

Independent Auditor's Report

The Board of Directors
Zurich Global Limited

Our Opinion

In our opinion, the condensed financial statements of Zurich Global Limited (the “Company”) are prepared, in all material respects, in accordance with the financial reporting provisions of the Insurance Act 1978, amendments thereto and the Insurance Account Rules 2016 with respect to condensed general purpose financial statements (the “Legislation”).

What We Have Audited

The Company's condensed financial statements comprise:

- the condensed balance sheet as at December 31, 2023 and 2022;
- the condensed statement of income for the years then ended;
- the condensed statement of capital and surplus as at December 31, 2023 and 2022; and
- the notes to the condensed financial statements, which include a summary of significant accounting policies.

Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the condensed financial statements* section of our report.

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

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) and the ethical requirements of the Chartered Professional Accountants of Bermuda Rules of Professional Conduct (CPA Bermuda Rules) that are relevant to our audit of the condensed financial statements in Bermuda. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the CPA Bermuda Rules.

Reference: Independent Auditor's Report on the condensed financial statements of Zurich Global Limited as at December 31, 2023 and 2022 and for the years then ended.

Emphasis of Matter – Basis of Accounting

Without modifying our opinion, we note that the condensed financial statements have been prepared in accordance with the financial reporting provisions of the Legislation. The accounting policies used and the disclosures made are not intended to, and do not, comply with all of the requirements of International Financial Reporting Standards (IFRS).

Responsibilities of Management and Those Charged with Governance for the Condensed Financial Statements

Management is responsible for the preparation of the condensed financial statements in accordance with the financial reporting provisions of the Legislation, and for such internal control as management determines is necessary to enable the preparation of condensed financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the condensed financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Condensed Financial Statements

Our objectives are to obtain reasonable assurance about whether the condensed 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 ISAs 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 condensed financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the condensed financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the condensed financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the condensed consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

Reference: Independent Auditor's Report on the condensed financial statements of Zurich Global Limited as at December 31, 2023 and 2022 and for the years then ended.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst + Young Ltd.

May 30, 2024

Chartered Professional Accountants

Reference: Independent Auditor's Report on the condensed financial statements of Zurich Global Limited as at December 31, 2023 and 2022 and for the years then ended.

CONDENSED CONSOLIDATED BALANCE SHEETS
Zurich Global, Ltd.

 As at **December 31, 2023**

 Expressed In **United States Dollars**
STMT.

LINE No.		2023	2022
1.	CASH AND CASH EQUIVALENTS	4,102,919,540	3,781,589,134
2.	QUOTED INVESTMENTS:		
(a)	Bonds and Debentures		
	i. Assets held to maturity/collection	—	—
	ii. Other	4,182,000,087	4,281,668,501
(b)	Total Bonds and Debentures	4,182,000,087	4,281,668,501
(c)	Equities		
	i. Common stocks	525,190,059	564,906,532
	ii. Preferred stocks	—	—
	iii. Mutual Funds	—	—
(d)	Total equity investments	525,190,059	564,906,532
(e)	Other quoted investments	—	—
(f)	Total quoted investments	4,707,190,146	4,846,575,033
3.	UNQUOTED INVESTMENTS:		
(a)	Bonds and Debentures		
	i. Assets held to maturity/collection	279,508,441	—
	ii. Other	21,301,662	279,714,589
(b)	Total Bonds and Debentures	300,810,103	279,714,589
(c)	Equities		
	i. Common stocks	—	—
	ii. Preferred stocks	—	—
	iii. Mutual Funds	—	—
(d)	Total equity investments	—	—
(e)	Other unquoted investments	317,488,948	296,944,498
(f)	Total unquoted investments	618,299,051	576,659,087
4.	INVESTMENTS IN AND ADVANCES TO AFFILIATES (EQUITY METHOD):		
(a)	Unregulated entities that conduct ancillary services	—	—
(b)	Unregulated non-financial operating entities	—	—
(c)	Unregulated financial operating entities	—	—
(d)	Regulated non-insurance financial operating entities	—	—
(e)	Regulated insurance financial operating entities	—	—
(f)	Total investments in affiliates (equity method)	—	—
(g)	Advances to affiliates	—	—
(h)	Total investments in and advances to affiliates (equity method)	—	—
5.	INVESTMENTS IN MORTGAGE LOANS ON REAL ESTATE:		
(a)	First liens	—	—
(b)	Other than first liens	—	—
(c)	Total investments in mortgage loans on real estate	—	—
6.	POLICY LOANS	—	—
7.	REAL ESTATE:		
(a)	Occupied by the company (less encumbrances)	—	—
(b)	Other properties (less encumbrances)	—	—
(c)	Total real estate	—	—
8.	COLLATERAL LOANS	—	—
9.	INVESTMENT INCOME DUE AND ACCRUED	24,925,337	24,868,577
10.	ACCOUNTS RECEIVABLE	—	25,992,376
11.	INSURANCE AND REINSURANCE CONTRACT ASSETS		
(a)	Insurance Contract Assets	—	—
(b)	Reinsurance Contract Assets	480,995,238	295,675,302
(c)	Investment Contracts with Discretionary Participation Features (DPF) Assets	—	—
(d)	Total Insurance and Reinsurance Contract Assets	480,995,238	295,675,302
13.	SUNDRY ASSETS:		
(a)	Derivative instruments	—	1,374,077
(b)	Segregated accounts companies - long-term business - variable annuities	—	—
(c)	Segregated accounts companies - long-term business - others	—	—
(d)	Segregated accounts companies - general business	—	—
(e)	Deposit assets	—	—
(f)	Net receivables for investments sold	68,208,500	—
(g)	Income taxes receivable	21,342,872	1,309,987

CONDENSED CONSOLIDATED BALANCE SHEETS

Zurich Global, Ltd.

As at **December 31, 2023**

Expressed In **United States Dollars**

STMT.

LINE No.		2023	2022
(h)	Deferred income tax asset	—	31,804,550
(i)	Other Sundry Assets (Specify)	—	—
(j)	Total sundry assets	89,551,372	34,488,614
14.	LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS		
(a)	Letters of credit	—	—
(b)	Guarantees	—	—
(c)	Other instruments	—	—
(d)	Total letters of credit, guarantees and other instruments	—	—
15.	TOTAL ASSETS	10,023,880,684	9,585,848,123
	INSURANCE RESERVES, OTHER LIABILITIES AND STATUTORY CAPITAL AND SURPLUS		
	INSURANCE LIABILITIES		
17.	GENERAL BUSINESS INSURANCE CONTRACT LIABILITIES	4,729,406,009	5,028,146,382
17A.	GENERAL BUSINESS REINSURANCE CONTRACT LIABILITIES	—	—
18.	INVESTMENT CONTRACT WITH DPF LIABILITIES	—	—
27.	LONG-TERM BUSINESS INSURANCE CONTRACT LIABILITIES	—	—
27A.	LONG-TERM REINSURANCE CONTRACT LIABILITIES	—	—
	OTHER LIABILITIES		
29.	COMMISSIONS, EXPENSES, FEES AND TAXES PAYABLE	—	—
30.	LOANS AND NOTES PAYABLE	—	—
31.	(a) INCOME TAXES PAYABLE	—	—
	(b) DEFERRED INCOME TAXES	61,972,021	—
32.	AMOUNTS DUE TO AFFILIATES	9,426,546	43,174,906
33.	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	4,995,703	8,446,446
35.	DIVIDENDS PAYABLE	—	—
36.	SUNDRY LIABILITIES:		
(a)	Derivative instruments	1,591,569	—
(b)	Segregated account companies	—	—
(c)	Deposit liabilities	—	—
(d)	Net payable for investments purchased	36,033,071	11,282,163
(e)	Other sundry liabilities (specify)	—	—
(f)	Other sundry liabilities (specify)	—	—
(g)	Other sundry liabilities (specify)	—	—
(h)	Total sundry liabilities	37,624,640	11,282,163
37.	LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS		
(a)	Letters of credit	—	—
(b)	Guarantees	—	—
(c)	Other instruments	—	—
(d)	Total letters of credit, guarantees and other instruments	—	—
38.	TOTAL OTHER LIABILITIES	114,018,910	62,903,515
39.	TOTAL INSURANCE LIABILITIES AND OTHER LIABILITIES	4,843,424,919	5,091,049,897
	STATUTORY CAPITAL AND SURPLUS		
40.	TOTAL STATUTORY CAPITAL AND SURPLUS	5,180,455,765	4,494,798,226
41.	TOTAL LIABILITIES AND STATUTORY CAPITAL AND SURPLUS	10,023,880,684	9,585,848,123
		TRUE	TRUE
	Difference	—	—

CONDENSED CONSOLIDATED BALANCE SHEETS

Reconciliation of Net Changes in Insurance Contracts Liability by Remaining Coverage and Incurred Claim - General Business

Line 17

As of December 31, 2023

	Liability for remaining coverage		Liabilities for incurred claims			Total
	Excluding loss component	Loss component	Products not under PAA	(PAA) Estimates of present value of future cash flows	(PAA) Risk adjustment for non-financial risk	
Opening assets	\$ 78,039,190	\$ 542	\$ —	\$ —	\$ —	\$ 78,039,732
Opening liabilities	—	—	—	(4,942,381,397)	(163,804,717)	(5,106,186,114)
Net opening balance	78,039,190	542	—	(4,942,381,397)	(163,804,717)	(5,028,146,382)
Changes in the statement of income or loss						
Insurance revenue	3,521,870,828	—	—	—	—	3,521,870,828
	3,521,870,828	—	—	—	—	3,521,870,828
Insurance service expenses						
Amortisation of insurance acquisition cash flows	—	—	—	—	—	—
Incurred claims and other insurance service expenses	—	—	—	(2,680,102,280)	64,039,684	(2,616,062,596)
Losses and reversals on onerous contracts	—	(97,498)	—	—	—	(97,498)
Adjustments to liabilities for incurred claims	—	—	—	—	—	—
Total insurance service expenses	—	(97,498)	—	(2,680,102,280)	64,039,684	(2,616,160,094)
Investment components	—	—	—	—	—	—
Insurance service result	3,521,870,828	(97,498)	—	(2,680,102,280)	64,039,684	905,710,734
Net finance expenses from insurance contracts	(1,211)	—	—	(126,989,546)	(5,018,014)	(132,008,771)
Effect of movements in exchange rates	(2,112,780)	—	—	(82,248)	15,231	(2,179,797)
Total changes in the statement of income or loss	3,519,756,837	(97,498)	—	(2,807,174,074)	59,036,901	771,522,166
Cash flows:						
Premiums received	(6,361,147,530)	—	—	—	—	(6,361,147,530)
Insurance acquisition cash flows	—	—	—	—	—	—
Claims and other insurance service expenses paid	—	—	—	5,954,218,152	54,055,106	6,008,273,258
Total cash flows	(6,361,147,530)	—	—	5,954,218,152	54,055,106	(352,874,272)
Contracts transferred on acquisition of subsidiary	—	—	—	—	—	—
Contracts transferred as part of novation	1,921,993,939	—	—	(1,983,420,108)	(58,481,352)	(119,907,521)
Net closing balance	\$ (841,357,564)	\$ (96,956)	\$ —	\$ (3,778,757,427)	\$ (109,194,062)	\$ (4,729,406,009)
Closing assets	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Closing liabilities	(841,357,564)	(96,956)	—	(3,778,757,427)	(109,194,062)	(4,729,406,009)
Net closing balance	\$ (841,357,564)	\$ (96,956)	\$ —	\$ (3,778,757,427)	\$ (109,194,062)	\$ (4,729,406,009)

TRUE

TRUE

CONDENSED CONSOLIDATED BALANCE SHEETS

Reconciliation of Net Changes in Insurance Contracts Liability by Remaining Coverage and Incurred Claim - General Business

Line 17

As of December 31, 2022

	Liability for remaining coverage		Liabilities for incurred claims			Total
	Excluding loss component	Loss component	Products not under PAA	(PAA) Estimates of present value of future cash flows	(PAA) Risk adjustment for non-financial risk	
Opening assets	\$ 558,323,493	\$ —	\$ —	\$ —	\$ —	\$ 558,323,493
Opening liabilities	—	(43)	—	(5,739,614,572)	(129,405,281)	(5,869,019,896)
Net opening balance	<u>558,323,493</u>	<u>(43)</u>	<u>—</u>	<u>(5,739,614,572)</u>	<u>(129,405,281)</u>	<u>(5,310,696,403)</u>
Changes in the statement of income or loss						
Insurance revenue	<u>4,715,237,625</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,715,237,625</u>
	4,715,237,625	—	—	—	—	4,715,237,625
Insurance service expenses						
Amortisation of insurance acquisition cash flows	—	—	—	—	—	—
Incurred claims and other insurance service expenses	—	—	—	(3,812,086,812)	(45,556,581)	(3,857,643,393)
Losses and reversals on onerous contracts	—	574	—	—	—	574
Adjustments to liabilities for incurred claims	—	—	—	—	—	—
Total insurance service expenses	<u>—</u>	<u>574</u>	<u>—</u>	<u>(3,812,086,812)</u>	<u>(45,556,581)</u>	<u>(3,857,642,819)</u>
Investment components	—	—	—	—	—	—
Insurance service result	<u>4,715,237,625</u>	<u>574</u>	<u>—</u>	<u>(3,812,086,812)</u>	<u>(45,556,581)</u>	<u>857,594,806</u>
Net finance expenses from insurance contracts	(8,295)	—	—	(76,632,543)	(1,387,707)	(78,028,545)
Effect of movements in exchange rates	1,474,991	—	—	100,405	(43,839)	1,531,557
Total changes in the statement of income or loss	<u>4,716,704,321</u>	<u>574</u>	<u>—</u>	<u>(3,888,618,950)</u>	<u>(46,988,127)</u>	<u>781,097,818</u>
Cash flows:						
Premiums received	(5,196,988,624)	—	—	—	—	(5,196,988,624)
Insurance acquisition cash flows	—	—	—	—	—	—
Claims and other insurance service expenses paid	—	11	—	4,685,852,125	12,588,691	4,698,440,827
Total cash flows	<u>(5,196,988,624)</u>	<u>11</u>	<u>—</u>	<u>4,685,852,125</u>	<u>12,588,691</u>	<u>(498,547,797)</u>
Contracts transferred on acquisition of subsidiary	—	—	—	—	—	—
Contracts transferred as part of novation	—	—	—	—	—	—
Net closing balance	<u>\$ 78,039,190</u>	<u>\$ 542</u>	<u>\$ —</u>	<u>\$ (4,942,381,397)</u>	<u>\$ (163,804,717)</u>	<u>\$ (5,028,146,382)</u>
Closing assets	\$ 78,039,190	\$ 542	\$ —	\$ —	\$ —	\$ 78,039,732
Closing liabilities	—	—	—	(4,942,381,397)	(163,804,717)	(5,106,186,114)
Net closing balance	<u>\$ 78,039,190</u>	<u>\$ 542</u>	<u>\$ —</u>	<u>\$ (4,942,381,397)</u>	<u>\$ (163,804,717)</u>	<u>\$ (5,028,146,382)</u>

TRUE

TRUE

CONDENSED CONSOLIDATED BALANCE SHEETS

Reconciliation of Changes in Insurance contracts Liability by Remaining Coverage and Incurred Claim - Long-Term Business

Line 27 and 11(a)

	Liability for remaining coverage			Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Products not under PAA	(PAA) Estimates of present value of future cash flows	(PAA) Risk adjustment for non-financial risk	
Opening assets	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Opening liabilities	—	—	—	—	—	—
Net opening balance	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Changes in the statement of income or loss						
Insurance revenue	—	—	—	—	—	—
Insurance service expenses						
Amortisation of insurance acquisition cash flows	—	—	—	—	—	—
Incurred claims and other insurance service expenses	—	—	—	—	—	—
Losses and reversals on onerous contracts	—	—	—	—	—	—
Adjustments to liabilities for incurred claims	—	—	—	—	—	—
Total insurance service expenses	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Investment components	—	—	—	—	—	—
Insurance service result	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net finance expenses from insurance contracts	—	—	—	—	—	—
Effect of movements in exchange rates	—	—	—	—	—	—
Total changes in the statement of income or loss	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Cash flows:						
Premiums received	—	—	—	—	—	—
Insurance acquisition cash flows	—	—	—	—	—	—
Claims and other insurance service expenses paid	—	—	—	—	—	—
Total cash flows	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Contracts transferred on acquisition of subsidiary	—	—	—	—	—	—
Contracts transferred on disposal of subsidiary	—	—	—	—	—	—
Net closing balance	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Closing assets	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Closing liabilities	—	—	—	—	—	—
Net closing balance	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

TRUE
TRUE

CONDENSED CONSOLIDATED BALANCE SHEETS

Reconciliation of Changes in Net Reinsurance Contracts Assets by Remaining Coverage and Incurred Claims - General Business

Line 11b

As of December 31, 2023

	Assets for remaining coverage			Assets for incurred claims		Total
	Excluding loss component	Loss component	Products not under PAA	(PAA) Estimates of present value of future cash flows	(PAA) Risk adjustment for non-financial risk	
Opening assets	\$ —	\$ —	\$ —	\$ 344,406,610	\$ 7,486,928	\$ 351,893,538
Opening liabilities	(56,217,467)	(769)	—	—	—	(56,218,236)
Net opening balance	<u>(56,217,467)</u>	<u>(769)</u>	<u>—</u>	<u>344,406,610</u>	<u>7,486,928</u>	<u>295,675,302</u>
Changes in the statement of income or loss						
Allocation of reinsurance premiums paid	(651,392,280)	—	—	—	—	(651,392,280)
Amounts recovered from reinsurers						
Recoveries on incurred claims and other incurred reinsurance service expenses	—	—	—	232,339,103	3,790,376	236,129,479
Recoveries and reversals of recoveries of losses on onerous contracts	—	769	—	—	—	769
Adjustments to assets for incurred claims	—	—	—	—	—	—
Total Amounts recovered from reinsurers	<u>—</u>	<u>769</u>	<u>—</u>	<u>232,339,103</u>	<u>3,790,376</u>	<u>236,130,248</u>
Investment components and premium refunds	—	—	—	—	—	—
Effect of changes in non-performance risk of reinsurers	—	—	—	—	—	—
Net expenses from reinsurance contracts held	<u>(651,392,280)</u>	<u>769</u>	<u>—</u>	<u>232,339,103</u>	<u>3,790,376</u>	<u>(415,262,032)</u>
Net Finance income or expenses from reinsurance contracts	502	—	—	5,211,797	168,274	5,380,573
Effect of movements in exchange rates	2,321,406	—	—	216,002	70	2,537,478
Total changes in the statement of income or loss	<u>(649,070,372)</u>	<u>769</u>	<u>—</u>	<u>237,766,902</u>	<u>3,958,720</u>	<u>(407,343,981)</u>
Cash flows:						
Premiums paid	618,877,773	—	—	—	—	618,877,773
Amounts received from reinsurers relating to incurred claims	—	—	—	(26,294,451)	80,595	(26,213,856)
Total cash flows	<u>618,877,773</u>	<u>—</u>	<u>—</u>	<u>(26,294,451)</u>	<u>80,595</u>	<u>592,663,917</u>
Net closing balance	<u>\$ (86,410,066)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 555,879,061</u>	<u>\$ 11,526,243</u>	<u>\$ 480,995,238</u>
Closing assets	\$ —	\$ —	\$ —	\$ 555,879,061	\$ 11,526,243	\$ 567,405,304
Closing liabilities	(86,410,066)	—	—	—	—	(86,410,066)
Net closing balance	<u>\$ (86,410,066)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 555,879,061</u>	<u>\$ 11,526,243</u>	<u>\$ 480,995,238</u>

TRUE

TRUE

CONDENSED CONSOLIDATED BALANCE SHEETS
Reconciliation of Changes in Net Reinsurance Contracts Assets by Remaining Coverage and Incurred Claims - General Business

Line 11b

As of December 31, 2022

	Assets for remaining coverage			Assets for incurred claims		Total
	Excluding loss component	Loss component	Products not under PAA	(PAA) Estimates of present value of future cash flows	(PAA) Risk adjustment for non-financial risk	
Opening assets	\$ —	\$ 11	\$ —	\$ 522,532,339	\$ 15,030,967	\$ 537,563,317
Opening liabilities	(15,159,755)	—	—	—	—	(15,159,755)
Net opening balance	(15,159,755)	11	—	522,532,339	15,030,967	522,403,562
Changes in the statement of income or loss						
Allocation of reinsurance premiums paid	(513,669,964)	—	—	—	—	(513,669,964)
Amounts recovered from reinsurers						
Recoveries on incurred claims and other incurred reinsurance service expenses	—	—	—	141,817,078	(3,434,817)	138,382,261
Recoveries and reversals of recoveries of losses on onerous contracts	—	(769)	—	—	—	(769)
Adjustments to assets for incurred claims	—	—	—	—	—	—
Total Amounts recovered from reinsurers	—	(769)	—	141,817,078	(3,434,817)	138,381,492
Investment components and premium refunds	—	—	—	—	—	—
Effect of changes in non-performance risk of reinsurers	—	—	—	—	—	—
Net expenses from reinsurance contracts held	(513,669,964)	(769)	—	141,817,078	(3,434,817)	(375,288,472)
Net Finance income or expenses from reinsurance contracts	4,347	—	—	2,277,574	35,286	2,317,207
Effect of movements in exchange rates	(1,193,134)	—	—	113,808	61,632	(1,017,694)
Total changes in the statement of income or loss	(514,858,751)	(769)	—	144,208,460	(3,337,899)	(373,988,959)
Cash flows:						
Premiums paid	473,801,039	—	—	—	—	473,801,039
Amounts received from reinsurers relating to incurred claims	—	(11)	—	(322,334,189)	(4,206,140)	(326,540,340)
Total cash flows	473,801,039	(11)	—	(322,334,189)	(4,206,140)	147,260,699
Net closing balance	\$ (56,217,467)	\$ (769)	\$ —	\$ 344,406,610	\$ 7,486,928	\$ 295,675,302
Closing assets	\$ —	\$ —	\$ —	\$ 344,406,610	\$ 7,486,928	\$ 351,893,538
Closing liabilities	(56,217,467)	(769)	—	—	—	(56,218,236)
Net closing balance	\$ (56,217,467)	\$ (769)	\$ —	\$ 344,406,610	\$ 7,486,928	\$ 295,675,302

TRUE

TRUE

CONDENSED CONSOLIDATED BALANCE SHEETS

Reconciliation of Changes in Net Reinsurance contracts Assets by Remaining Coverage and Incurred Claims- Long Term

Line 11b and 27A

	Assets for remaining coverage			Total
	Excluding loss-recovery component	Loss recovery component	Amounts recoverable: Incurred claims	
Opening assets	\$ —	\$ —	\$ —	\$ —
Opening liabilities	—	—	—	—
Net opening balance	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Changes in the statement of profit or loss				
Allocation of reinsurance premiums paid	—	—	—	—
Amounts recovered from reinsurers				
Recoveries on incurred claims and other incurred reinsurance service expenses	—	—	—	—
Recoveries and reversals of recoveries of losses on onerous contracts	—	—	—	—
Adjustments to assets for incurred claims	—	—	—	—
Total Amounts recovered from reinsurers	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Investment components and premium refunds	—	—	—	—
Effect of changes in non-performance risk of reinsurers	—	—	—	—
Net expenses from reinsurance contracts held	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Finance income or expenses from reinsurance contracts	—	—	—	—
Effect of movements in exchange rates	—	—	—	—
Total changes in the statement of profit or loss	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Cash flows:				
Premiums paid	—	—	—	—
Amounts received from reinsurers relating to incurred claims	—	—	—	—
Total cash flows	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net closing balance	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Closing assets	\$ —	\$ —	\$ —	\$ —
Closing liabilities	—	—	—	—
Net closing balance	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

TRUE

TRUE

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

Zurich Global, Ltd.

For the year ending **December 31, 2023**

Expressed in United States Dollars

STMT. LINE No.		2023	2022
1.	INSURANCE CONTRACT REVENUE	3,521,870,828	4,715,237,625
2.	INSURANCE SERVICE EXPENSES		
(a)	Incurred Claims and Insurance Contract Expenses	2,353,527,391	3,670,263,279
(b)	Insurance Contract Acquisition Cash Flows	—	—
(c)	Adjustments to Liabilities for Incurred Claims	247,983,558	177,374,532
(d)	Losses (and reversals of losses) on onerous insurance contracts	97,498	(574)
(e)	Other Insurance Service Expenses	14,551,647	10,005,582
(f)	TOTAL INSURANCE SERVICE EXPENSES	2,616,160,094	3,857,642,819
3.	INSURANCE SERVICE RESULTS BEFORE REINSURANCE	905,710,734	857,594,806
4.	NET EXPENSES FROM REINSURANCE CONTRACT HELD		
(a)	Reinsurance recoveries and other income	236,130,248	138,381,492
(b)	Reinsurance expenses (allocated reinsurance premiums)	651,392,280	513,669,964
(c)	TOTAL NET EXPENSES FROM REINSURANCE CONTRACTS HELD	415,262,032	375,288,472
5.	NET INSURANCE SERVICE RESULTS	490,448,702	482,306,334
6.	INVESTMENT RETURNS		
(a)	Net interest revenue/investment income	185,282,481	178,292,019
(b)	Net realised fair value gains	109,494,791	(2,042,727)
(c)	Net foreign exchange loss	(361,572)	(4,373,554)
(d)	Credit impairment losses on financial assets	(21,569)	(25,072,710)
(e)	Other investment losses	(8,056,553)	(7,186,458)
(f)	TOTAL INVESTMENT RETURNS	286,337,578	139,616,570
7.	INSURANCE FINANCE RESULTS		
(a)	Net finance expenses from insurance contracts issued	(132,008,771)	(78,028,545)
(b)	Net finance income from reinsurance contracts held	5,380,573	2,317,207
(c)	TOTAL INSURANCE FINANCE RESULTS	(126,628,198)	(75,711,338)
8.	NET INSURANCE FINANCIAL AND INVESTMENT RESULTS	159,709,380	63,905,232
9.	COMBINED OTHER INCOME (DEDUCTIONS)	187,023,202	(16,433,205)
10.	PROFIT BEFORE TAX	837,181,284	529,778,361
11.	INCOME TAX	176,443,388	112,721,736
12.	NET INCOME	660,737,896	417,056,625

Unconsolidated Disclosures for Statement of Profit or Loss

Line 1	Notes to Insurance Revenue	
	Contracts not measured under the PAA	
	Amounts relating to changes in liabilities for remaining coverage	
	<i>Expected incurred claims and other insurance service expenses</i>	[]
	<i>CSM recognised for services provided</i>	[]
	<i>Change in risk adjustment for non-financial risk for risk expired</i>	[]
	Allocation of the portion of premiums that relate to the recovery of insurance acquisition cashflows	[]
	Contracts measured under the General Model	
	Contracts measured under the PAA	3,521,870,828
	Total Insurance Revenue	3,521,870,828

CONDENSED CONSOLIDATED STATEMENTS OF CAPITAL AND SURPLUS

Zurich Global, Ltd.

For the year ending 31 December 2023

Expressed in United States Dollars

STMT. LINE No.		2023	2022
1.	STATUTORY CAPITAL		
(a)	Capital stock		
	(i) Common shares		
	authorised	500,000	500,000
	value	\$ 1.00	
	fully paid	500,000	
		shares of par	each issued and
			shares
	(ii) Preferred shares		
	authorised	—	—
	value	\$ —	
	fully paid	—	
		shares of par	each issued and
			shares
	aggregate liquidation value for —		
	2023	—	—
	2022	—	—
	(iii) Treasury shares		
	repurchased	—	—
	value	—	
		shares of par	each issued
(b)	Contributed surplus	3,711,217,459	3,703,159,174
(c)	Any other fixed capital		
	(i) Hybrid capital instruments	—	—
	(ii) Guarantees and others	—	—
	(iii) Total any other fixed capital	—	—
(d)	Total Statutory Capital	3,711,717,459	3,703,659,174
2.	STATUTORY SURPLUS:		
(a)	Statutory Surplus - Beginning of Year	791,139,052	426,913,575
(b)	Add: Income for Year	660,737,896	417,056,625
(c)	Less: Dividends paid and payable	—	—
(d)	Add (Deduct) Change in unrealized appreciation of investments	95,093,300	(625,475,271)
(e)	Add (Deduct) Change in non-admitted assets	—	—
(f)	Add (Deduct) Change in appraisal of real estate	—	—
(g)	Add (Deduct) Change in any other statutory capital	(78,231,942)	572,644,123
(h)	Statutory Surplus - End of Year	1,468,738,306	791,139,052
3.	MINORITY INTEREST	—	—
4.	TOTAL STATUTORY CAPITAL AND SURPLUS	5,180,455,765	4,494,798,226

ZURICH GLOBAL, LTD.
NOTES TO CONDENSED CONSOLIDATED GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2023
(expressed in United States Dollars)

General Note:

1. Zurich Global, Ltd. (ZGL or the Company) was incorporated under the laws of Bermuda on October 26, 1992. All stock issued and outstanding is owned by Zurich Holding Company of America, Inc. (ZHCA), a business corporation incorporated in Delaware. ZHCA is 100% owned directly by Zurich Versicherungs-Gesellschaft AG, Zurich Switzerland, also known as Zurich Insurance Company, LTD (ZIC). ZIC is 100% owned by Zurich Insurance Group, Ltd (ZIG or the Group), a company listed on the Swiss Stock Exchange. The Company is licensed as a Class 3A reinsurer. This is consistent with the prior year.
2. The business written by the Company is primarily reinsurance of Zurich entities, with the primary ceding company being Zurich American Insurance Company (ZAIC), which is domiciled in the state of New York. ZAIC is also a wholly owned subsidiary of ZHCA.

Effective January 1, 2018, ZGL entered into the Whole Account Quota Share Treaty (WAQS) in which ZGL assumes fifty percent of the net retained premium from ZAIC. The WAQS treaty renewed each year through November 1, 2023.

Effective July 1, 2020, ZGL entered into a quota share reinsurance agreement with ZAIC whereby ZGL assumes 100% of the United States (U.S.) local policies relating to International Programs business which is produced or lead by other Zurich affiliates in other countries.

Effective July 1, 2022, ZGL entered into a quota share reinsurance agreement with ZAIC whereby ZGL assumes 100% of U.S. local policies relating to International Programs business which is produced or lead by the U.S.

Effective December 31, 2022, ZGL entered into an affiliated all lines quota share treaty with Farmers Reinsurance Company (Farmers Re), in which ZGL assumes 6.75% of net retained premium from Farmers Re. The underlying business is written by Farmers Exchanges, a California regulated insurance company that is managed, but not owned by ZIG. The ultimate parent of Farmers Re is ZIG. Effective December 31, 2023, the quota share percentage of 6.75% was increased to 8.25%.

Effective November 1, 2023, the 2023 50% WAQS treaty between ZAIC and ZGL was novated from ZGL to ZIC (99%) and Zurich Reinsurance Company, LTD (ZIC Re) (1%) via a joint venture construct (the JV WAQS Treaty). ZIC Re is ultimately owned by ZIC. Also see Note 16 for information related to additional novations of the 2018-2022 50% WAQS treaties effective January 1, 2024.

In addition, the Company has reinsured property and casualty coverages written by foreign branches, affiliates, subsidiaries and co-operative partners of ZIC. The Company has retrocession agreements with third parties and affiliates to cover this business. This business is now primarily in run off.

3. The condensed consolidated general-purpose financial statements have been prepared in conformity with the financial reporting provisions of the Insurance Act 1978, amendments thereto and the Insurance Account Rules 2016 with respect to Condensed Consolidated General Purpose Financial Statements (the Legislation). The condensed consolidated general-purpose financial statements are based upon International Financial Reporting Standards (IFRS) but are in accordance with the reporting requirements of the Legislation, which varies in certain respects from IFRS. The more significant variances are as follows:
 - A statement of cash flows is not included;
 - A statement of comprehensive income is not included;
 - The presentation and classification of financial statement line items is in accordance with Schedules IX and XI of the Insurance Account Rules 2016 and differ from the expected presentation and classification under IFRS; and

ZURICH GLOBAL, LTD.
NOTES TO CONDENSED CONSOLIDATED GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2023
(expressed in United States Dollars)

- The notes included in the condensed consolidated general-purpose financial statements have been prepared in accordance with Schedule X of the Insurance Account Rules 2016 and exclude certain information required under IFRS.

The accounting policies used to prepare the condensed consolidated general purpose financial statements include the adoption and implementation of two new accounting standards for the financial year beginning January 1, 2023, with a comparative restatement back to January 1, 2022, as summarized below.

IFRS 17 ‘Insurance Contracts’ (IFRS 17)

The Company adopted IFRS 17 retrospectively as of January 1, 2022; therefore, the opening 2022 statutory surplus balance includes the impacts of IFRS 17 remeasurement.

IFRS 17 provides comprehensive guidance on accounting for insurance and reinsurance contracts issued including investment contracts with discretionary participation features and reinsurance contracts held. It has a significant impact on the measurement of these contracts and the presentation of the insurance revenue and the insurance service results. The impact is more pronounced for long-duration life contracts, where the measurement under IFRS 17 includes the recognition of a separate component of the insurance liability, the contractual service margin (CSM), representing unearned profits from in-force contracts. For short duration contracts, all the liabilities for incurred claims are discounted under IFRS 17, which allows for consistency in presentation of short- and long-tail businesses. IFRS 17 further introduces a risk adjustment for non-financial risk, a separate component of the liability covering the uncertainty in the amount and timing of future cash flows.

IFRS 17 introduces different measurement models for insurance and reinsurance contract assets and liabilities reflecting the different extent of policyholder participation in investment performance or performance of the insurance entity. For short-duration contracts, IFRS 17 permits a simplified approach (the premium allocation approach (PAA)), which can be applied to contracts that have a coverage period of 12 months or less or for which such simplification would produce a measurement of the liability for remaining coverage that would not differ materially from the one that would be produced applying the general model.

The Company applied IFRS 17 to insurance contracts issued and reinsurance contracts held using a fully retrospective approach as of January 1, 2022. The effect of initial adoption of IFRS 17 resulted in an increase to the Company’s statutory surplus as of January 1, 2022 of \$176,399,723 and was recorded in add (deduct) change in any other statutory capital in the consolidated statements of capital and surplus. The following is a summary of the changes as of December 31, 2022:

Add (deduct) change in any other statutory capital	for the year ending December 31	2022		
		Pretax	Tax Impact	Net Impact
	IFRS 17 adoption impact	\$ 223,290,787	\$ (46,891,064)	\$ 176,399,723
	IFRS 17 unrealized gains on loss reserves	501,575,193	(105,330,793)	396,244,400
	Total	\$ 724,865,980	\$ (152,221,857)	\$ 572,644,123

IFRS 9 ‘Financial Instruments’ (IFRS 9)

The Company adopted the requirements of IFRS 9, including all the relevant amendments, on January 1, 2023. The Company assessed the business model for managing financial assets based on facts and circumstances as of January 1, 2023. The contractual characteristics test (also referred as the ‘SPPI test’) was conducted based on the contractual terms at initial recognition of the financial assets. The classification, measurement and expected credit loss (ECL) requirements were applied retrospectively by adjusting the opening balance sheet at the date of initial application. The Company applies IFRS 9 for all designated hedge relationships. As permitted by IFRS 9, the Company has not restated

ZURICH GLOBAL, LTD.
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comparative periods. The accounting policies for the recognition and measurement of financial assets and liabilities have been amended for the adoption of IFRS 9.

The effect of initial adoption of IFRS 9 resulted in an increase to the Company's statutory surplus as of January 1, 2023 of \$20,541,442, net of a deferred tax impacts and was recorded in add (deduct) change in any other statutory capital in the consolidated statements of capital and surplus. The following is a summary of the changes as of December 31, 2023:

Add (deduct) change in any other statutory capital	for the year ending December 31	2023		
		Pretax	Tax Impact	Net Impact
	IFRS 9 adoption impact	\$ 26,282,537	\$ (5,741,095)	\$ 20,541,442
	IFRS 17 unrealized loss on loss reserves	(125,283,954)	26,510,570	(98,773,384)
	Total	\$ (99,001,417)	\$ 20,769,475	\$ (78,231,942)

4. Significant Accounting Policies

Insurance Contracts Issued and Reinsurance Contracts Held

Scope

The Company applies accounting policies outlined in this section to insurance contracts issued that transfer significant insurance risk from policyholders or other insurance companies to the Company, and reinsurance contracts held that transfer significant insurance risk from the Company to third party reinsurers. The significant insurance risk transfer is determined by comparing the present value of benefits payable if an insured event occurred with the present value of benefits payable if the insured event did not occur. This assessment is made on a contract-by-contract basis at initial recognition and not subsequently reassessed unless the contract has been modified.

Initial Recognition

The Company recognizes groups of insurance contracts it issues from the earliest of the following:

- a. The beginning of the coverage period of the group of contracts;
- b. The date when the first payment from a policyholder becomes due (or when the first payment is received, if there is no due date); or
- c. An earlier date, if facts and circumstances indicate that the group is onerous.

Contract Boundary

The measurement of a group of insurance contracts includes all future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums, or in which the Company has a substantive obligation to provide the policyholder with insurance contract services.

Insurance Contract Classification

The Company issues non-life products, the majority of which are short-term and either have a contract boundary of one year or less or qualify for the simplified PAA approach because the measurement of the liability for remaining coverage under PAA does not deviate significantly from the measurement that would apply under the general model (or the building block approach (BBA)).

Insurance Acquisition Cash Flows (IACF)

Insurance acquisition costs are selling, underwriting and initiating costs typically incurred prior to or at the start of the coverage period of a contract that are directly attributable to the acquisition of portfolios of insurance contracts, including, for example, commissions and premium taxes. IACF are deferred and

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amortized in a systematic way over the coverage period using the same pattern as for insurance revenue recognition.

Insurance Service Expenses

Insurance service expenses primarily consist of gross losses, gross acquisition expenses, such as commissions and premium taxes, and qualifying administrative and other expenses. These expenses consist of gross expenses that the Company incurs in order to fulfill its obligations toward the policyholders that arise within the contract boundary of the underlying insurance contracts. They also include amortization of insurance acquisition cash flows, changes in the fulfillment cash flows relating to the liability for incurred claims (LIC), losses on groups of onerous contracts and reversals of such losses.

Measurement Under PAA

The liability for remaining coverage (LRC) is measured initially based on the premium received less any payments that relate to eligible IACF. Subsequently, the LRC is reduced by the amount recognized as insurance revenue for services provided in the period less any amortization of IACF recognized as an expense in the period. Insurance revenue is generally recognized on a daily pro-rata basis, unless a different pattern represents a better approximation of the release from risk under the insurance contract. Premiums stemming from the WAQS treaty are assumed on an earned basis and will not generate an LRC.

Where facts and circumstances indicate that a group of contracts is onerous at initial recognition, the Company performs additional analysis to determine if a net outflow is expected. The net outflow is recorded immediately in the condensed consolidated statements of income, resulting in the recognition of a loss component for the liability for remaining coverage and the carrying amount of the liability for the group of contracts being equal to the fulfillment cash flows.

The LIC reflects a current, explicit, unbiased and probability-weighted estimate of the present value of the expected future cash outflows considering all reasonable and supportable information available without undue cost or effort about the amount, timing, and uncertainty of those future cash flows. It includes an explicit adjustment for non-financial risk (the risk adjustment). The risk adjustment is recognized as and when the claims are incurred and subsequently released to insurance service expense as the uncertainty associated with the amount and timing of claim payments is resolved.

The LIC is adjusted for the effect of time value of money and financial risk. The Company selected the accounting policy to disaggregate the movement in the LIC resulting from changes in discount rates and to present this as a component of statutory surplus rather than in the condensed consolidated statement of income. The unwind of the discount on the LIC based on locked-in accident year discount rates is presented in the condensed consolidated statement of income as part of insurance finance results.

Any premium receivables or accrued premium or claims payables that remain outstanding as of the reporting date are presented as part of the insurance contract assets or liabilities.

Net Expenses From Reinsurance Contracts Held

Net expenses from reinsurance contracts held primarily consist of ceded reinsurance premiums, commission income, ceded losses, expenses related to reinsurance operations and ceded onerous insurance contracts. The Company enters into reinsurance contracts in the normal course of business to limit the potential for losses arising from certain exposures. Reinsurance contracts do not relieve the Company as the originating insurer of its liability.

Similar to insurance contracts issued, reinsurance contracts held are accounted for under PAA. Ceded premiums are earned on a daily pro-rata basis, consistent with the underlying policies. Commissions earned on ceded business are recorded on the accrual basis of accounting in accordance with the underlying ceded policies with the unexpired portion of the ceding commission income reported as a liability in the LRC. Expenses related to reinsurance operations are recorded on the accrual basis of accounting. Reinsurance contracts held are measured using assumptions consistent with the

ZURICH GLOBAL, LTD.
NOTES TO CONDENSED CONSOLIDATED GENERAL PURPOSE FINANCIAL STATEMENTS
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assumptions used for the underlying insurance contracts for the fulfillment cash flows. The risk adjustment for non-financial risk represents the amount of risk being transferred by the holder of the reinsurance contract to the issuer of that contract. If reinsurance contracts held cover underlying onerous insurance contracts, a loss recovery component is recognized only if the reinsurance contract held was entered into before or at the same time as the underlying onerous insurance contracts. The loss recovery component is measured by reference to the percentage of claims from underlying onerous insurance contracts expected to be recovered from the reinsurance contracts held.

Risk Adjustment for Non-financial Risk

The risk adjustment for non-financial risk is the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts that arises from non-financial risk (insurance risk and other non-financial risk). The risk adjustment is an explicit adjustment to the estimates of future cash flows to reflect the compensation the Company would require to make it indifferent between fulfilling a liability that has a range of possible outcomes arising from non-financial risk and fulfilling a liability that will generate fixed cash flows with the same expected present value as the insurance contracts.

The Company estimates the risk adjustment using a confidence level approach. The risk adjustment for the reinsurance contracts held is determined consistently with the risk adjustment for insurance contracts issued.

The Company disaggregates the change in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expense, and the latter between net income in the condensed consolidated statement of income and as a separate component in statutory surplus, so that the movement in risk adjustment resulting from changes in discount rates is presented in statutory surplus.

Discount Rates

The Company applies bottom-up discount rates for most groups of insurance contracts issued and reinsurance contracts held. Bottom-up discount rates are constructed using risk-free rates, plus an illiquidity premium, where applicable. Risk-free rates are determined by reference to the market interest rates (either swap rates or yields of highly liquid sovereign securities) in the currency of the underlying cash flows for the groups of insurance and reinsurance contracts. The illiquidity premium is determined by reference to observable market spreads for illiquid instruments (i.e., corporate debt, etc.) adjusted to remove credit risk.

Derecognition and Contract Modification

The Company derecognizes an insurance contract only when the obligation specified in the insurance contract expires or is discharged or canceled, or if the contract is modified in a way that requires derecognition of the original contract and recognition of the new contract with modified terms.

When an insurance contract is extinguished, the entity is no longer at risk and is therefore no longer required to transfer any economic resources to satisfy the insurance contract. Typically, when the Company buys reinsurance, the underlying insurance contract(s) continue to be recognized as the respective obligations are not extinguished.

If the terms of an insurance contract are modified, for example, by agreement between the parties to the contract or by a change in regulation, the Company derecognizes the original contract and recognizes the modified contract as a new contract.

A reinsurance contract is derecognized when the contractual rights to the cash flows expire.

ZURICH GLOBAL, LTD.
NOTES TO CONDENSED CONSOLIDATED GENERAL PURPOSE FINANCIAL STATEMENTS
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Classification, Measurement and Presentation of Financial Assets

The classification and measurement of Company investments is driven by the business model under which these assets are held and by their contractual cash flow characteristics. The combined effect of the business model and contractual terms assessment determines whether the debt instruments are measured at amortized cost, fair value with changes recognized as a component in statutory surplus (FVOCI) or fair value through the condensed consolidated statement of income (FVPL).

The Company primarily holds financial assets to fund insurance liabilities. Specifically, financial assets and insurance liabilities are economically linked and jointly managed with the aim of matching the duration of the assets with the expected obligation toward policyholders. In order to ensure that the contractual cash flows from the financial assets are sufficient to settle insurance liabilities as they become due, the Company may undertake significant buying and selling activities on a regular basis to rebalance its asset portfolio and to meet day-to-day cash flow needs as they arise. Consequently, the majority of the financial assets, including government and supra-national bonds, mortgage and other asset backed securities (ABS/MBS), as well as syndicated loans and other corporate debt, are 'held to collect contractual cash flows and for sale' (HtC&S). Furthermore, the Company has identified specific portfolios that are managed with the aim of holding assets only to collect contractual cash flows over the life of the instrument. These financial assets are managed in the business model 'held to collect contractual cash flows' (HtC).

Debt instruments with contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI) are measured at either amortized cost or FVOCI.

Debt instruments held under the HtC&S business model that pass the SPPI test are measured at FVOCI. Interest income is determined using the effective interest rate method and included in net investment income. The cumulative unrealized gains or losses recorded as a component of statutory surplus are net of the expected credit loss allowance and income taxes. When financial assets measured at fair value through statutory surplus are derecognized, the cumulative gains or losses are reclassified from statutory surplus to net income as net realized fair value gains in the condensed consolidated statement of income. Loss allowances for expected credit losses and any subsequent changes are recorded in net income within credit impairment losses on financial assets in the condensed consolidated statement of income.

Debt instruments held under the HtC business model that pass the SPPI test are carried at amortized cost using the effective interest rate method. Loss allowances for expected credit losses and individual credit impairments are recognized in net income within credit impairment losses on financial assets, with a corresponding reduction in the gross carrying amount of the financial asset.

Financial assets that fail the SPPI test are always measured at fair value through the condensed consolidated statement of income (FVPL). Such assets include equities, fund investments and some ABS/MBS that do not fulfill the SPPI criteria.

Quoted and unquoted investments include investments carried at amortized cost, FVOCI and FVPL. Unquoted investments include hedge funds that are not actively traded. The value of these instruments is obtained from net asset value information and audited financial statements provided by the issuing company. Quantitative unobservable inputs are not developed by the Company when measuring fair value of these assets. In addition, included in unquoted bonds are financial assets for which the fair value is determined using valuation techniques with at least one significant input not being based on observable market data. In circumstances when there is little, if any, market activity for a certain instrument, the Company is required to develop internal valuation inputs based on the best information available about the assumptions that market participants would use when pricing the asset or liability.

The Company recognizes regular purchases and sales of financial assets on the trade date, which is the date on which the Company commits to purchase or sell the asset.

ZURICH GLOBAL, LTD.
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Recognition of Expected Credit Losses

The ECL is recognized for debt securities measured at amortized cost, debt securities measured at FVOCI and trade receivables, and reflects the difference between the contractual cash flows of the instrument and the cash flows the Company expects to receive. ECL is recognized on the following basis:

- a. 12-months ECL is recognized from the initial recognition of a debt instrument and reflects a portion of lifetime expected credit losses that would result from default events that are possible within 12 months after the reporting date (12-months ECL). The Company applies the low credit risk simplification to recognize 12-months ECL for all financial instruments that have an internal or external investment grade credit rating; and
- b. Lifetime ECL is recognized in the event of a significant increase in credit risk (SICR) since initial recognition and reflects lifetime expected credit losses over the expected life of the financial instrument (lifetime ECL). The Company applies a permitted simplification to recognize lifetime ECL for all trade receivables.

At each reporting date, an assessment is conducted to determine whether a SICR has occurred since the initial recognition of a financial asset not covered by the low credit risk practical expedient and/or whether the financial asset has become credit impaired.

Defaulted and Credit-impaired Financial Assets

The Company considers the financial asset as defaulted when one or a combination of events with detrimental impact on the estimated cash flows of the financial asset have occurred (i.e., an incurred credit loss event). The Company places emphasis on counterparty specific factors, such as significant financial difficulty, default or delinquency on interest or principal payments. If one or more default events have occurred, the Company considers the financial assets as credit impaired and recognizes individual credit impairment directly as a reduction of the gross carrying amount.

Financial assets and the related credit impairment allowances are partially or fully written off when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

Cash and Time Deposits

Cash and time deposits are carried on the condensed consolidated balance sheet at cost. The cash and time deposits are comprised of demand deposit accounts and other short term highly liquid investments. Carrying amounts approximate fair value due to the immediate or short-term maturity of these financial instruments. Adjustments for foreign exchange valuation on cash equivalents held are reflected as combined other income in the condensed consolidated statement of income.

Income Taxes

The Company filed a 953(d) election with the Internal Revenue Service and files an income tax return pursuant to regulations applicable to foreign insurance companies taxed under the Internal Revenue Code of the U.S. The provision for current income taxes in the accompanying financial statements is based upon income currently taxable as provided under the tax sharing agreement with ZHCA.

Deferred income taxes are established for the future tax effects of temporary differences between tax and financial reporting bases of assets and liabilities using currently enacted tax rates. The effect on deferred income taxes of a change in tax rates is recognized in income in the period of enactment.

Under Bermuda law, the Company has not historically been subject to Bermuda tax on income and capital gains, and this remains the case for the year ended December 31, 2023. However, on December 27, 2023, the Government of Bermuda enacted the Corporate Income Tax Act of 2023 which established a 15 percent income tax on net taxable income of Bermuda entities effective January 1, 2025. The Company will be subject to Bermuda Corporate Income Tax on its income and capital gains from January 1, 2025 and with the transition into the Act. No deferred tax assets have been recognized in respect of the Bermuda Corporate Income Tax, as it is not probable that sufficient taxable profits will

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be available to realize the deductible temporary difference or carryforward of unused tax losses or tax credits due to the availability of foreign tax credits (i.e., the U.S. federal income tax suffered by the Company).

Foreign Currency

Assumed reinsurance transactions in foreign currencies are converted into U.S. dollars at the time of recording using an exchange rate which is adjusted monthly. Since settlement of balances due to or from the Company occur at subsequent dates and are made in foreign currencies, gains and losses result from the fluctuations in exchange rates. Assets and liabilities related to transactions in foreign currencies are converted applying the rate of exchange as of the balance sheet date and may also result in gains and losses.

Fair Value Measurements

To measure fair value, the Company gives the highest priority to quoted and unadjusted prices in active markets. In the absence of quoted prices, fair values are calculated through valuation techniques, making the maximum use of relevant observable market data inputs. Whenever observable parameters are not available, the inputs used to derive the fair value are based on common market assumptions that market participants would use when pricing assets and liabilities. Depending on the observability of prices and inputs to valuation techniques, the Company classifies instruments measured at fair value within the following three levels (the fair value hierarchy):

Level 1: Includes assets and liabilities for which fair values are determined directly from unadjusted current quoted prices resulting from orderly transactions in active markets for identical assets/liabilities.

Level 2: Includes assets and liabilities for which fair values are determined using significant inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and other observable market inputs.

Level 3: Includes financial assets for which the fair value is determined using valuation techniques with at least one significant input not being based on observable market data. In circumstances when there is little, if any, market activity for a certain instrument, the Company is required to develop internal valuation inputs based on the best information available about the assumptions that market participants would use when pricing the asset or liability. The Company has classified unlisted stocks, private equity funds and hedge funds that are not actively traded. The valuations of such instruments are obtained from quarterly net asset value information from the fund manager and annual audited financial statements provided by the issuing company. The prices are generally derived for each underlying company in line with the International Private Equity and Venture Capital Valuation (IPEV) guidelines, using discounted cash flows (income approach) or multiple methods (market approach). The Company has only limited insight into the specific inputs used by the fund managers; hence, a narrative sensitivity analysis is not applicable.

Non-agency MBS, ABS and collateralized loan obligations (CLO) rated below 'AAA' and private debt holdings including certain private placements are valued by independent pricing providers or external asset managers using primarily the discounted cash flow method with significant unobservable input parameters such as asset prepayment rate, default rates and credit spreads. A significant market yield increase of the benchmark securities in isolation could result in a decreased fair value, while a significant market yield decrease could result in an increased fair value. However, a reasonable variation in the option-adjusted spread taken from a set of benchmark securities with similar characteristics has only an immaterial impact on fair value.

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5. Insurance contract revenue primarily consists of assumed premiums. Premiums stemming from the WAQS treaty are assumed on an earned basis and will not generate a LRC. All other premiums are earned rateably over the term of the policies and are computed on the daily pro rata basis.

Net interest income is recognized on the accrual basis of accounting.

Combined other income consists primarily of interest income on cash pooling, partially offset by nonqualified administrative and other expenses. Interest income from cash pooling and nonqualifying administrative and other expenses are recognized on the accrual basis of accounting.

6. The method used to translate amounts denominated in currencies other than the currency of the financial statements. See General Note 4.
7. Any foreign exchange control restrictions affecting assets of the insurer, with particular reference to money balances which cannot be transferred to the insurer due to reasons unrelated to the insurance business conducted by the insurer. Not applicable.
8. The nature and amount of any material contingencies or commitments (for example, a commitment involving an obligation requiring abnormal expenditure, pending lawsuit, or the conclusion of a long lease). Not applicable.
9. Any default made by the insurer in relation to the principal, interest, sinking fund or redemption provisions of any securities issue made, or any credit agreement entered into, by it. Not applicable.
10. The gross amount of arrears of dividends on preferred cumulative shares, and the date to which those dividends were last paid. Not applicable.
11. The amount of any loan made during the relevant year by the insurer, to any director or officer of the insurer, not being a loan made in the ordinary course of business. Not applicable.
12. The amount of any obligation in respect of retirement benefits relating to employees of the insurer arising from service prior to the end of the relevant year remaining to be charged against operations, and the basis on which the insurer proposes to charge that amount. Not applicable.

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13. The following tables set forth the fair value of the Company's quoted and unquoted investments as of December 31, 2023 and December 31, 2022 by level within the fair value hierarchy (see General Note 4 for level definitions):

		2023				
Fair Value Hierarchy	for the year ended December 31	Level 1	Level 2	Level 3	Assets Held at Amortized Cost	Total
		Assets				
	Bonds	—	\$ 4,182,000,087	\$ 21,301,662	\$ 279,508,441	\$ 4,482,810,190
	Hedge Funds	—	—	317,488,948	—	317,488,948
	Equities	\$ 525,190,059	—	—	—	525,190,059
	Total assets	\$ 525,190,059	\$4,182,000,087	\$ 338,790,610	\$ 279,508,441	\$5,325,489,197

		2022				
Fair Value Hierarchy	for the year ended December 31	Level 1	Level 2	Level 3	Assets Held at Amortized Cost	Total
		Assets				
	Bonds	—	\$ 4,281,668,501	\$ 279,714,589	—	\$ 4,561,383,090
	Hedge Funds	—	—	296,595,164	—	296,595,164
	Equities	\$ 564,906,532	—	—	—	564,906,532
	Other invested assets	—	—	349,334	—	349,334
	Total assets	\$ 564,906,532	\$4,281,668,501	\$ 576,659,087	\$ —	\$5,423,234,120

14. The contractual maturity profile of the Company's fixed maturity investments is as follows:

		2023	2022
Bonds and Debentures	for the year ended December 31		
	Due within one year	\$ 250,112,934	\$ 105,257,959
	Due after one year through five years	1,241,717,723	1,425,412,278
	Due after five years through ten years	1,170,020,615	1,238,876,292
	Due after ten years	1,820,958,918	1,791,836,561
	Total	\$ 4,482,810,190	\$ 4,561,383,090

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15. The table below sets forth the related party transactions reflected in the condensed consolidated statement of income. All related party transactions are with ZIG affiliate companies.

Statement of Income		for the year ended December 31	2023		
			Affiliate	3rd Party	Total
Line 1	Insurance Contract Revenue		\$3,890,613,815	\$(368,742,987)	\$3,521,870,828
Line 2(f)	Total Insurance Service Expenses		2,814,133,149	(197,973,055)	2,616,160,094
Line 4(c)	Total Net Expenses from Reinsurance Contracts Held		127,487,080	287,774,952	415,262,032
Line 6(f)	Total Net Investment Returns		(35,395,635)	321,733,213	286,337,578
Line 7(c)	Total Net Insurance Finance Results		(140,465,051)	13,836,853	(126,628,198)
9	Combined Other Income (Deductions)		174,828,025	12,195,177	187,023,202

Statement of Income		for the year ended December 31	2022		
			Affiliate	3rd Party	Total
Line 1	Insurance Contract Revenue		\$5,028,168,279	\$(312,930,654)	\$4,715,237,625
Line 2(f)	Total Insurance Service Expenses		4,123,091,058	(265,448,239)	3,857,642,819
Line 4(c)	Total Net Expenses from Reinsurance Contracts Held		56,791,998	318,496,474	375,288,472
Line 6(f)	Total Net Investment Returns		31,927,756	107,688,814	139,616,570
Line 7(c)	Total Net Insurance Finance Results		(78,936,617)	3,225,279	(75,711,338)
9	Combined Other Income (Deductions)		(27,627,651)	11,194,446	(16,433,205)

Related party transactions primarily include intercompany reinsurance and instances where ZAIC settles cash with third parties on behalf of ZGL. The amount due to affiliates is \$9,426,546 and \$43,174,906 as of December 31, 2023 and 2022, respectively. Amounts due are billed and settled as mutually agreed by the parties.

16. The Company considers events or transactions that occur after the balance sheet date, but before the financial statements are issued to provide additional evidence relative to certain estimates or to identify matters that require additional disclosures, and have evaluated subsequent events through May 30, 2024, the date the financial statements were issued.

Effective January 1, 2024, the 2018-2022 50% WAQS treaty between ZAIC and ZGL was novated from ZGL to ZIC (99%) and ZIC Re (1%) via the JV WAQS Treaty. The net impacts include a reduction to insurance contract liabilities of \$3,736,846,567 with an increase to income pretax of \$100,618,105.

17. There is no other information which in the opinion of the Company's Board of Directors is required to be disclosed if the financial statements are not to be misleading.

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Notes to the Condensed Consolidated Statement of Capital and Surplus:

- 1(a). Authorized capital stock consists of 500,000 shares of common stock having a par value of \$1. These shares have all been issued and are fully paid.
- 1(b). Contributed Surplus increased by \$8,058,285, resulting in an ending balance of \$3,711,217,459 due to the forgiveness of taxes from ZHCA as of December 31, 2023. Contributed Surplus increased by \$708,415,230 in 2022 primarily driven by a capital contribution of \$688,000,000 from ZHCA, in addition to the forgiveness of taxes from ZHCA, resulting in an ending balance of \$3,703,159,174.
- 2(c). The amount and nature of any dividend paid during the relevant year that was other than a cash dividend. Not applicable, as there were no dividends paid or payable during the year.

There shall also be disclosed details of:

- (a) Any change in the authorized share capital of the insurer during the relevant year. Not applicable. No change in the authorized share capital of the insurer during 2023.
- (b) Where an insurer has contracted to issue or re-issue shares or has given options to purchase shares, the class and number of shares affected, the price and date of the issue or re-issue of the shares or the exercise of the options and (shown separately) the total number of shares in respect of which options are held by directors and officers of the insurer. Not applicable. No change in the authorized share capital of the insurer during 2023.
- (c) Details of any share transactions during the relevant year. Not applicable. No change in the authorized share capital of the insurer during 2023.

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Matters to be set forth in Notes to the Condensed Consolidated Balance Sheet

1. The Company is required to hold collateral to support its reinsurance operations.

The carrying value of the restricted assets deposited in a Reg 114 trust to support the primary U.S. ceding company, ZAIC, at December 31, 2023 was \$5,180,625,970. The December 31, 2022 figure was \$5,469,467,523. Included in this number is cash of \$41,803,130 at December 31, 2023 and \$76,516,272 at December 31, 2022.

In addition, at December 31, 2023 and 2022, the Company had cash and time deposits of \$13,015,596 and \$40,739,345, respectively, on deposit in support of insurance liabilities ceded from Canada as required by Canadian governmental authorities.

At December 31, 2023, the Company had cash on deposit with its ultimate parent, ZIC, in the amount of \$3,991,184,409 in connection with a cash pooling agreement. Interest earned on the cash pooling balance approximates the Federal Funds rate. The December 31, 2022 cash on deposit was \$3,604,993,436.

2. The method of valuation of quoted investments is covered in General Note 4.
3. Other private equity unquoted investments are carried at amortized cost. Investments are adjusted for any declines in value that are impaired. See General Note 4.
4. Investment in and advances to affiliates. The method of valuation must be described. Repayment terms and the rates of interest applicable advances must also be given. Not applicable.
5. Investments in mortgage loans on real estate. The range of interest rates and the range of maturity dates for mortgage loans on real estate must be disclosed. Not applicable.
6. Not applicable.
7. There is no real estate held by the company.
8. There are no collateral loans.
9. Accrued investment income was \$24,925,337 as of December 31, 2023 and \$24,868,577 as of December 31, 2022. (See General Note 5).
10. The Company has recorded accounts receivable balance of \$0 and \$25,992,376 as of December 31, 2023 and 2022, respectively.

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11. See the table included in the Condensed Consolidated Balance Sheets that shows the reconciliation of insurance and reinsurance contract assets.

Reinsurance balances receivable include collateralized balances of \$478,081 and \$1,996,119 as of December 31, 2023 and December 31, 2022, respectively.

12. Sundry assets:
- (a) Derivative instruments. Not applicable - See Note 36 (a).
 - (b) Segregated accounts companies - long-term business – variable annuities. Not applicable.
 - (c) Segregated accounts companies - long-term business – others. Not applicable.
 - (d) Segregated accounts companies – general business. Not applicable.
 - (e) Deposit assets. Not applicable.
 - (f) The Company has recorded receivable for investments sold of \$68,208,500 and \$0 as of December 31, 2023 and December 31, 2022, respectively.
 - (g) The Company has recorded income taxes receivable of \$21,342,872 and \$1,309,987 as of December 31, 2023 and December 31, 2022, respectively. See Note 31 for income taxes payable.
 - (h) The Company has recorded a deferred tax liability of \$61,972,021 and a deferred tax asset of \$31,804,550 as of December 31, 2023 and 2022, respectively. The following table shows the details of the deferred tax asset/(liability).

<i>Deferred tax asset/(liability)</i>	<i>for the year ended December 31</i>	2023	2022
	Unrealized losses on financial assets held at FVOCI	\$ 66,742,725	\$ 128,352,366
	Insurance and reinsurance contract assets and liabilities	(72,057,559)	(54,068,261)
	Deferred acquisition costs	(66,472,017)	(50,944,365)
	Deferred losses on intercompany transfer of financial assets	11,097,625	5,741,272
	Other	(1,282,795)	2,723,538
	Total deferred tax (liability) asset	\$ (61,972,021)	\$ 31,804,550

13. Letters of credit guarantees and other not disclosed in 1 through 13 above. Not applicable.

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17. General business Insurance Contract Liabilities - See General Note 4.
- (a) See the table included in the Condensed Consolidated Balance Sheets for the movements in the general business insurance contract liabilities for the current year.
 - (b) For summary of total restricted assets, please refer to Balance Sheet Note 1. Unsecured policyholder obligations are \$391,376,737 at December 31, 2023 and \$519,297,607 at December 31, 2022.

Claims and other insurance service expenses paid includes affiliated funds held by ceding reinsurers of \$1,324,090,616 as of December 31, 2023 and \$1,197,048,001 as of December 31, 2022. This is driven by the Farmers Re quota share agreement.

- 17A. General business reinsurance contract liabilities. Not applicable.
18. Investment Contract with DPF Liabilities. Not applicable.
27. Total long-term business insurance contract liabilities. Not applicable.
29. Commissions, expenses, fees and taxes payable. Not applicable.
30. Loans and notes payable. Not applicable.
31. (a) Income taxes payable are not applicable.
(b) See Note 12 (h).
32. Amounts due to affiliates - See General Note 15.
33. The Company had accounts payable and accrued liabilities from investment management fees and related expenses of \$4,995,703 and \$8,446,446 as of December 31, 2023 and 2022, respectively.
35. Dividends payable. Not applicable – there are no dividends payable.
36. Sundry Liabilities:
- (a) Net sundry liabilities related to derivative instruments were \$1,591,569 as of December 31, 2023 and \$0 as of December 31, 2022. The 2023 activity relates to the fair value of internal foreign exchange hedges the Company has with ZIC to mitigate currency exposures on the International Programs Business. The hedge balances are not material and there is no applicable nominal exposure greater than 5% of the aggregate sum of the total quoted and unquoted investments.
 - (b) Segregated accounts. Not applicable.
 - (c) Deposit liabilities. Not applicable.
 - (d) The Company has \$36,033,071 and \$11,282,163 payable for investments purchased as of December 31, 2023 and 2022, respectively.
37. Letters of credit, guarantees and other instruments.
- (a) Letter of credit does not reside on the ZGL balance sheet.
 - (b) ZIC is the applicant of the letter of credit.
 - (c) The LOC of \$339,848,391 is reserved for ZGL and is held by ZAIC for business assumed by ZGL.
 - (d) ZGL and ZIC have entered into a Facilities Reimbursement Agreement which enables ZIC to provide Letters of Credit on behalf of ZGL and thereby allocates the costs as if ZGL was the LOC applicant.