

Annual Report 2023

Financial statements

Contents

Management report	1
Board of Directors, Management and Auditors	3
Income statements	4
Balance sheets	5
Notes to the financial statements	7
Appropriation of available earnings as proposed by the Board of Directors	13
Report of the statutory auditor	14
Disclaimer and cautionary statement	17

Management report

Zurich Life Insurance Company Ltd (ZLIC or the Company) is a life insurance company domiciled in Zurich, Switzerland offering both Individual Life and Group Life propositions. ZLIC belongs to the top five life insurers in the Swiss market in terms of gross written premiums (excluding Corporate Life savings premiums).

Financial review

ZLIC reported net income after taxes of CHF 117 million in 2023, which is a decrease of 27 percent compared with the previous year's result of CHF 160 million. The overall decrease of net income after taxes compared with the prior year was mainly attributable to the challenging economic environment. ZLIC, however, maintained a strong capital position with total shareholders' equity of CHF 1,025 million and CHF 1,139 million as of December 31, 2023 and 2022 respectively.

Gross written premiums decreased by 8 percent to CHF 1,215 million compared with 2022. This decrease was mainly driven by the Group Life business which faced a competitive and cost sensitive market. However, the Individual Life business remained strong and is at a similar level as the prior year.

Business activity and business review

ZLIC offers retail products including pure risk, endowment, annuities, unit-linked and hybrid products. Group Life propositions cover risk-only solutions and joint foundations business of the Swiss pension system plus international group risks solutions for Swiss multinationals and NGOs.

In line with its business strategy, ZLIC 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 recertified under the ISAE 3402 standard (type 1 and type 2). The Company also continued to focus on intelligent protection and capital efficient solutions and on maintaining a strict underwriting discipline throughout all product lines.

The sales support model has been aligned to further identify and improve cross-selling opportunities. At the same time, ZLIC has continued to leverage its main distribution channels, through agents and brokers, while seeking to establish alternative distribution channels to expand sales potential.

During 2023, inflation has declined in most economies while central banks continued their tightening monetary policy. ZLIC's exposure to Russia and Ukraine through its life operations and investment portfolio remained immaterial.

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

Investment management

ZLIC's objective is to achieve superior, risk-adjusted investment returns relative to liabilities by allocating capital in the financial markets. During the year, in addition to generating returns from active portfolio management and diversification benefits, the investment portfolio benefited from decreasing interest rates, spread compression and strong performance of the equity market. The duration gap between assets and liabilities is positive and well placed to benefit from expectations that interest rates will decline in 2024.

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 2023 and the Board 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 2023, 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 2024 will be to focus on addressing customer needs by promoting a balanced product mix, further leveraging bank and collaborations 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.

On January 1, 2024, the revised Insurance Supervision Act (ISA) and the revised Insurance Supervision Ordinance (ISO) entered into force. Following this revision, the requirements resulting from the delegation provisions will now be implemented at FINMA level. The total revision of the FINMA Insurance Supervision Ordinance (ISO-FINMA) and the revision of a series of FINMA circulars for insurance companies cover various points, including

- Regulation on technical details of the Swiss Solvency Test (SST);
- Implementation of the provisions on technical reserves;
- Additional regulation in the area of supervision of insurance intermediaries.

The Company's management continues to carefully monitor developments in regulatory and legal requirements.

Board of Directors, Management and Auditors

Board of Directors

	Residence	Expiration of current term of office
Board of Directors as of December 31, 2023		
Christian Felderer, Chair of the Board	Zurich, Switzerland	2024
Justine Kelly, Vice-Chair of the Board	Richterswil, Switzerland	2024
Helene Westerlind	Estoril, Portugal	2024
Thomas Hull	Uster, Switzerland	2024
Richard Burden	London, Great Britain	2024
Andres Christen, Secretary of the Board of Directors		

The Audit & Risk Committee of Zurich Life Insurance Company Ltd as of December 31, 2023, consisted of Thomas Hull (Chair) and Helene Westerlind.

Management Board

	Residence	Position held
Management board as of December 31, 2023		
Juan José Beer	Möriken-Wildegg, Switzerland	Chief Executive Officer
Andreas Henke	Zurich, Switzerland	Chief Financial Officer
Sandro Meyer	Horgen, Switzerland	Head of Life
Andreas Fischer	Wollerau, Switzerland	Chief Investment Officer
Sébastien Couzet	Wangen b. Dübendorf, Switzerland	Chief Life Actuary Switzerland

Ernst & Young Ltd were re-elected as ZLIC's external auditors for the financial year 2023 by the Annual General Meeting (AGM) held on April 11, 2023.

Income statements

Income statements	in CHF millions, for the years ended December 31	Notes	2023	2022
			1,215	1,322
			(25)	(30)
			1,190	1,292
			4	5
			0	(1)
			1,194	1,297
			60	24
			1,254	1,321
			(1,941)	(1,615)
			9	89
		13	809	603
		13	6	(81)
			(180)	98
			(1,297)	(907)
			(137)	(138)
			5	4
			(132)	(134)
		5	(70)	(127)
			(1,499)	(1,168)
		6	674	496
		7	(341)	(214)
			333	282
			74	(220)
			23	1
			(3)	(3)
			181	214
			(57)	(44)
			123	170
			(6)	(10)
			117	160

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	2023	2022
Investments				
Real estate			1,955	2,075
Investments in subsidiaries and associates		8	3	2
Debt securities			10,546	11,620
Policyholders' loans and other loans			87	94
Mortgage loans			1,809	1,941
Equity securities			1,048	815
Mixed investment funds			111	111
Other investments		9	545	596
Total investments			16,103	17,254
Other assets				
Investments for unit-linked contracts ¹		10	1,238	970
Derivative assets			194	110
Cash and cash equivalents ¹			509	526
Insurance reserves, ceded		12	31	26
Intangible assets			10	10
Receivables from insurance and reinsurance business		11	33	42
Other receivables			1,329	1,439
Accrued assets			148	170
Total other assets			3,492	3,292
Total assets			19,595	20,546

¹ In 2023, Investments for unit-linked contracts included related unit-linked cash in the amount of CHF 87 million which was disclosed within Cash and cash equivalents in the previous year (CHF 70 million).

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

Balance sheets (continued)

Liabilities and shareholders' equity	in CHF millions as of December 31	Notes	2023	2022
Liabilities				
	Insurance reserves, gross	12	15,223	16,168
	Actuarial provisions for unit-linked contracts		1,145	965
	Provisions		144	161
	Senior and other debt	14	0	0
	Derivative liabilities		1	32
	Deposits received under ceded reinsurance contracts		16	15
	Liabilities from insurance and reinsurance business	15	385	166
	Other liabilities		1,007	1,256
	Accrued liabilities		122	113
	Subordinated debt	14	530	530
	Total liabilities		18,574	19,407
	Shareholders' equity¹	16		
	Share capital		60	60
	Statutory retained earnings		41	41
	Voluntary retained earnings		803	878
	Profit carried forward		0	0
	Net income after taxes		117	160
	Total shareholders' equity¹		1,021	1,139
	Total liabilities and shareholders' equity		19,595	20,546

1. 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 as of December 15, 2015.

All amounts in the financial statements, unless otherwise stated, are shown in Swiss francs and rounded to the nearest million. As a result, the rounded amounts may not always sum up to the rounded total. 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.

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 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 taking uncertainties into account and requiring the use of informed estimates and judgements. 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 allocated to policyholders' participation in profits, which are 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 expenses

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 expenses represent primarily technical expenses 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 sale price.

Write-downs on investments are losses arising from a decrease in the fair value below cost or the carrying value at the previous year end on 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 expenses

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

Other financial expenses include 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 liquidation of the Netherlands branch (which had no insurance business) was completed as per August 15, 2023.

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 entity 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	
		31/12/2023	31/12/2022	2023	2022
		Euro	0.9308	0.9880	0.9714
U.S. dollar	0.8422	0.9248	0.8983	0.9540	

5. Administrative and other expenses

Administrative and other expenses	in CHF millions, for the years ended December 31	
	2023	2022
Gains and losses on foreign currency derivatives	249	103
Foreign currency transaction gains and losses	(141)	(43)
Administration and other general expenses	(131)	(139)
Personnel expenses	(48)	(48)
Administrative and other general expenses	(70)	(127)

6. Investment income

Investment income	in CHF millions, for the years ended December 31							
	Current income		Realized capital gains		Write-ups		Totals	
	2023	2022	2023	2022	2023	2022	2023	2022
Real estate	139	134	343	41	-	-	481	175
Investments in subsidiaries and associates	0	0	-	-	-	-	0	0
Debt securities	79	83	10	57	-	30	88	170
Policyholders' loans and other loans	1	2	-	-	-	-	1	2
Mortgage loans	27	28	-	-	0	0	27	28
Equity securities	10	9	30	88	0	9	40	106
Mixed investments funds	9	5	-	-	-	-	9	5
Other investments	27	10	0	0	-	-	27	10
Investment income	291	271	382	185	0	39	674	496

7. Investment expenses

Investment expenses	in CHF millions, for the years ended December 31					
	Realized capital losses		Write-downs		Totals	
	2023	2022	2023	2022	2023	2022
Real estate	(3)	(40)	(12)	(34)	(15)	(74)
Investments in subsidiaries and associates	-	-	-	(2)	-	(2)
Debt securities	(12)	(11)	(225)	(42)	(238)	(53)
Policyholders' loans and other loans	-	(6)	-	-	-	(6)
Mortgage loans	(1)	-	-	-	(1)	-
Equity securities	(2)	(9)	(23)	(10)	(25)	(19)
Mixed investments funds	-	-	-	(9)	-	(9)
Other investments	(0)	(0)	-	-	(0)	(0)
Subtotal investment expenses	(19)	(65)	(261)	(98)	(280)	(163)
Other investment expenses	n.a.	n.a.	n.a.	n.a.	(61)	(51)
Investment expenses	(19)	(65)	(261)	(98)	(341)	(214)

Notes to the financial statements (continued)

8. Investments in subsidiaries and associates

Investment in subsidiaries and associates

as of December 31, 2023		Registered office	Voting rights %	Ownership interest %	Currency	Share capital (in local currency millions)
Investments in subsidiaries and associates						
Switzerland						
Zürich Pensionskassen-Beratung AG	Zurich	100%	100%	CHF	1	
Colombia						
Zurich Colombia Seguros S.A.	Bogota	6%	6%	COP	200,774	
Portugal						
Zurich – Companhia de Seguros Vida S.A.	Lisbon	<1%	<1%	EUR	21	
Turkey						
Zurich Sigorta A.S.	Istanbul	<1%	<1%	TRY	419	
Mexico						
Zurich Aseguradora Mexicana, S.A. de C.V.	Mexico City	<1%	<1%	MXN	289	
Zurich Capability Center Mexico, S.A. de C.V.	Mexico City	<1%	<1%	MXN	0	
Argentina						
Inversiones Suizo-Argentina S.A.	Buenos Aires	<1%	<1%	ARS	1,810	
Brazil						
Zurich Minas Brasil Seguros S.A.	Belo Horizonte	<1%	<1%	BRL	2,476	
Zurich America Latina Serviços Brasil Ltda.	Sao Paulo	<1%	<1%	BRL	83	
Zurich Resseguradora Brasil S.A.	Sao Paulo	<1%	<1%	BRL	204	
Zurich Brasil Capitalização S.A.	Sao Paulo	<1%	<1%	BRL	22	
Ecuador						
Zurich Seguros Ecuador, S.A.	Quito	<1%	<1%	USD	29	
Hong Kong						
Zurich Insurance Holdings (Hong Kong) Limited	Hong Kong	<1%	<1%	HKD	3,115	

9. Other investments

Other investments of CHF 545 million consist only of collateralized debt/loan obligations of CHF 545 million in 2023 (compared with CHF 594 million in 2022).

10. Investments for unit-linked contracts

Investments held for unit-linked contracts

in CHF millions, as of December 31	2023	2022
Collective investment funds	713	633
Debt securities (with embedded derivative)	438	336
Cash and cash equivalents ¹	87	–
Investments held for unit-linked contracts	1,238	970

1. In 2023, Investments for unit-linked contracts included related unit-linked cash in the amount of CHF 87 million which was disclosed within Cash and cash equivalents in the previous year (CHF 70 million).

11. Receivables from insurance and reinsurance business

Receivables from insurance and reinsurance business

in CHF millions, as of December 31	2023	2022
Receivables from policyholders	26	35
Amounts from insurance and reinsurance companies	7	7
Amounts from agents and intermediaries	–	–
Receivables from insurance and reinsurance business	33	42

Notes to the financial statements (continued)

12. Insurance reserves, net

Insurance reserves, net	in CHF millions, as of December 31	2023	2022
	Gross		
	Future life policyholders' benefits	14,747	15,753
	Reserves for policyholders' dividends	376	311
	Reserves for unearned premiums	100	104
	Other technical reserves	1	1
	Insurance reserves, gross	15,223	16,168
	Ceded		
	Future life policyholders' benefits	(31)	(26)
	Reserves for unearned premiums	(0)	0
	Insurance reserves, ceded	(31)	(26)
	Net		
	Future life policyholders' benefits	14,716	15,726
	Reserves for policyholders' dividends	376	311
	Reserves for unearned premiums	99	104
	Other technical reserves	1	1
	Insurance reserves, net of reinsurance	15,192	16,142

Total insurance reserves, net of reinsurance, decreased by CHF 950 million to CHF 15,192 million in 2023 from CHF 16,142 million in 2022. The reduction in insurance reserves, net of reinsurance, of CHF 950 million mostly reflects business outflows in both the Group and Individual Life businesses.

13. Change in insurance reserves, net

Change in insurance reserves, net	in CHF millions, for the years ended December 31	2023	2022
	Gross		
	Change in reserves for future life policyholders' benefits	964	635
	Change in reserves for policyholders' dividends	(155)	(32)
	Change in other technical reserves	-	-
	Change in insurance reserves, gross	809	603
	Ceded		
	Change in reserves for future life policyholders' benefits	5	(81)
	Change in reserves for policyholders' dividends	1	-
	Change in insurance reserves, ceded	6	(81)
	Net		
	Change in reserves for future life policyholders' benefits	969	554
	Change in reserves for policyholders' dividends	(154)	(32)
	Change in other technical reserves	-	-
	Change in insurance reserves, net of reinsurance	815	522

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	2023	2022
	Amounts due to policyholders	374	153
	Amounts due to insurance and reinsurance companies	10	13
	Amounts due to agents and intermediaries	1	0
	Liabilities from insurance and reinsurance business	385	166

Notes to the financial statements (continued)

16. Shareholders' equity

Shareholders' equity	in CHF millions	Share capital	Statutory	Voluntary	Profit carried	Total
			retained earnings	retained earnings	forward	shareholders' equity
As of 31.12.2021		60	41	878	516	1,495
Dividend paid		-	-	-	(516)	(516)
Net income after taxes		-	-	-	160	160
As of 31.12.2022		60	41	878	160	1,139
Dividend paid		-	-	(75)	(160)	(235)
Net income after taxes		-	-	-	117	117
As of 31.12.2023		60	41	803	117	1,021

17. Assets and liabilities relating to Zurich Insurance Group

Assets and liabilities relating to Zurich Insurance Group	in CHF millions, as of December 31	2023	2022
		Assets	
Investments in subsidiaries and associates		3	2
Policyholders' loans and other loans		32	38
Equity securities ¹		3	3
Derivative assets		28	14
Insurance reserves, ceded		29	25
Receivables from insurance and reinsurance business		6	6
Other receivables		1,265	1,365
Accrued assets		3	3
Total assets		1,369	1,456
Liabilities			
Provisions		-	12
Derivative liabilities		1	6
Deposits received under ceded reinsurance contracts		16	15
Liabilities from insurance and reinsurance business		8	11
Other liabilities		268	282
Accrued liabilities		15	14
Subordinated debt		530	530
Total liabilities		839	871

1. ZLIC owns Zurich Insurance Group Ltd shares with a cost value of CHF 3 million as of December 31, 2023 and 2022.

18. Supplementary information

Supplementary information	in CHF millions for the years ended December 31	2023	2022
		Commitments under investment agreements, net of funding	63
Pledged assets cash deposits	33	36	
Contingent liabilities	6	4	
Liabilities to pension funds	4	5	
Leasing obligations not recorded on the balance sheet	1	1	
Pledged assets in respect of securities lending agreements (at book value)	-	1	

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 2023 and 2022, 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	2023	2022
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 16, 2024, to appropriate the available earnings for 2023 as follows:

in CHF	
Available earnings	
As of January 1, 2023	160,228,668
Cash dividend paid out of available earnings	(160,000,000)
Annual profit	117,000,394
Available earnings, as of December 31, 2023	117,229,062
Voluntary retained earnings	
As of January 1, 2023	878,000,000
Cash dividend paid out of voluntary retained earnings	(75,000,000)
Voluntary retained earnings, as of December 31, 2023	803,000,000

The Board of Directors proposes a dividend of CHF 175,000,000 out of the available earnings for 2023:

in CHF	
Appropriation of available earnings	
As of January 1, 2024	117,229,062
Cash dividend out of available earnings	117,000,000
<i>Balance carried forward</i>	229,062
Voluntary retained earnings	803,000,000
Cash dividend out of voluntary retained earnings	58,000,000
<i>Balance carried forward</i>	745,000,000
Total cash dividend	175,000,000

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

Zurich, April 16, 2024

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

Christian Felderer
Chair of the Board

Helene Westerlind
Member of the Board

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 Life Insurance Company Ltd, Zurich

Zurich, 16 April 2024

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 2023 and the statement of income for the year ended 31 December, 2023 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 4 to 12) 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)



Page 2

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)



Page 3

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)

Enclosures

- ▶ Financial statements (statement of financial position, statement of income, notes)
- ▶ Proposed appropriation of available earnings

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 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, 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 Life Insurance Company Ltd and on whether the targets will be achieved. Specifically in relation with the COVID-19 related statements, such statements were made on the basis of circumstances prevailing at a certain time and on the basis of specific terms and conditions (in particular applicable exclusions) of insurance policies as written and interpreted by Zurich Life Insurance Company Ltd and may be subject to regulatory, legislative, governmental and litigation-related developments affecting the extent of potential losses covered by Zurich Life Insurance Company Ltd or potentially exposing Zurich Life Insurance Company Ltd to additional losses if terms or conditions are retroactively amended by way of legislative or regulatory action. 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.

Zurich Life Insurance Company Ltd

Mythenquai 2

8002 Zurich, Switzerland

Phone: +41 (0) 44 628 28 28

www.zurich.com

