



# Annual Report 2022



# Financial statements

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# Management report

Zurich Life Insurance Company Ltd (ZLIC), or the Company, is a life insurance company domiciled in Zurich, Switzerland and belongs to the top-five life insurers in the Swiss market.

## Financial review

ZLIC reported net income after taxes of CHF 160 million in 2022, which is a decrease of 40 percent compared with the previous year's result of CHF 266 million. The overall decrease of net income after taxes compared with prior year, however, was mainly attributable to the portfolio transfer generating a gain of CHF 136 million out of the Japan and Hong Kong portfolio transfers in 2021. ZLIC maintained a strong capital position with total shareholders' equity of CHF 1,139 million and CHF 1,495 million as of December 31, 2022 and 2021 respectively.

Gross written premiums and policy fees decreased by 10 percent to CHF 1,322 million compared with 2021. Comparing the gross written premiums generated in Switzerland on a standalone basis, only a slight decrease of 1 percent was recorded.

## Business review

During 2022, most economies saw a continued rise in inflation further intensified by the war in Ukraine. Central banks have responded by tightening monetary policy, triggering a significant sell-off in equity and debt securities markets.

In this political and macro environment, the continuation of ZLIC's capital-light and protection-oriented strategy paid off once more. Strengthened in-force activities, especially regarding client retention initiatives, contributed to the stabilization of ZLIC's core business in Switzerland.

The Company continues to closely monitor and deal with the evolution of the COVID-19 pandemic, though most of the impacts on the Company's business are known and reflected in management's best estimates. ZLIC's exposure to Russia and Ukraine through its life operations and investment portfolio remains immaterial.

## Switzerland

ZLIC is a top-five life insurer in the Swiss market in terms of risk and cost premiums and savings contributions. ZLIC operates both an Individual Life and a Group Life business. Retail products include pure risk, endowment, annuities, unit-linked and hybrid products. Group Life propositions cover risk-only solutions and joint foundations business in the second pillar plus International Group Risks solutions for Swiss multinationals and NGOs.

In line with its business strategy, ZLIC in Switzerland continued to improve operationally through simplification, process management and digitalization. All relevant customer touchpoints were monitored on an ongoing basis and the customer service in Group Life has been certified under the ISAE 3402 standard (type 1 and type 2).

Furthermore, ZLIC in Switzerland also continued to focus on intelligent protection and capital efficient solutions and on maintaining a strict underwriting discipline throughout all product lines. On the distribution side, automated interfaces were developed and are planned to be rolled out to all agencies to facilitate interaction with customers. The sales support model has been aligned to further identify and improve cross-selling opportunities. At the same time, ZLIC in Switzerland continued to strengthen distribution relationships with banks and partnerships while seeking to establish alternative distribution channels to expand customer access.

## Japan

The insurance business of ZLIC's Japan branch was transferred on April 1, 2021 to Zurich Life Insurance Japan Company Ltd, through portfolio transfer. The liquidation of ZLIC's Japan branch was completed as per March 14, 2022. Zurich Insurance Company Ltd (ZIC) took over the status of the sole shareholder of ZLIC's Japan subsidiary in 2022 by means of a dividend in kind on April 5, 2022.

## Hong Kong

ZLIC's Hong Kong Retail business, in run-off since December 31, 2013 has been transferred in a portfolio transfer to Zurich Life Insurance (Hong Kong) Limited, a ZIC subsidiary, on September 1, 2021. The closure of the Hong Kong branch took effect on October 1, 2022.

## Investment Management

ZLIC's objective is to achieve superior, risk-adjusted investment returns relative to liabilities with risk capital allocated to market risk. To improve the risk-return profile, marginal rebalancing transactions between liquid and illiquid assets were implemented. The duration gap between assets and liabilities was further reduced by purchasing ultra-long-dated, high-quality bonds.

## Management report (continued)

### **Risk review**

ZLIC has established a risk management framework under the lead of the ZLIC Chief Risk Officer. ZLIC has produced an Own Risk and Solvency Assessment (ORSA) report to summarize ZLIC's risk and solvency assessment. In-depth discussions and reviews of the ORSA were performed with the ZLIC Management Board and the ZLIC Board of Directors during 2022 and the Boards approved ZLIC's ORSA report. Throughout the year, quarterly risk reports to the ZLIC Management Board and the ZLIC Board of Directors provide updates of the risk and solvency situation.

ZLIC's risk assessment process is fully integrated into the Group-wide process of the Zurich Insurance Group (ZIG). For more information on ZLIC's approach to risk management, please refer to the risk review section in the ZIG Annual Report 2022, which describes the Group's risk management framework and risk governance, reports on capital management and capital adequacy, and presents an analysis of the main risks.

### **Outlook**

The key priorities in 2023 will focus on addressing customer needs by promoting a balanced product mix, further leveraging bank and partnerships distribution, enhancing investments in essential IT infrastructure, and establishing a strong customer service culture. This will allow ZLIC to deliver sustainable, profitable growth in a changing and more competitive business environment. ZLIC's management will continue to carefully monitor and act upon legal and regulatory requirements.

# 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, 2022		
Christian Felderer, Chairman of the Board	Zurich, Switzerland	2023
Helene Westerlind	Estoril, Portugal	2023
Barry John Perkins	Zurich, Switzerland	2023
Justine Kelly	Richterswil, Switzerland	2023
Thomas Hull	Zurich, Switzerland	2023
Richard Burden	London, Great Britain	2023
Andres Christen, Secretary of the Board of Directors		
Chief Executive Officer		
Juan José Beer		
Chief Financial Officer		
Andreas Henke		
Auditors		
Ernst & Young AG		

As of January 1, 2022, the Board of Directors for Zurich Life Insurance Company Ltd was chaired by Christian Felderer. Thomas Hull and Richard Burden were appointed as members of the Board per January 18, 2022.

The Annual General Meeting was held on April 5, 2022.

The Audit & Risk Committee of Zurich Life Insurance Company Ltd as of December 31, 2022, consisted of Thomas Hull (Chair), Helene Westerlind and Barry John Perkins.

The Management Board included Juan Beer, Andreas Henke, Erik Erixon, Andreas Fischer and Sandro Meyer.

## Income statements

Income statements	in CHF millions, for the years ended December 31	Notes	2022	2021
			1,322	1,468
			(30)	(119)
			1,292	1,349
			5	4
			(1)	–
			1,297	1,353
			24	105
			<b>1,321</b>	<b>1,458</b>
			(1,615)	(1,704)
			89	34
		13	603	206
		13	(81)	39
			98	(209)
			(907)	(1,635)
			(138)	(158)
			4	47
			(134)	(110)
		5	(127)	(170)
			<b>(1,168)</b>	<b>(1,916)</b>
		6	496	587
		7	(214)	(83)
			282	504
			(220)	118
			1	167
			(3)	(5)
			<b>214</b>	<b>327</b>
			(44)	(43)
			<b>170</b>	<b>284</b>
			(10)	(18)
			<b>160</b>	<b>266</b>

The notes to the financial statements are an integral part of these financial statements.

## Balance sheets

Assets	in CHF millions as of December 31	Notes	2022	2021
<b>Investments</b>				
Real estate			2,075	2,045
Investments in subsidiaries and associates		8	2	119
Debt securities			11,620	12,349
Policyholders' loans and other loans			94	117
Mortgage loans			1,941	1,967
Equity securities			815	1,028
Mixed investments funds			111	121
Other investments		9	596	616
<b>Total investments</b>			<b>17,254</b>	<b>18,363</b>
<b>Other assets</b>				
Investments for unit-linked contracts		10	970	1,080
Derivative assets			110	114
Cash and cash equivalents <sup>1</sup>			526	1,849
Insurance reserves, ceded		12	26	108
Intangible assets			10	11
Receivables from insurance and reinsurance business		11	42	36
Other receivables <sup>1</sup>			1,439	78
Accrued assets			170	174
<b>Total other assets</b>			<b>3,292</b>	<b>3,450</b>
<b>Total assets</b>			<b>20,546</b>	<b>21,812</b>

<sup>1</sup> In 2022, Other receivables included intragroup balances related to the Group's internal cash pooling facility in the amount of CHF 1,352 million which was disclosed within Cash and cash equivalents in the previous year (CHF 1,304 million).

The notes to the financial statements are an integral part of these financial statements.

## Balance sheets (continued)

Liabilities and shareholder's equity	in CHF millions as of December 31	Notes	2022	2021
<b>Liabilities</b>				
Insurance reserves, gross		12	16,168	16,864
Actuarial provisions for unit-linked contracts			965	1,063
Provisions			161	134
Senior and other debt <sup>1</sup>		14	–	235
Derivative liabilities			32	7
Deposits received under ceded reinsurance contracts			15	35
Liabilities from insurance and reinsurance business		15	166	153
Other liabilities <sup>1</sup>			1,256	1,167
Accrued liabilities			113	130
Subordinated debt		14	530	530
<b>Total liabilities</b>			<b>19,407</b>	<b>20,317</b>
<b>Shareholders' equity<sup>2</sup></b>				
Share capital			60	60
Legal retained earnings			41	41
Voluntary retained earnings				
<i>Beginning of year</i>			<i>1,394</i>	<i>1,298</i>
<i>Dividend paid</i>			<i>(516)</i>	<i>(170)</i>
<i>Net income after taxes</i>			<i>160</i>	<i>266</i>
Voluntary retained earnings, end of year			1,038	1,394
<b>Total shareholders' equity<sup>2</sup></b>			<b>1,139</b>	<b>1,495</b>
<b>Total liabilities and shareholders' equity</b>			<b>20,546</b>	<b>21,812</b>

<sup>1</sup> In 2022, Other liabilities included intragroup balances related to the Group's internal cash pooling facility in the amount of CHF 256 million which was disclosed within Senior and other debt in the previous year (CHF 230 million).

<sup>2</sup> Before appropriation of available earnings

The notes to the financial statements are an integral part of these financial statements.



# Notes to the financial statements

## 1. Basis of presentation

Zurich Life Insurance Company Ltd (ZLIC), or the Company, is a life insurance company domiciled in Zurich, Switzerland.

The Company's financial statements are prepared 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 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

Significant accounting policies applied in these financial statements are set out below.

### Investments

**Real estate** held for investment and for own use is carried at acquisition cost less required or permissible impairment and is valued on a single valuation basis.

**Investments in subsidiaries and associates** are equity interests held on a long-term basis. Each investment in subsidiaries and associates is valued on a single valuation basis and is carried at acquisition cost less any necessary impairments.

**Debt securities** are carried at amortized cost, using the effective interest rate method. They are impaired as necessary. The valuation of debt securities held in the single investor funds in Switzerland is the same as for directly held securities.

**Policyholders' loans and other loans** are financial assets with fixed or determinable payments that are not quoted in an active market and have not been included in any other category of investment. They are carried at amortized cost less any necessary impairment.

**Mortgage loans** are valued at nominal value less any necessary impairments.

**Equity securities** are carried at the lower of cost or market value, i.e., at acquisition cost or the market price if the latter is lower at the end of the financial year. The lower valuation basis is maintained until the securities are sold or redeemed, so that there are no subsequent write-ups due to higher stock market prices. The valuation of equity securities held in the single investor funds in Switzerland is the same as for directly held securities.

**Mixed investments funds** are carried at the lower of cost or market value, with write downs impacting the income statement. No write-ups are permitted.

**Other investments** consist of asset-backed and mortgage-backed securities as well as collateralized debt/loan obligations, which are carried at amortized cost using the effective interest rate method.

### Other assets

**Investments and actuarial provisions for unit-linked contracts** represent portfolios maintained to meet the specific investment objectives of policyholders, who bear the credit, market and liquidity risks relating to the investments. The liabilities are carried at fair value, with fair value being determined by reference to the underlying financial assets. The related assets are carried at fair value to reduce measurement inconsistencies. If the contract is subject to a put or surrender option, the fair value of the financial liability is never recorded at less than the amount payable on surrender, discounted for the required notice period, where applicable. The costs of policy administration, investment management, surrender charges and certain policyholder taxes assessed against the policyholders' account balances are included in policy fee revenue.

**Derivative financial instruments** held for purposes of economic hedging are carried at fair value. Derivatives hedging long-term cash flows from life insurance liabilities in Switzerland are carried at amortized cost.

**Deposits made under assumed reinsurance contracts** consist of funds deposited with ceding insurers to guarantee contractual liabilities for assumed reinsurance.

**Accrued assets** relate primarily to interest accruals, other prepaid expenses (mainly prepaid annuity benefits) and other accrued income. Accrued investment income within the single investor funds in Switzerland is recorded as write-up on investments.

## Notes to the financial statements (continued)

### Insurance reserves

**Reserves for unearned premiums** represent the portion of the premiums written relating to the unexpired term of insurance coverages as of balance sheet date. In many insurance contracts, the insurance period for which the Company assumes a risk against a premium received in advance 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.

**Future life policyholders' benefits** represent the estimated future policyholder benefit liability for life insurance policies and include provisions for losses incurred but not yet reported (IBNR). In addition, equalization reserves are included where these are required or permitted by the regulator. Reserving is a complex process dealing with uncertainty, requiring the use of informed estimates and judgments. Any changes in estimates are reflected in the results of operations in the period in which estimates are changed.

**Reserves for policyholders' dividends** represents the amount for policyholders' participation in profits to be paid out in future years.

### Other liabilities

**Accrued liabilities** include accrued interest payables, accrued commissions, other accrued expenses and premium prepayments from policyholders.

### 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** represents primarily technical expense in connection with the operation of the insurance business.

### Investment income and expenses

**Realized capital gains or 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 determined from the difference between carrying value and the sales price.

**Write-downs on investments** are losses arising from a decrease in the fair value below cost or carrying value at the previous year end of equity securities and necessary impairments of investments in subsidiaries and associates. Write-downs on debt securities are other than temporary impairments. Write-downs and **write-ups** further include the change in valuation of the single investor funds, which also include the investment income of the investments within these funds.

### Other financial income and expense

**Other financial income** includes interest income on cash and cash equivalents as well as gains on derivatives.

**Other financial expense** includes mainly losses on derivatives.

### Direct tax expenses

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

## Notes to the financial statements (continued)

### 3. Significant transactions

In line with ZLIC's simplification strategy, the insurance businesses of the Japan and Hong Kong branch were transferred through portfolio transfers in 2021 to a new insurance company, Zurich Life Insurance Japan Company Ltd, and Zurich Life Insurance (Hong Kong) Ltd respectively. The liquidation of ZLIC's Japan branch was completed as per March 14, 2022, the liquidation of the Hong Kong branch as per October 1, 2022.

### 4. Exchange rates

The presentation currency for ZLIC and its branches is the Swiss franc. A functional currency is the currency of the primary economic environment in which the branch operates. Assets and liabilities of branches with functional currencies other than the Swiss franc 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 statement.

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

Principal exchange rates	CHF per foreign currency unit	Balance sheet		Income statement	
		31/12/2022	31/12/2021	2022	2021
		Euro	0.9880	1.0368	1.0053
U.S. dollar	0.9248	0.9117	0.9540	0.9140	

### 5. Administrative and other expense

Administrative and other expenses	in CHF millions, for the years ended December 31	2022	2021
		Administration and other general expenses	(139)
Gains and losses on foreign currency derivatives		103	47
Personnel expenses		(48)	(55)
Foreign currency transaction gains and losses		(43)	31
Amortization and impairment of software and equipment		–	0
<b>Administrative and other general expenses</b>		<b>(127)</b>	<b>(170)</b>

### 6. Investment income

Investment income	in CHF millions, for the years ended December 31	Current income		Realized capital gains		Write-ups		Totals	
		2022	2021	2022	2021	2022	2021	2022	2021
		Real estate	134	127	41	2	–	–	175
Investments in subsidiaries and associates	0	0	–	–	–	–	0	0	
Debt securities	83	99	57	37	30	97	170	233	
Policyholders' loans and other loans	2	2	–	–	–	–	2	2	
Mortgage loans	28	32	–	–	0	0	28	32	
Equity securities	9	21	88	87	9	72	106	180	
Mixed investments funds	5	5	–	–	–	–	5	5	
Other investments	10	5	0	2	–	–	10	7	
<b>Investment income</b>		<b>271</b>	<b>290</b>	<b>185</b>	<b>128</b>	<b>39</b>	<b>169</b>	<b>496</b>	<b>587</b>

### 7. Investment expenses

Investment expenses	in CHF millions, for the years ended December 31	Realized capital losses		Write-downs		Totals	
		2022	2021	2022	2021	2022	2021
		Real estate	(40)	–	(34)	(2)	(74)
Investments in subsidiaries and associates	–	–	(2)	(5)	(2)	(5)	
Debt securities	(11)	(1)	(42)	0	(53)	(1)	
Policyholders' loans and other loans	(6)	(3)	–	–	(6)	(3)	
Mortgage loans	–	–	–	0	–	0	
Equity securities	(9)	(17)	(10)	(3)	(19)	(20)	
Mixed investments funds	–	–	(9)	–	(9)	–	
Other investments	0	0	–	–	0	0	
<b>Subtotal investment expenses</b>		<b>(65)</b>	<b>(21)</b>	<b>(9)</b>	<b>(9)</b>	<b>(163)</b>	<b>(30)</b>
Other investment expenses		n.a.	n.a.	n.a.	n.a.	(51)	(53)
<b>Investment expenses</b>		<b>(65)</b>	<b>(21)</b>	<b>(9)</b>	<b>(9)</b>	<b>(214)</b>	<b>(83)</b>

## Notes to the financial statements (continued)

### 8. Investments in subsidiaries and associates

Investment in subsidiaries and associates	as of December 31, 2022				Share capital (in local currency millions)	
	Registered office	Voting rights %	Ownership interest %	Currency		
<b>Investments in subsidiaries and associates</b>						
Switzerland						
Zürich Pensionskassen-Beratung AG	Zurich	100%	100%	CHF	1	
Portugal						
Zurich – Companhia de Seguros Vida S.A.	Lisbon	0%	0%	EUR	21	
Turkey						
Zurich Sigorta A.S.	Istanbul	0%	0%	TRY	419	
Mexico						
Zurich Aseguradora Mexicana, S.A. de C.V.	Mexico City	0%	0%	MXN	289	
Zurich Capability Center Mexico SA de CV	Mexico City	0%	0%	MXN	0	
Argentina						
Inversiones Suizo-Argentina S.A.	Buenos Aires	0%	0%	ARS	1,810	
Brazil						
	Belo Horizonte					
Zurich Minas Brasil Seguros S.A.	Horizonte	0%	0%	BRL	2,476	
Zurich America Latina Serviços Brasil Ltda.	Sao Paulo	0%	0%	BRL	83	
Zurich Resseguradora Brasil S.A.	Sao Paulo	0%	0%	BRL	204	
Zurich Brasil Capitalização S.A.	Sao Paulo	0%	0%	BRL	22	
Ecuador						
Zurich Seguros Ecuador, S.A.	Quito	0%	0%	USD	19	
Colombia						
Zurich Colombia Seguros S.A.	Bogota	6%	6%	COP	148,244	
Hong Kong						
Zurich Insurance Holdings (Hong Kong) Limited	Hong Kong	0%	0%	HKD	3,036	

### 9. Other investments

Other investments of CHF 596 million consist mainly of collateralized debt/loan obligations of CHF 594 million in 2022 (compared with CHF 615 million in 2021).

### 10. Investments for unit-linked contracts

Investments held for unit-linked contracts	in CHF millions, as of December 31	
	2022	2021
Collective investment funds	633	691
Debt securities (with embedded derivative)	336	389
<b>Investments held for unit-linked contracts</b>	<b>970</b>	<b>1,080</b>

### 11. Receivables from insurance and reinsurance business

Receivables from insurance and reinsurance business	in CHF millions, as of December 31	
	2022	2021
Receivables from policyholders	35	27
Amounts from insurance and reinsurance companies	7	10
Amounts from agents and intermediaries	–	–
<b>Receivables from insurance and reinsurance business</b>	<b>42</b>	<b>36</b>

## Notes to the financial statements (continued)

### 12. Insurance reserves, net

Insurance reserves, net	in CHF millions, as of December 31	2022	2021
	Gross		
	Future life policyholders' benefits	15,753	16,386
	Reserves for policyholders' dividends	311	369
	Reserves for unearned premiums	104	109
	Other technical reserves	1	1
	<b>Insurance reserves, gross</b>	<b>16,168</b>	<b>16,864</b>
	Ceded		
	Future life policyholders' benefits	(26)	(107)
	Reserves for unearned premiums	–	(1)
	<b>Insurance reserves, ceded</b>	<b>(26)</b>	<b>(108)</b>
	Net		
	Future life policyholders' benefits	15,726	16,278
	Reserves for policyholders' dividends	311	369
	Reserves for unearned premiums	104	108
	Other technical reserves	1	1
	<b>Insurance reserves, net of reinsurance</b>	<b>16,142</b>	<b>16,756</b>

Total insurance reserves, net of reinsurance, decreased by CHF 614 million to CHF 16,142 million in 2022 from CHF 16,756 million in 2021. The reduction of insurance reserves, net of reinsurance, of CHF 614 million mostly refers to business outflows in both group and traditional individual Life business.

### 13. Change in insurance reserves, net

Change in insurance reserves, net	in CHF millions, for the years ended December 31	2022	2021
	Gross		
	Change in reserves for future life policyholders' benefits	635	242
	Change in reserves for policyholders' dividends	(32)	(36)
	Change in other technical reserves	–	–
	<b>Change in insurance reserves, gross</b>	<b>603</b>	<b>206</b>
	Ceded		
	Change in reserves for future life policyholders' benefits	(81)	38
	Change in reserves for policyholders' dividends	–	1
	<b>Change in insurance reserves, ceded</b>	<b>(81)</b>	<b>39</b>
	Net		
	Change in reserves for future life policyholders' benefits	554	280
	Change in reserves for policyholders' dividends	(32)	(35)
	Change in other technical reserves	–	–
	<b>Change in insurance reserves, net of reinsurance</b>	<b>522</b>	<b>244</b>

### 14. Senior and other debts and subordinated debt

Senior and other debts are all due in less than 12 months.

Subordinated debt is granted for an unlimited period of time, with the right to terminate in less than 12 months subject to FINMA approval.

### 15. Liabilities from insurance and reinsurance business

Liabilities from insurance and reinsurance business	in CHF millions, as of December 31	2022	2021
	Amounts due to policyholders	153	140
	Amounts due to insurance and reinsurance companies	13	13
	Amounts due to agents and intermediaries	–	–
	<b>Liabilities from insurance and reinsurance business</b>	<b>166</b>	<b>153</b>

## Notes to the financial statements (continued)

### 16. Shareholders' equity

Shareholders' equity	in CHF millions, as of December 31	2022	2021	Change
Share capital		60	60	–
Legal retained earnings		41	41	–
Voluntary retained earnings				
<i>Beginning of year</i>		1,394	1,298	96
<i>Dividend paid</i>		(516)	(170)	(346)
<i>Net income after taxes</i>		160	266	(106)
Voluntary retained earnings, end of year		1,038	1,394	(356)
<b>Total shareholders' equity</b>		<b>1,139</b>	<b>1,495</b>	<b>(356)</b>

### 17. Assets and liabilities relating to Zurich Insurance Company Ltd

Assets and liabilities relating to Zurich Insurance Company Ltd	in CHF millions, as of December 31	2022	2021
<b>Assets</b>			
Policyholders' loans and other loans		38	59
Equity securities <sup>1</sup>		3	3
Derivative assets		14	15
Cash and cash equivalents <sup>2</sup>		–	1,304
Insurance reserves, ceded		25	106
Receivables from insurance and reinsurance business		6	9
Other receivables <sup>2</sup>		1,353	–
Accrued assets		3	2
<b>Total assets</b>		<b>1,442</b>	<b>1,499</b>
<b>Liabilities</b>			
Senior and other debt <sup>3</sup>		–	230
Derivative liabilities		6	–
Deposits received under ceded reinsurance contracts		15	35
Liabilities from insurance and reinsurance business		11	11
Other liabilities <sup>3</sup>		274	24
Accrued liabilities		11	11
Subordinated debt		530	530
<b>Total liabilities</b>		<b>847</b>	<b>841</b>

<sup>1</sup> ZLIC owns Zurich Insurance Group Ltd shares with a cost value of CHF 3 million as of December 31, 2022 and 2021.

<sup>2</sup> In 2022, Other receivables included intragroup balances related to the Group's internal cash pooling facility in the amount of CHF 1,352 million which was disclosed within Cash and cash equivalents in the previous year (CHF 1,304 million).

<sup>3</sup> In 2022, Other liabilities included intragroup balances related to the Group's internal cash pooling facility in the amount of CHF 256 million which was disclosed within Senior and other debt in the previous year (CHF 230 million).

### 18. Supplementary information

Supplementary information	in CHF millions for the years ended December 31	2022	2021
Commitments under investment agreements, net of funding		169	135
Leasing obligations not recorded on the balance sheet		1	1
Pledged assets in respect of securities lending agreements (at book value)		1	4
Pledged assets cash deposits		36	35
Contingent liabilities		4	–
Liabilities to pension funds		5	5

During the year ZLIC employed an average full time equivalent of less than 50.

The Zurich Life Insurance Company Ltd is a member of the Zurich VAT group (CHE-116.288.787 VAT) and is therefore jointly and severally liable for the VAT debts of the entire Group to the Swiss Federal Tax Administration.

### 19. Net release of hidden reserves

In 2022 and 2021, there was no release of hidden reserves to be reported according to Swiss Code of Obligations.

## Appropriation of available earnings as proposed by the Board of Directors

number of shares, as of December 31	2022	2021
Registered shares eligible for dividends		
Eligible shares	60,000,000	60,000,000

The Board of Directors proposes to the Annual General Meeting to be held on April 11, 2023, to appropriate the available earnings for 2022 as follows:

in CHF	Available earnings
Available earnings	
As of January 1, 2022	516,024,188
Cash dividend paid	(400,000,000)
Dividend in kind: Zurich Life Insurance Japan Company Ltd.	(115,935,449)
Net income after taxes	160,139,929
<b>Available earnings, as of December 31, 2022</b>	<b>160,228,668</b>

The Board of Directors proposes a dividend of CHF 235,000,000 out of the available earnings for 2022:

in CHF	Available earnings
Appropriation of available earnings	
As of January 1, 2023	160,228,668
Cash dividend out of available earnings	(160,000,000)
<i>Balance carried forward</i>	228,668
Voluntary retained earnings	878,000,000
Cash dividend out of voluntary retained earnings	(75,000,000)
<i>Balance carried forward</i>	803,000,000
<b>Total cash dividend</b>	<b>(235,000,000)</b>

As the statutory retained earnings has reached 50 percent of the share capital, no further allocation will be made.

Zurich, April 11, 2023

On behalf of the Board of Directors of Zurich Life Insurance Company Ltd

Christian Felderer  
Chairman of the Board

Helene Westerlind  
Member of the Board

# Report of the statutory auditor



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To the General Meeting of  
**Zurich Life Insurance Company Ltd, Zurich**

Zurich, 11 April 2023

## Report of the statutory auditor

### Report on the audit of the financial statements



#### Opinion

We have audited the financial statements of Zurich Life Insurance Company Ltd (the Company), which comprise the statement of financial position as at 31 December 2022 and the statement of income for the year ended 31 December, 2022 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 5 to 14) comply with Swiss law and the Company's articles of incorporation.



#### Basis for opinion

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

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



#### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

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



# Report of the statutory auditor (continued)



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

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



### **Board of Directors' responsibilities for the financial statements**

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

# Report of the statutory auditor (continued)



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## Report on other legal and regulatory requirements



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

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

Ernst & Young Ltd

Philip Kirkpatrick  
Licensed audit expert  
(Auditor in charge)

Sophie Krumsiek  
Chartered certified accountant (UK)

## Disclaimer and cautionary statement

Certain statements in this document are forward-looking statements, including, but not limited to, statements that are predicated on or indicate future events, trends, plans or objectives of Zurich Life Insurance Company Ltd. Forward-looking statements include statements regarding Zurich Life Insurance Company Ltd's targeted profit, return on equity targets, expenses, pricing conditions, dividend policy and underwriting and claims results, as well as statements regarding Zurich Life Insurance 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 Life Insurance 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, (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; and (viii) changes in laws and regulations and in the policies of regulators may have a direct bearing on the results of operations of Zurich Life Insurance Company Ltd and on whether the targets will be achieved. Zurich Life Insurance 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 advisor.

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.

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