	879,700	0	0	0	0	0	0	0	0	R0220	809,631
N-2	R0230	2,643,088	1,889,355	1,273,735	0	0	0	0	0	0	0	0	0	R0230	1,177,315
N-1	R0240	3,164,855	2,011,905	0	0	0	0	0	0	0	0	0	0	R0240	1,883,308
N	R0250	3,358,369	0	0	0	0	0	0	0	0	0	0	0	R0250	3,222,361
Total												R0260	10,425,890		

S.23.01.01

Own funds

in EUR thousands, as of December 31

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	8,158	8,158		0	
Share premium account related to ordinary share capital	R0030	0	0		0	
Initial funds, members' contributions or the equivalent basic own – fund item for mutual and mutual-type undertakings	R0040	0	0		0	
Subordinated mutual member accounts	R0050	0		0	0	0
Surplus funds	R0070	0	0			
Preference shares	R0090	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Reconciliation reserve	R0130	1,503,715	1,503,715			
Subordinated liabilities	R0140	103,354		0	0	103,354
An amount equal to the value of net deferred tax assets	R0160	4,003				4,003
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0	0	0	0	0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0				
Deductions						
Deductions for participations in financial and credit institutions	R0230	0	0	0	0	0
Total basic own funds after deductions	R0290	1,619,230	1,511,873	0	0	107,357
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0			0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual – type undertakings, callable on demand	R0310	0			0	
Unpaid and uncalled preference shares callable on demand	R0320	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0			0	0
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0			0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0			0	0
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0			0	
Supplementary members calls – other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0			0	0
Other ancillary own funds	R0390	0			0	0
Total ancillary own funds	R0400	0	0	0	0	0

S.23.01.01
Own funds

in EUR thousands, as of December 31

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	1,619,230	1,511,873	0	0	107,357
Total available own funds to meet the MCR	R0510	1,511,873	1,511,873	0	0	
Total eligible own funds to meet the SCR	R0540	1,619,230	1,511,873	0	0	107,357
Total eligible own funds to meet the MCR	R0550	1,511,873	1,511,873	0	0	
SCR	R0580	1,148,174				
MCR	R0600	516,678				
Ratio of Eligible own funds to SCR	R0620	141%				
Ratio of Eligible own funds to MCR	R0640	293%				
		C0060				
Reconciliation reserve						
Excess of assets over liabilities	R0700	1,808,876				
Own shares (held directly and indirectly)	R0710	0				
Foreseeable dividends, distributions and charges	R0720	293,000				
Other basic own fund items	R0730	12,161				
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0				
Reconciliation reserve	R0760	1,503,715				
Expected profits						
Expected profits included in future premiums (EPIFP) – Life business	R0770	0				
Expected profits included in future premiums (EPIFP) – Non- life business	R0780	591,384				
Total Expected profits included in future premiums (EPIFP)	R0790	591,384				

S.25.05.21
Solvency Capital Requirement - for undertakings using an internal model (partial or full)

in EUR thousands, as of December 31

in EUR thousands, as of December 31		Solvency Capital Requirement	Amount modelled	USP	Simplifications
		C0010	C0070	C0090	C0120
Solvency Capital Requirement information					
Risk type					
Total diversification	R0020	-611,343			
Total diversified risk before tax	R0030	1,206,373			
Total diversified risk after tax	R0040	1,107,844			
Total market & credit risk	R0070	575,317			
Market & Credit risk - diversified	R0080	399,695			
Credit event risk not covered in market & credit risk	R0190	59,111			
Credit event risk not covered in market & credit risk - diversified	R0200	59,111			
Total Business risk	R0270	215,553			
Total Business risk - diversified	R0280	215,553			
Total Net Non-life underwriting risk	R0310	919,364			
Total Net Non-life underwriting risk - diversified	R0320	735,627			
Total Life & Health underwriting risk	R0400	0			
Total Life & Health underwriting risk - diversified	R0410	0			
Total Operational risk	R0480	322,028			
Total Operational risk - diversified	R0490	322,028			
Other risk	R0500	40,331			

		C0100
Calculation of Solvency Capital Requirement		
Total undiversified components	R0110	1,817,716
Diversification	R0060	-611,343
Adjustment due to RFF/MAP nSCR aggregation	R0120	0
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency capital requirement excluding capital add-on	R0200	1,148,174
Capital add-on already set	R0210	0
of which, capital add-ons already set - Article 37 (1) Type a	R0211	0
of which, capital add-ons already set - Article 37 (1) Type b	R0212	0
of which, capital add-ons already set - Article 37 (1) Type c	R0213	0
of which, capital add-ons already set - Article 37 (1) Type d	R0214	0
Solvency capital requirement	R0220	1,148,174
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	0
Amount/estimate of the loss absorbing capacity for deferred taxes	R0310	-98,529
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0
Method used to calculate the adjustment due to RFF nSCR aggregation	R0450	No adjustment
Net future discretionary benefits	R0460	0.0

Approach to tax rate		Yes/No
		C0109
Approach based on average tax rate	R0590	Yes

Calculation of loss absorbing capacity of deferred taxes		LAC DT
		C0130
LAC DT	R0640	-98,529
LAC DT justified by reversion of deferred tax liabilities	R0650	-92,901
LAC DT justified by reference to probable future taxable economic profit	R0660	0
LAC DT justified by carry back, current year	R0670	-5,628
LAC DT justified by carry back, future years	R0680	0
Maximum LAC DT	R0690	-372,483

S.28.01.01			
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity	in EUR thousands, as of December 31		C0010
	MCR(NL) Result	R0010	591,548
			Net (of reinsurance/SPV) best estimate and TP calculated as a whole
			C0020
			Net (of reinsurance) written premiums in the last 12 months
			C0030
	Medical expense insurance and proportional reinsurance	R0020	31,059
	Income protection insurance and proportional reinsurance	R0030	148,721
	Workers' compensation insurance and proportional reinsurance	R0040	14,564
	Motor vehicle liability insurance and proportional reinsurance	R0050	1,038,126
	Other motor insurance and proportional reinsurance	R0060	169,155
	Marine, aviation and transport insurance and proportional reinsurance	R0070	36,602
	Fire and other damage to property insurance and proportional reinsurance	R0080	841,944
	General liability insurance and proportional reinsurance	R0090	1,136,613
	Credit and suretyship insurance and proportional reinsurance	R0100	69,145
	Legal expenses insurance and proportional reinsurance	R0110	70,189
	Assistance and proportional reinsurance	R0120	6,907
	Miscellaneous financial loss insurance and proportional reinsurance	R0130	44,576
	Non-proportional health reinsurance	R0140	0
	Non-proportional casualty reinsurance	R0150	0
	Non-proportional marine, aviation and transport reinsurance	R0160	0
	Non-proportional property reinsurance	R0170	0

S.28.01.01			
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity	in EUR thousands, as of December 31		C0040
	MCR(L) Result	R0200	5,381
			Net (of reinsurance/SPV) best estimate and TP calculated as a whole
			C0050
			Net (of reinsurance/SPV) total capital at risk
			C0060
	Obligations with profit participation – guaranteed benefits	R0210	0
	Obligations with profit participation – future discretionary benefits	R0220	0
	Index-linked and unit-linked insurance obligations	R0230	0
	Other life (re)insurance and health (re)insurance obligations	R0240	256,216
	Total capital at risk for all life (re)insurance obligations	R0250	0
			C0070
	Linear MCR	R0300	596,928
	SCR	R0310	1,148,174
	MCR cap	R0320	516,678
	MCR floor	R0330	287,044
	Combined MCR	R0340	516,678
	Absolute floor of the MCR	R0350	4,000
			C0070
	Minimum Capital Requirement	R0400	516,678

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