



Annual Report 2021

Financial statements

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Financial statements (continued)

Management report

Zurich Reinsurance Company Ltd (ZRe or the Company) is a reinsurance company domiciled in Zurich, Switzerland. The Company was licensed in Switzerland on December 15, 2016. The Company is a standalone legal entity that has both a reinsurance and a direct non-life insurance license issued by FINMA. The Company belongs to the Zurich Insurance Group (Group). ZRe's focus is on providing reinsurance solutions primarily to affiliated companies of the Group, in particular to branches of Zurich Insurance Company Ltd (ZIC). To date, the retained business is predominantly from ZIC's operations in Asia Pacific. ZRe has a direct book, which has been in run-off for over 30 years.

Financial review

ZRe reported a net gain after taxes of CHF 23 million for the twelve months to December 31, 2021. The gain is mainly driven by net FX-gains of CHF 15 million following the stronger U.S. dollar exchange rate in 2021 compared to 2020. Besides that, the underwriting results were driven by a strong performance of some of the assumed reinsurance.

Gross written premiums and policy fees were generated primarily from two regions/sources:

Asia Pacific region accounting for 71 percent of the Company's gross written premiums and policy fees and the rest of the world accounting for 29 percent of the gross written premiums and policy fees. Both regions' gross written premiums and policy fees are generated through international program business (IPZ) (41 percent) and non-IPZ business (59 percent), whereby the IPZ assumed business from ZIC branches is being retroceded to ZIC and the non-IPZ assumed business (mainly comprised of quota share reinsurance from ZIC branches in Japan (motor and personal accident (PA) business) and in Hong Kong (whole account quota share)) is mostly retained by ZRe.

Business overview

From an underwriting perspective, the active business, despite the still ongoing COVID-19 situation, performed well in the twelve months to December 31, 2021. The run-off business continues to be managed carefully as consistent with previous years. During 2021, the Company, based on updated market information, decided to strengthen its reserves for this portfolio. Overall, it evolves as expected. The investment income result was driven by a combination of third-party invested assets and Group internal loans. The net investment result for 2021 developed in line with management's expectations.

Risk review

ZRe is fully integrated into Zurich's Group-wide risk process. For more information on ZRe's overall approach to risk management, please refer to the risk review section in the Zurich Insurance Group Annual Report 2021, which describes the Group's risk management framework and risk governance which ZRe has taken over.

ZRe uses two sources for the identification and assessment of risks. One is the risk and capital model as required by Swiss Solvency Test. This model quantifies financial risks which threaten the capital of the company over a one-year time horizon. The significant risks for ZRe, as measured by capital metrics, are premium and reserve risk, credit risk and market risk. The other source is the Total Risk Profiling™ (TRP) methodology which identifies all risks that threaten capital, earnings and reputation over a three-year planning horizon. The TRP process is applied to identify, evaluate, control and monitor these risks. Mitigation actions are defined for key risks. The TRP is completed annually with management's participation. Critical key risks identified and assessed during the TRP conducted in 2021 included: regulatory scrutiny and upcoming regulatory changes, dependency on counterparties, adequacy of assumed reserves and currency risk.

An Own Risk and Solvency Assessment (ORSA) for ZRe is completed annually. The ZRe ORSA was submitted to FINMA at the beginning of 2022. To ensure the Board is adequately involved in the ORSA process, ZRe's Chief Risk Officer provides regular update, thus allowing the Board to challenge findings and consider its views in its decision-making process.

Outlook

The business written by the Company in 2022 is expected to be similar to 2021. The Company is expecting to continue to assume a stable portfolio and similar risks in 2022 as it did in 2021, with the primary retained exposures being on the Company's reinsurance of the Japan motor and personal accident business and the Hong Kong as well as Singapore Whole Account Quota Share (WAQS). The underwriting results are expected to be driven by the profitability of these retained contracts and the stability and homogeneity of the underlying portfolios. With focus on 2023, ZRe has been invited to explore additional business opportunities within the Group, triggered by the UK Brexit circumstances. ZRe will continue to concentrate its net risk appetite on a homogeneous domestic business portfolio, including opportunities arising out of the Group's portfolio in the UK market.

Financial statements (continued)

Board of Directors, management and auditors

Board of Directors, management and auditors	Residence	Expiration of current term of office
Board of Directors as of December 31, 2021		
Juan José Beer, Chairman of the Board	Möriken-Wildegg, Switzerland	2022
Christian Carl	Hünenberg, Switzerland	2022
Christian Felderer	Zurich, Switzerland	2022
Andrea Stürmer	Vienna, Austria	2022
Andres Christen, Secretary of the Board of Directors		
Chief Executive Officer		
Felix R. Kuhn		
Chief Financial Officer		
Elena Kuratli		
Auditors		
Ernst & Young AG		

As of January 1, 2021, the Board of Directors for Zurich Reinsurance Company Ltd (ZRe) was chaired by Juan José Beer.

The Annual General Meeting was held on April 13, 2021.

As of January 1, 2021, the CEO of ZRe was Felix R. Kuhn. The management also included Elena Kuratli and Roger Oberholzer.

Juan José Beer

Christian Carl

Chairman of the Board

Member of the Board

Zurich, April 12, 2022

Financial statements (continued)

Income statements

Income statements	in CHF millions, for the years ended December 31	Notes	2021	2020
		3	1,092	947
	Gross written premiums and policy fees		(530)	(385)
	Premiums ceded to reinsurers		562	562
	Net written premiums and policy fees		(40)	(55)
	Change in reserves for unearned premiums, gross		28	45
	Change in reserves for unearned premiums, ceded		550	552
	Net earned premiums and policy fees		5	2
	Other income		555	554
	Total technical income		(1)	(1)
	Claims paid, annuities and loss adjustment expenses, direct business, gross		(355)	(383)
	Claims paid, annuities and loss adjustment expenses, assumed		126	159
	Claims paid, annuities and loss adjustment expenses, ceded		(75)	(17)
	Change in insurance reserves, gross	13	28	(13)
	Change in insurance reserves, ceded	13	(276)	(254)
	Insurance benefits and losses, net of reinsurance		(355)	(318)
	Underwriting & policy acquisition costs, assumed, gross		94	52
	Underwriting & policy acquisition costs, ceded		(261)	(265)
	Underwriting & policy acquisition costs, net of reinsurance		2	(50)
	Administrative and other expense	4	(535)	(569)
	Total technical expense		11	12
	Investment income	5	(1)	(3)
	Investment expenses	6	10	9
	Net investment result		-	1
	Other financial income		30	(5)
	Operating result		(1)	(1)
	Interest expense on debt and other interest expense		29	(6)
	Net income before taxes		(6)	-
	Direct tax expenses		23	(6)
	Net income after taxes			

Financial statements (continued)

Balance sheets

Assets	in CHF millions, as of December 31	Notes	2021	2020
Investments				
Investments in subsidiaries and associates		7	–	–
Debt securities			484	338
Other loans			60	66
Total investments			544	404
Other assets				
Derivative assets			–	1
Deposits made under assumed reinsurance contracts		8	175	38
Cash and cash equivalents		9	789	783
Insurance reserves, ceded		14	758	692
Deferred acquisition costs, net of reinsurance		10	86	87
Intangible assets		11	16	19
Receivables from insurance and reinsurance business		12	103	104
Other receivables			15	13
Accrued assets			11	6
Total other assets			1,954	1,743
Total assets			2,498	2,147

Financial statements (continued)

Liabilities and shareholder's equity	in CHF millions, as of December 31	Notes	2021	2020
Liabilities				
Insurance reserves, gross		14	1,367	1,262
Provisions		15	–	3
Senior and other debt		16	337	187
Derivative liabilities			–	–
Deposits received under ceded reinsurance contracts		8	97	–
Liabilities from insurance and reinsurance business		17	46	29
Other liabilities			2	3
Accrued liabilities			8	4
Total liabilities			1,856	1,488
Shareholder's equity (before appropriation of available earnings)				
Share capital		20	12	12
Capital contribution reserve:				
<i>Beginning of year</i>			616	616
<i>Dividend paid</i>			(40)	–
Capital contribution reserve, end of year			576	616
Organizational fund			–	8
Retained earnings:				
<i>Beginning of year</i>			24	68
<i>Transfer of organizational fund to retained earnings</i>			8	–
<i>Dividend paid</i>			–	(38)
<i>Net income after taxes</i>			23	(6)
Retained earnings, end of year			55	24
Total shareholder's equity (before appropriation of available earnings)			642	659
Total liabilities and shareholder's equity			2,498	2,147

Financial statements (continued)

Notes to the financial statements

1. Basis of presentation

The Company's financial statements are presented in accordance with the Swiss Code of Obligations and relevant insurance supervisory law, including the FINMA Insurance Supervision Ordinance (ISO-FINMA), revised December 15, 2015.

All amounts in the financial statements, unless otherwise stated, are shown in Swiss Francs (CHF), rounded to the nearest million, with the consequence that the rounded amounts may not add up to the rounded total in all cases. All variances are calculated using the actual figures rather than the rounded amounts.

2. Summary of significant accounting policies

Investments

Investments in subsidiaries and associates are held at acquisition cost less necessary impairments.

Debt securities are carried at amortized cost using the effective interest rate method.

Other loans are carried at nominal value less impairments as necessary.

Other assets

Derivative financial instruments

Derivative financial instruments held for purposes of economic hedging are carried at fair value.

Deposits made under assumed reinsurance contracts

Reinsurance deposits consist of funds deposited with ceding insurers to guarantee contractual liabilities for assumed reinsurance.

Deferred acquisition costs

Acquisition costs related to reinsurance business are deferred. The deferred costs are subsequently amortized over the period in which the related assumed premiums are earned.

Accrued assets

This amount relates primarily to interest income accruals, other accrued income and other prepaid expenses.

Insurance reserves

Reserves for unearned premiums represent the portion of the premiums written relating to the unexpired term of insurance coverage as of the balance sheet date. In many insurance contracts, the insurance period for which the insurance company assumes a risk against a premium paid does not correspond to the Company's financial year. Thus, an amount equivalent to the unearned portion of the premium is set up as a reserve at the end of the financial year.

Reserves for losses and loss adjustment expenses represent reserves for reported claims and estimates for losses incurred but not yet reported (IBNR). In addition, equalization reserves are included if these are accepted or required by the Swiss regulator FINMA. The reserves represent estimates of future payments of reported and unreported claims for losses and related expenses with respect to insured events that have occurred. Reserving is a complex process dealing with uncertainty, requiring the use of informed estimates and judgments. Any changes in estimates are reflected in the income statements in the period in which estimates are changed.

Other income and administrative and other expense

Other income includes interest income on deposits received under ceded reinsurance contracts as well as other technical and other non-technical income. Administrative and other expense represent primarily technical expense in connection with the operation of the core business.

Investment income and expense

Realized capital gains/losses on investments occur when the sales price or redemption value is higher or lower than the carrying value at the time of sale. The gain/loss is the difference between carrying value and the sales price or redemption value.

Financial statements (continued)

Write-downs on investments include losses arising from a decrease in the fair value below cost or the carrying value at the previous year-end and necessary impairments of debt securities and investments in subsidiaries and associates.

Other financial income

Other financial income includes interest income on cash and cash equivalents.

Direct tax expenses

Direct tax expenses include Swiss income and capital tax expense as well as foreign withholding tax expense on investment income.

Financial statements (continued)

3. Gross written premiums and policy fees

Gross written premiums and policy fees by type of business	in CHF millions, for the years ended December 31	2021	2020
		Personal accident	218
Workers' compensation		29	26
Health		4	4
Motor		272	270
Marine, Aviation, Transport		15	14
Property		385	307
Casualty		167	97
Miscellaneous		2	2
Gross written premiums and policy fees		1,092	947

Gross written premiums and policy fees totaled CHF 1,092 million. As ZRe's direct business is all in run-off, the gross written premiums and policy fees reflect only assumed business. The majority of the assumed business originates from ZIC's Japan branch (personal accident and motor business) and international program business written in the Asia Pacific region (property business).

4. Administrative and other expense

Administrative and other expense	in CHF millions, for the years ended December 31	2021	2020
		Operating and administrative expenses	(7)
Amortization of intangible assets		(3)	(4)
Gains and losses on foreign currency derivatives		(3)	3
Foreign currency transaction gains and losses		15	(45)
Administrative and other expense		2	(50)
of which personnel expenditure		(1)	(1)

In 2021, a contribution of CHF 4 million to the Z Zurich Foundation is included in operating and administrative expenses. In 2020, the contribution to Z Zurich Foundation was CHF 4 million too. Foreign currency transaction gains and losses are mainly driven by the net FX-gains of CHF 15 million following the stronger U.S. dollar exchange rate in 2021.

5. Investment income

Investment income by category	in CHF millions, for the years ended December 31	Current income		Realized capital gains		Write-ups		Total	
		2021	2020	2021	2020	2021	2020	2021	2020
		Debt securities	7	7	2	2	–	–	8
Other loans	3	3	–	–	–	–	3	3	
Investment income		9	10	2	2	–	–	11	12

6. Investment expenses

Investment expenses by category	in CHF millions, for the years ended December 31	Realized capital losses		Write-downs		Total	
		2021	2020	2021	2020	2021	2020
Debt securities		(1)	(3)	–	–	(1)	(3)
Other loans		–	–	–	–	–	–
Subtotal investment expenses		(1)	(3)	–	–	(1)	(3)
Investment general expenses		n.a.	n.a.	n.a.	n.a.	–	–
Investment expenses		(1)	(3)	–	–	(1)	(3)

Financial statements (continued)

7. Investments in subsidiaries and associates

ZRe has a minority stake in Zurich Risk Management Services (India) Private Limited. The book value for this investment is CHF 1 for the years ended December 31, 2021 and 2020, respectively.

Significant indirect subsidiaries

Zurich Reinsurance Company Ltd holds no indirect subsidiaries.

8. Deposit made under assumed reinsurance contracts/Deposits received under ceded reinsurance contracts

In 2021, ZRe was required to set up a deposit made under assumed reinsurance contracts of CHF 146 million to comply with new regulatory requirements in Singapore for the assumed business from ZIC. For the retroceded part of this business, ZRe recorded a deposit received of CHF 97 million.

9. Cash and cash equivalents

Cash and cash equivalents include CHF 773 million (2020: CHF 763 million) intragroup balances related to receivables from within the Group internal cash pooling facility, which is operated by ZIC, refer also to note 18.

10. Deferred acquisition costs

Deferred acquisition costs, net of reinsurance	in CHF millions, as of December 31	
	2021	2020
Deferred acquisition costs, assumed reinsurance	127	118
Deferred acquisition costs, retroceded reinsurance	(41)	(31)
Deferred acquisition costs, net of reinsurance	86	87

11. Intangible assets

Intangible assets consist of renewal rights of CHF 16 million and CHF 19 million as of December 31, 2021 and 2020, respectively, which are amortized over a period of ten years.

12. Receivables from insurance and reinsurance business

Receivables from insurance and reinsurance business	in CHF millions, as of December 31	
	2021	2020
Receivables from insurance and reinsurance business	103	104
Receivables from insurance and reinsurance business	103	104

Financial statements (continued)

13. Change in insurance reserves, net

Change in insurance reserves, net	in CHF millions, for the years ended December 31	2021	2020
	Gross		
	Change in reserves for losses and loss adjustment expenses, direct business	(18)	1
	Change in reserves for losses and loss adjustment expenses, assumed business	(57)	(18)
	Change in other technical reserves	-	-
	Change in insurance reserves, gross	(75)	(17)
	Ceded		
	Change in reserves for losses and loss adjustment expenses, direct business	9	-
	Change in reserves for losses and loss adjustment expenses, assumed business	20	(12)
	Change in other technical reserves	-	-
	Change in insurance reserves, ceded	28	(13)
	Net		
	Change in reserves for losses and loss adjustment expenses, direct business	(9)	1
	Change in reserves for losses and loss adjustment expenses, assumed business	(37)	(30)
	Change in other technical reserves	-	-
	Change in insurance reserves, net of reinsurance	(46)	(29)

14. Insurance reserves, net

Insurance reserves, net	in CHF millions, as of December 31	2021	2020
	Gross		
	Reserves for unearned premiums	412	381
	Reserves for losses and loss adjustment expenses	953	879
	Other technical reserves	2	2
	Insurance reserves, gross	1,367	1,262
	Ceded		
	Reserves for unearned premiums	(196)	(165)
	Reserves for losses and loss adjustment expenses	(562)	(527)
	Insurance reserves, ceded	(758)	(692)
	Net		
	Reserves for unearned premiums	216	216
	Reserves for losses and loss adjustment expenses	390	352
	Other technical reserves	2	2
	Insurance reserves, net of reinsurance	608	571

Total net insurance reserves increased by CHF 38 million to CHF 608 million in 2021 from CHF 571 million in 2020. The net reserves are primarily related to the Japan personal accident and motor business and to the Hong Kong WAQS business as well as to run-off business. The increase in the gross insurance reserves of CHF 104 million is mainly due to the international program business from Canada and is fully retroceded to ZIC. The COVID-19 pandemic had only a minor impact on the Company's insurance reserves in 2021 and in 2020, respectively.

15. Provisions

Provisions include unrealized foreign exchange gains that were not included in the Company's income statements as well as general provisions for disputable claims. As of December 31, 2021, no such provisions are required.

16. Senior and other debt

Senior and other debts are all due in less than twelve months.

Financial statements (continued)

17. Liabilities from insurance and reinsurance business

Liabilities from insurance and reinsurance business	in CHF millions, as of December 31	
	2021	2020
Liabilities from insurance and reinsurance business	46	29
Liabilities from insurance and reinsurance business	46	29

18. Assets and liabilities relating to Zurich Insurance Company Ltd and Zurich Insurance Group Ltd

Assets and liabilities relating to ZIC	in CHF millions, as of December 31	
	2021	2020
Assets		
Other loans	60	66
Derivative assets	–	1
Deposits made under assumed reinsurance contracts	175	38
Cash and cash equivalents	773	763
Insurance reserves, ceded	706	644
Deferred acquisition costs, net of reinsurance	85	86
Receivables from insurance and reinsurance business	91	91
Other receivables	6	5
Accrued assets	3	4
Total assets	1,900	1,698
Liabilities		
Insurance reserves, gross	1,176	1,075
Senior and other debt	337	187
Derivative liabilities	–	–
Deposits received under ceded reinsurance contracts	97	–
Liabilities from insurance and reinsurance business	45	26
Other liabilities	1	2
Accrued liabilities	2	3
Total liabilities	1,657	1,293

There are no assets or liabilities relating to Zurich Insurance Group Ltd on the Company's balance sheet as of December 31, 2021 and 2020, respectively.

19. Supplementary information

Supplementary information	in CHF thousands, for the years ended December 31	
	2021	2020
Audit fees	141	174
Other service fees	–	–
Number of employees – average full time equivalents	2	2

According to regulatory requirements, CHF 109 million and CHF 86 million are attributed to tied assets as of December 31, 2021 and 2020, respectively.

To secure the insurance reserves of the assumed reinsurance business, investments with a value of CHF 297 million and of CHF 178 million as of December 31, 2021, respectively 2020, were deposited in favor of ceding companies.

ZRe had an employment services agreement in place with ZIC. Under this agreement, ZIC committed to make available certain services of identified staff to the Company.

ZRe is a member of the Zurich VAT group and is therefore jointly and severally liable for the VAT debts of the entire Group to the Swiss Federal Tax Administration.

Financial statements (continued)

20. Shareholder's equity

Shareholder's equity	in CHF millions, as of December 31	2021	2020	Change
		Share capital	12	12
Capital contribution reserve:		–	–	–
<i>Beginning of year</i>		616	616	–
<i>Dividend paid</i>		(40)	–	(40)
Capital contribution reserve, end of year		576	616	(40)
Organizational fund		–	8	(8)
Retained earnings:				
<i>Beginning of year</i>		24	68	(44)
<i>Transfer of organizational fund into retained earnings</i>		8	–	8
<i>Dividend paid</i>		–	(38)	38
<i>Net income after taxes</i>		23	(6)	29
Retained earnings, end of year		55	24	31
Total shareholder's equity		642	659	(17)

The Company's only shareholder is Zurich Insurance Company Ltd.

The organizational fund, which was set up in 2016 amounting to CHF 20 million, was totally released and transferred into retained earnings in 2021.

21. Exchange rates

The presentation currency for ZRe is CHF. The functional currency is the currency of the primary economic environment in which the business unit operates. Assets and liabilities of those business units with functional currencies other than CHF are translated into the presentation currency at end-of-period exchange rates, except for investments in subsidiaries and associates, where historical exchange rates are used. Revenues and expenses are translated using the average exchange rate for the year. The resulting exchange differences are recorded in the income statements, whereas the unrealized foreign exchange gains are deferred and recorded in the balance sheet.

The table below summarizes the exchange rates that have been used for translation purposes.

Exchange rates	CHF per 1 foreign currency unit	Balance sheets		Income statements	
		31/12/2021	31/12/2020	2021	2020
British pound		1.23	1.21	1.26	1.20
U.S. dollar		0.91	0.88	0.91	0.94

Financial statements (continued)

Proposed appropriation of available earnings and capital contribution reserve

	2021	2020
number of shares, as of December 31		
Registered shares eligible for dividends		
Eligible shares	11,676,271	11,676,271

The Board of Directors proposes to the Annual General Meeting to be held on April 12, 2022, to appropriate the available earnings for 2021 and the capital contribution reserve as follows:

in CHF	Available earnings
Available earnings	
As of January 1, 2021	23,644,580
Transfer of organizational fund into available earnings	8,110,000
Net income after taxes	23,136,997
Available earnings as of December 31, 2021	54,891,577

The Board of Directors proposes to carry forward available earnings of CHF 54,891,577:

in CHF	Available earnings
Appropriation of available earnings	
As of January 1, 2022	54,891,577
Balance carried forward	54,891,577

The Board of Directors proposes a dividend of CHF 25,000,000 out of the capital contribution reserve:

in CHF	Capital contribution reserve
Appropriation of capital contribution reserve	
As of January 1, 2022	575,807,652
Dividend payment out of capital contribution reserve	(25,000,000)
Balance carried forward	550,807,652

Zurich, April 12, 2022

On behalf of the Board of Directors of Zurich Reinsurance Company Ltd

Juan José Beer

Chairman

Report of the statutory auditor



Ernst & Young Ltd
Maagplatz 1
P.O. Box
CH-8010 Zurich

Phone: +41 58 286 31 11
Fax: +41 58 286 30 04
www.ey.com/ch

To the General Meeting of
Zurich Reinsurance Company Ltd, Zurich

Zurich, April 12, 2022

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Zurich Reinsurance Company Ltd (hereinafter referred to as “the Company”), which comprise the balance sheet, income statement and notes (pages 3 to 12), for the year ended December 31, 2021.



Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the Company's articles of association. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.



Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements for the year ended December 31, 2021 comply with Swiss law and the Company's articles of association.

Other matter

The financial statements of the Company for the year ended December 31, 2020 were audited by another statutory auditor who expressed an unmodified opinion on those financial statements on April 13, 2021.



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Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of association. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Christian Fleig
Licensed audit expert
(Auditor in charge)

Kerry Herholdt
Chartered Accountant (SA)

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Disclaimer and cautionary statement

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

It should be noted that past performance is not a guide to future performance.

Persons requiring advice should consult an independent adviser.

This communication does not constitute an offer or an invitation for the sale or purchase of securities in any jurisdiction.

THIS COMMUNICATION DOES NOT CONTAIN AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES; SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR EXEMPTION FROM REGISTRATION, AND ANY PUBLIC OFFERING OF SECURITIES TO BE MADE IN THE UNITED STATES WILL BE MADE BY MEANS OF A PROSPECTUS THAT MAY BE OBTAINED FROM THE ISSUER AND THAT WILL CONTAIN DETAILED INFORMATION ABOUT THE COMPANY AND MANAGEMENT, AS WELL AS FINANCIAL STATEMENTS.

Zurich Reinsurance Company Ltd
Mythenquai 2
8002 Zurich, Switzerland
Phone +41 (0) 44 628 28 28
www.zurich.com

