

Building momentum

George Quinn, Group CFO
Bank of America Merrill Lynch 23rd Annual Financials CEO Conference
London, September 25, 2018

Zurich Insurance Group



Key messages

A strong global franchise

We have a uniquely diversified business with strong franchises and well balanced access to distribution backed by a strong balance sheet

Delivering on our targets

Well on track to deliver on our Group financial targets

Reducing volatility

Reduced expenses together with a changing to business mix and effective use of reinsurance are improving both the level and variability of our P&C performance

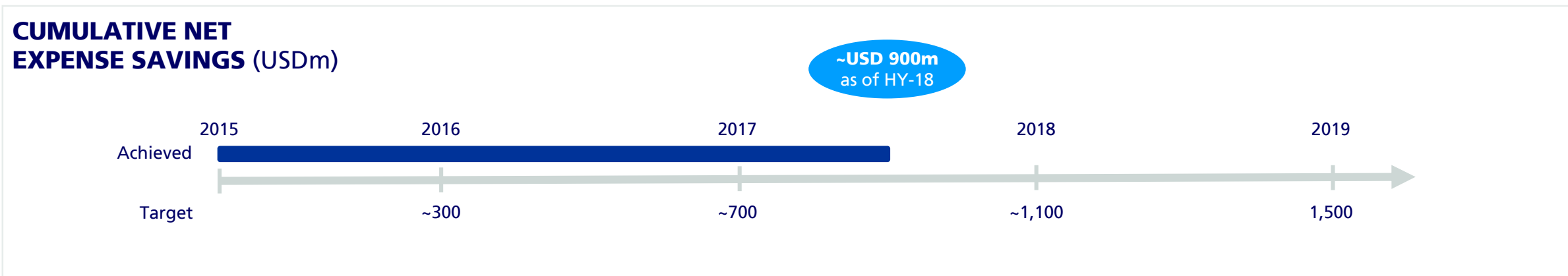
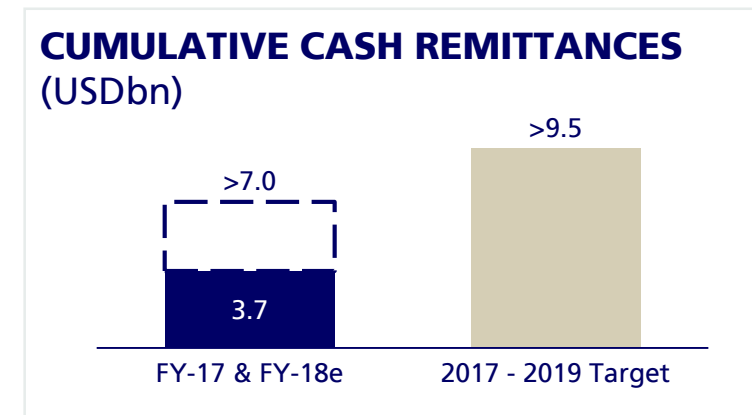
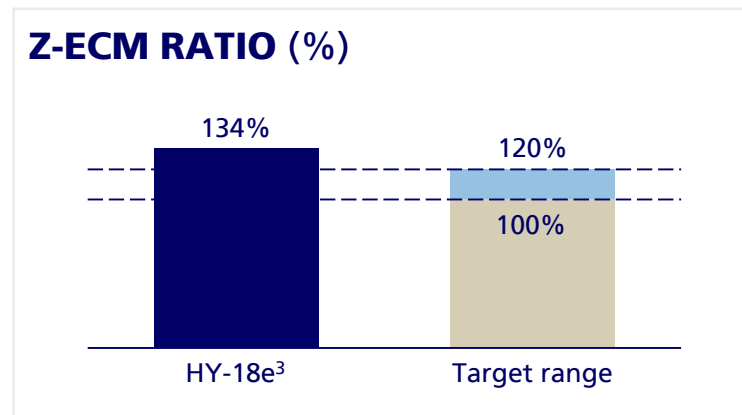
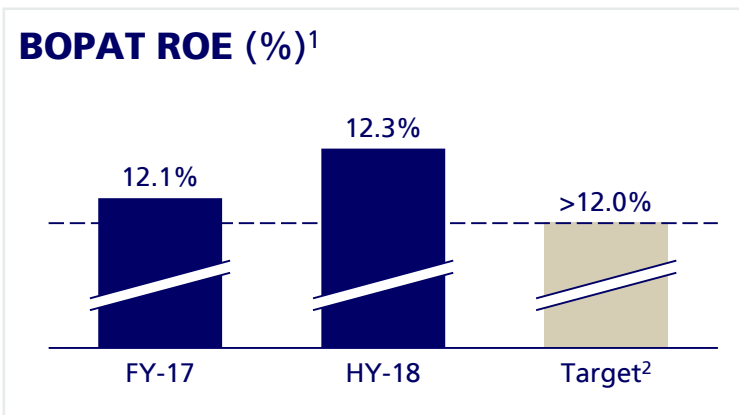
Capital management

We have a strong and conservatively managed balance sheet and continue to actively manage capital to further enhance returns

Shareholder focused

We have a cash generative and capital efficient business model allowing us to reward shareholders with an attractive and growing dividend

Well on track to achieve all 2017-2019 targets



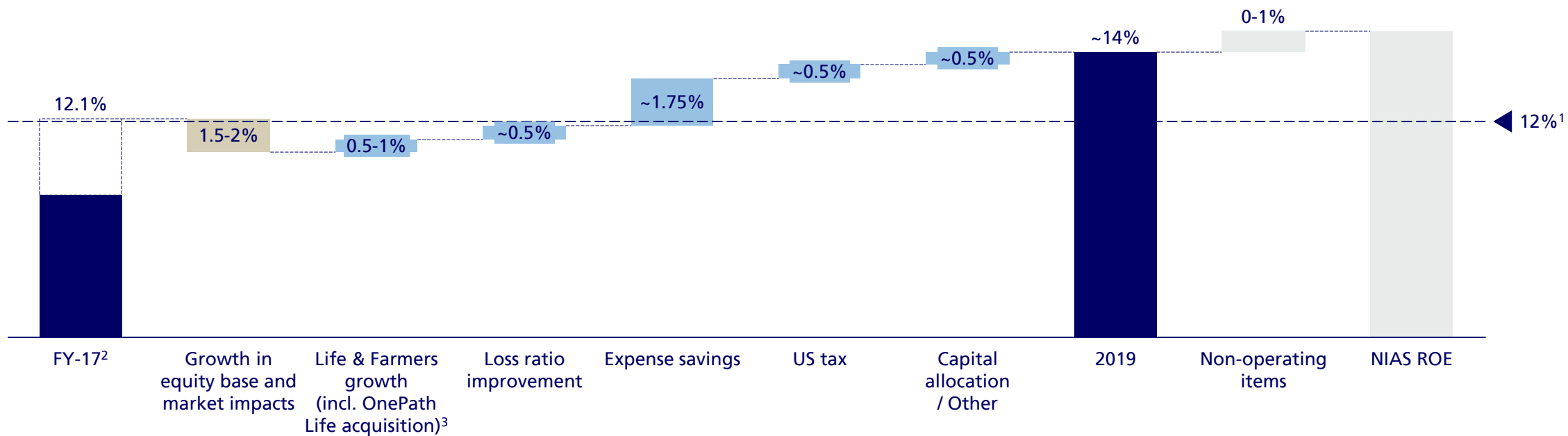
¹ Business Operating Profit after tax return on equity, excluding unrealized gains and losses. FY-17 adjusted for the impact of the hurricanes Harvey, Irma and Maria, charges related to the Group's restructuring recognized through BOP and the change to the UK capital gains tax indexation relief.

² BOPAT ROE target to be increased by ~50bps for OnePath Life acquisition on completion of transaction (as announced on December 11, 2017).

³ HY-18 Z-ECM reflects midpoint estimate with an error margin of +/- 5ppts.

Indicative ROE development enhanced by OnePath life acquisition, US tax reform and capital return

ILLUSTRATIVE BOPAT ROE DEVELOPMENT



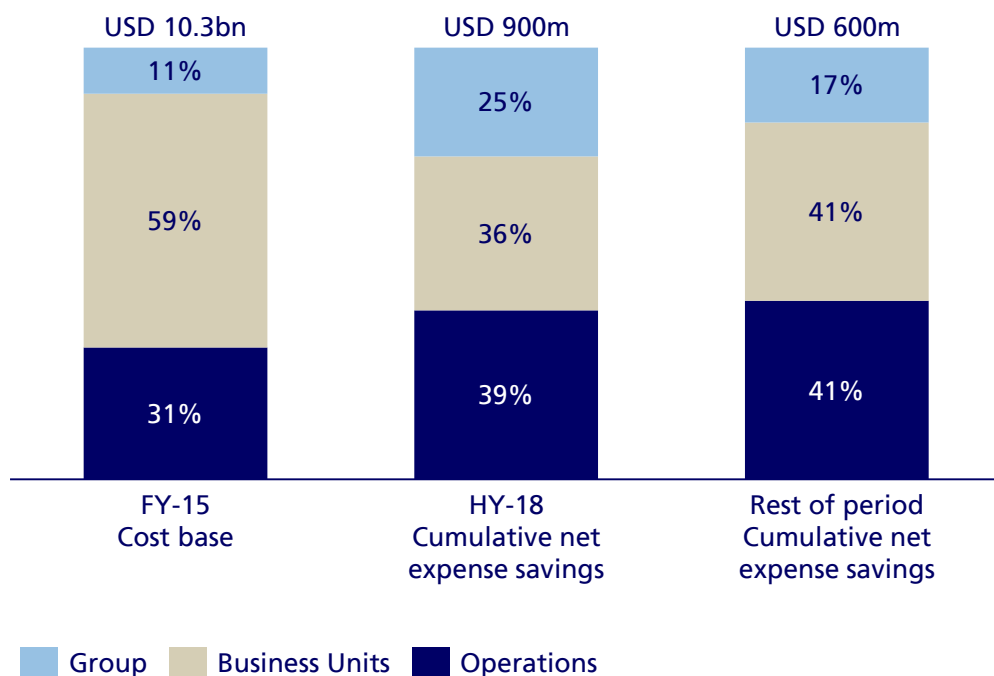
¹ Target to be increased by ~50bps for OnePath Life acquisition which is expected to close in November 2018 (see news release of December 11, 2017).

² FY-17 adjusted for the impact of the hurricanes Harvey, Irma and Maria, charges related to the Group's restructuring recognized through BOP and the change to the UK capital gains tax indexation relief.

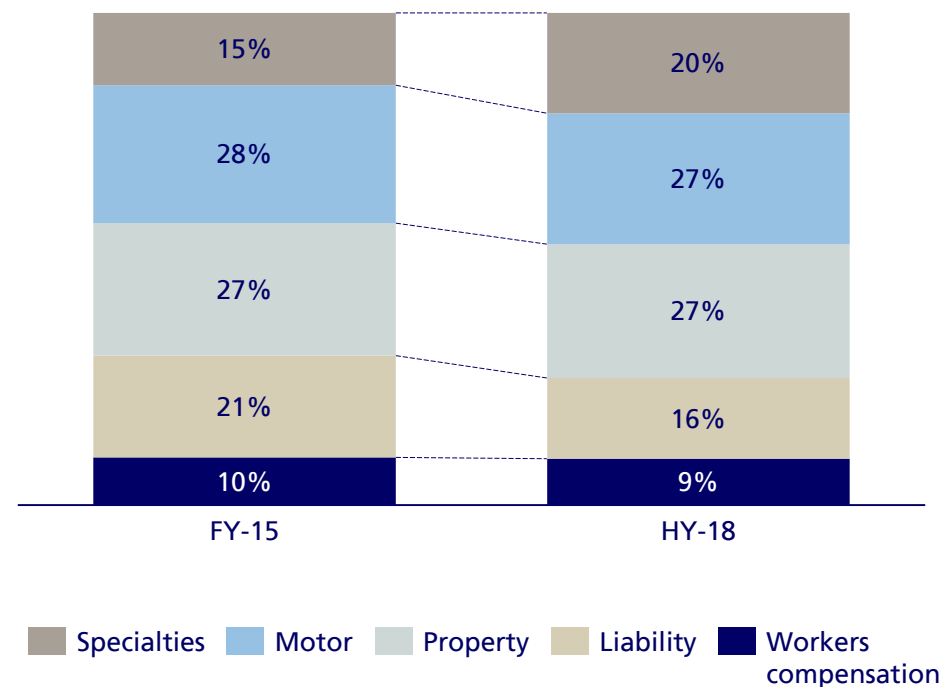
³ Including expected impact of OnePath Life acquisition in Australia subject to regulatory approval.

Cost reduction and P&C portfolio rebalancing support further improvement in the combined ratio

BREAKDOWN OF EXPENSE SAVINGS (%)

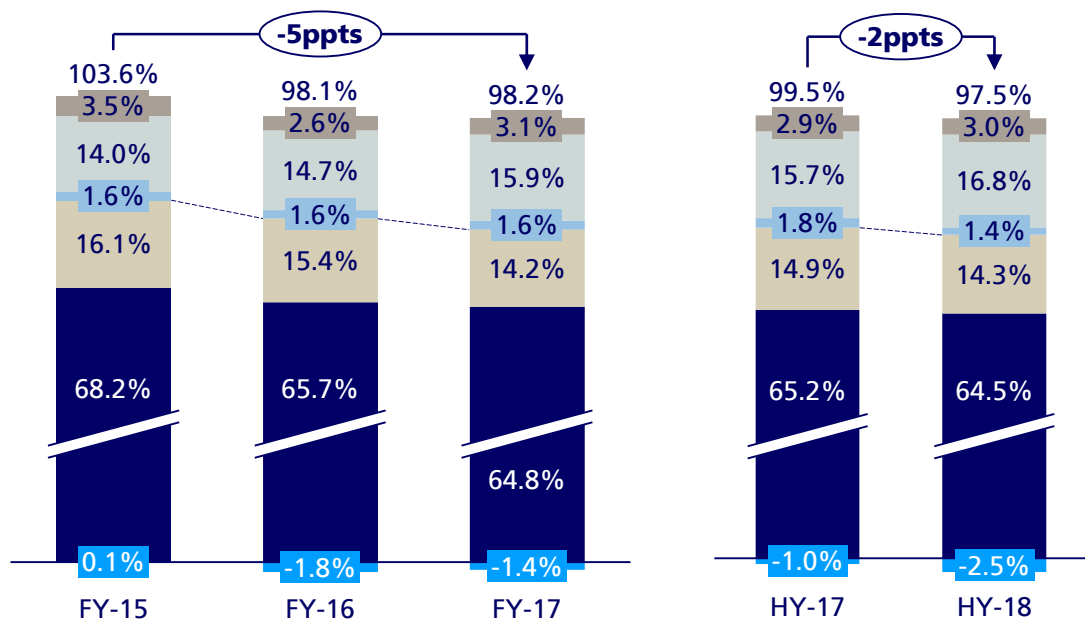


BUSINESS MIX (% of NEP)



The combined ratio is improving with reduced volatility

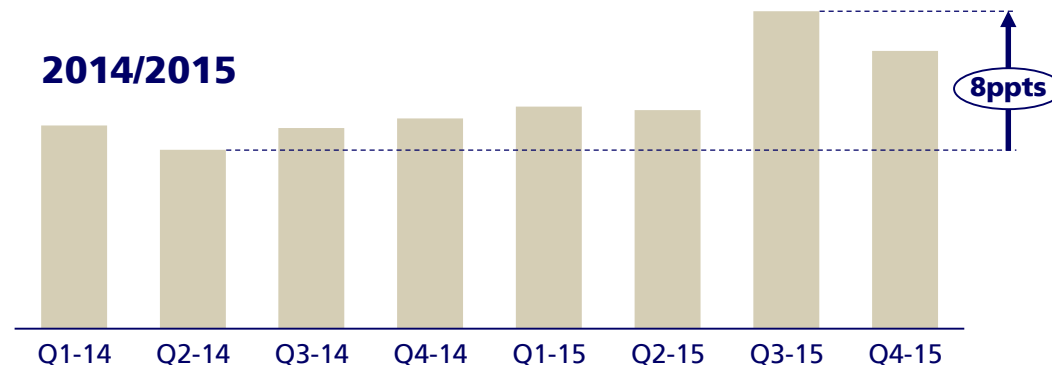
COMBINED RATIO DEVELOPMENT (%)¹



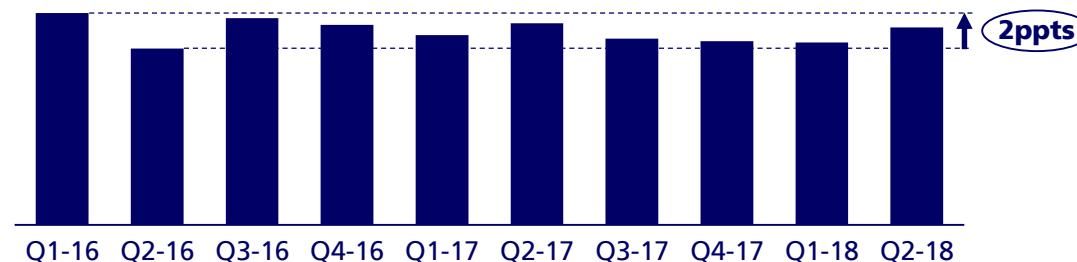
Catastrophes²
 Premium taxes
 AY LR (excl. catastrophes)³
 Commission
 Other underwriting expenses
 PYD³

LARGE LOSS VOLATILITY

2014/2015



2016/2017/2018

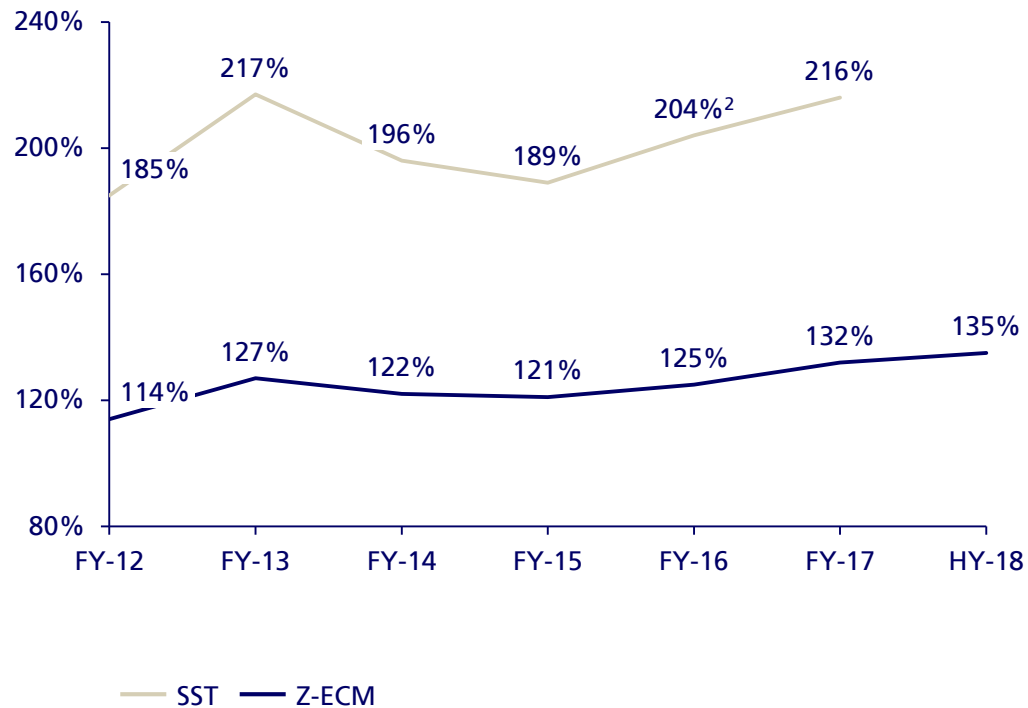


¹ FY-15 has not been restated. FY-17 adjusted for the impact of the hurricanes Harvey, Irma and Maria and charges related to the Group's restructuring recognized through BOP.
² Catastrophes include major and mid-sized catastrophes including significant weather-related events.
³ Accident year loss ratio (AY LR) excludes prior year reserve development (PYD).

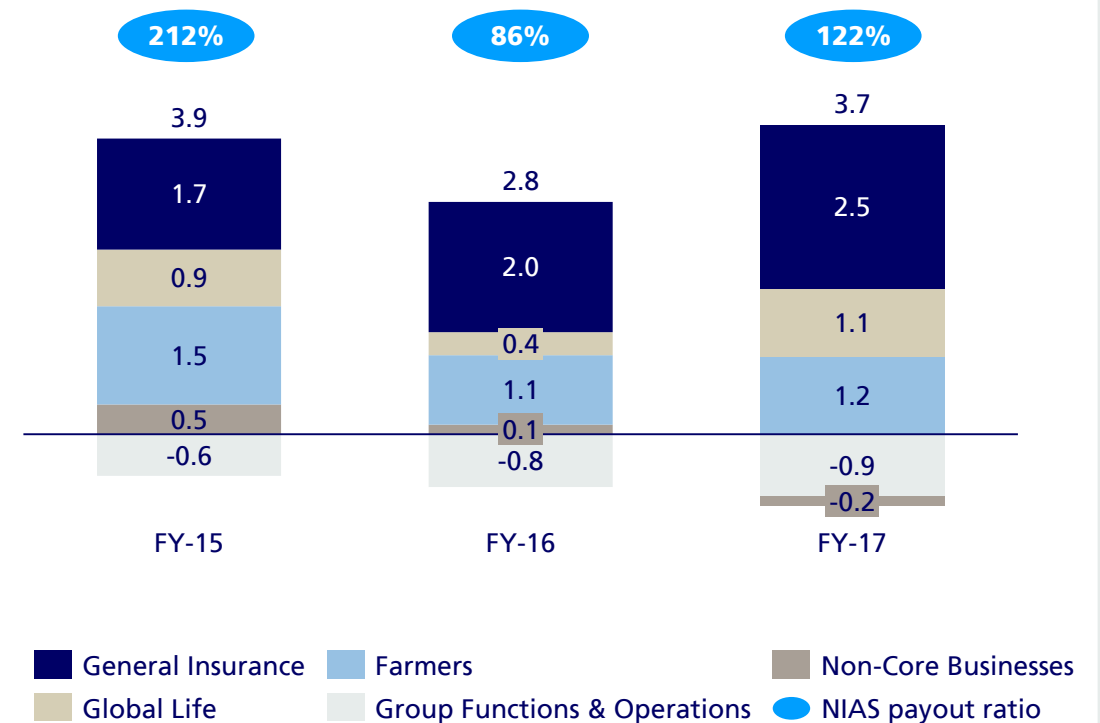
Very strong capital position and a high level of conversion of earnings to cash remittances supporting our attractive payout



Z-ECM AND SST RATIO¹ (%)



















NET CASH REMITTANCES (USDbn)



¹ The Swiss Solvency Test (SST) ratio as of January 1, 2018 is calculated based on the Group's internal model, which is subject to the review and approval of the Group's regulator, the Swiss Financial Market Supervisory Authority (FINMA). The full year ratio is filed with FINMA and is subject to its approval.
² After restatement for model changes (FY-16 SST ratio of 227% before restatements).

Strengthened core businesses while extracting capital from non-core portfolios and returning ~USD 3.8bn to shareholders

MAIN DIVESTMENTS AND CAPITAL ACTIONS	MAIN ACQUISITIONS	TYPE OF DEAL	BUSINESS	STRATEGIC RATIONALE					
				Skills	Distribution	Scale			
2017  Sale of P&C business in Middle East  Sale of P&C business in Taiwan  Reinsurance of a closed annuity book  Reinsurance of an individual Life risk portfolio  Sale of workplace pensions and savings business  Sale of a MedMal legacy portfolio	2017  Cover-More/ Halo  Standard Chartered  OnePath (ANZ Life)  Bright Box	M&A D.A. ² M&A M&A	P&C Retail - Travel Life Retail Life Retail - Protection Connected cars	✓					
						✓			
							✓		
							✓		
							✓		
2018  Sale of a Singapore Life portfolio  Sale of Endsleigh  Sale of NSW CTP ¹ run-off	2018  QBE Latam  Travel Ace/ Universal Travel  EuroAmerica	M&A M&A M&A/P.T. ²	P&C P&C Retail - Travel Life Retail			✓			
								✓	
									✓

¹ New South Wales Compulsory Third Party motor liability.

² D.A. = Distribution agreement. P.T. = Portfolio transfer.

Our proposition to investors

HIGHLY CASH GENERATIVE BUSINESS MODEL SUPPORTING AN ATTRACTIVE AND GROWING DIVIDEND, UNDERLINED BY:

A balanced and diverse global business



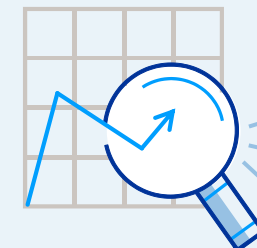
Industry leading capital levels



Stable, consistent and conservatively managed balance sheet



Consistent growth with scope to enhance returns through capital re-deployment



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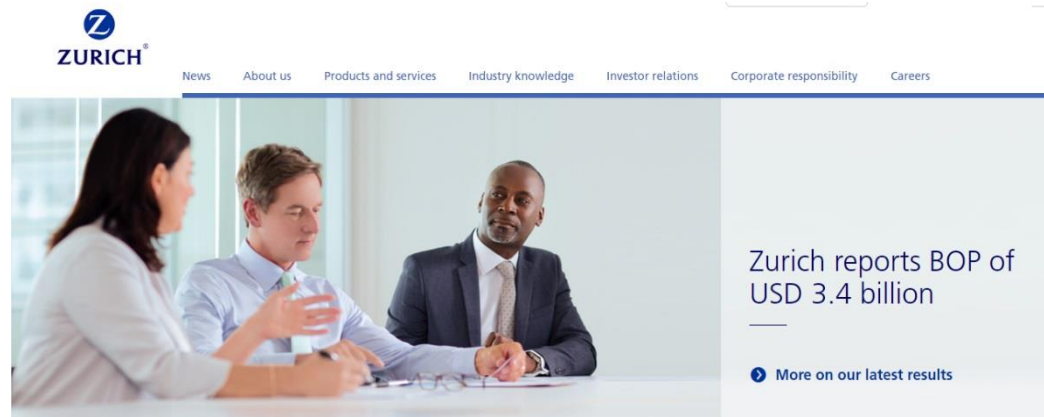
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CALENDAR:

- November 8, Update for the nine months ended September 30, 2018
- December 5, 2018, Investor Day 2018

