Simple execution, higher ambition

November 14, 2019
London

Zurich Insurance Group
<table>
<thead>
<tr>
<th>TIME</th>
<th>TOPIC</th>
<th>SPEAKER</th>
</tr>
</thead>
<tbody>
<tr>
<td>09:30 – 10:00</td>
<td>Strategic update</td>
<td>Mario Greco</td>
</tr>
<tr>
<td>10:00 – 10:30</td>
<td>Operational simplicity</td>
<td>Kristof Terryn</td>
</tr>
<tr>
<td>10:30 – 11:00</td>
<td>Coffee break</td>
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</tr>
<tr>
<td>11:00 – 11:20</td>
<td>Driving customer excellence</td>
<td>Conny Kalcher</td>
</tr>
<tr>
<td>11:20 – 11:55</td>
<td>Customer-led retail transformation</td>
<td>Giovanni Giuliani</td>
</tr>
<tr>
<td>11:55 – 12:15</td>
<td>Make the difference</td>
<td>Make the difference team</td>
</tr>
<tr>
<td>12:15 – 12:45</td>
<td>Q&amp;A session</td>
<td>Mario Greco, Kristof Terryn, Conny Kalcher, Giovanni Giuliani</td>
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<tr>
<td>12:45 – 14:00</td>
<td>Lunch break</td>
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<tr>
<td>14:00 – 14:35</td>
<td>Optimizing commercial insurance</td>
<td>James Shea</td>
</tr>
<tr>
<td>14:35 – 15:10</td>
<td>Increased financial ambition</td>
<td>George Quinn</td>
</tr>
<tr>
<td>15:10 – 15:40</td>
<td>Q&amp;A session</td>
<td>Mario Greco, George Quinn, James Shea</td>
</tr>
<tr>
<td>15:40 – 15:45</td>
<td>Wrap-up</td>
<td>Mario Greco</td>
</tr>
</tbody>
</table>
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Simple execution, higher ambition

Mario Greco, Group Chief Executive Officer
Key messages

**Execution**
We have delivered on all our 2017 – 2019 targets, reduced volatility and achieved superior returns to shareholders, while executing an industry-leading simplification program.

**Strong foundation**
Our strong retail and commercial franchise and flexible operating model position us well to take advantage of industry change.

**Strategy**
We will develop our customer-centered strategy by enriching our retail offering and increasing our customer base, while further improving the quality of our commercial portfolio.

**Targets**
We will pull all levers to further improve our return on equity to be in excess of 14% and increasing, while driving organic earnings per share growth of at least 5% p.a.

**Shareholder focus**
We will reward shareholders through our attractive dividend policy based on sustainable earnings growth, with a payout ratio\(^1\) of ~75% and a minimum target of the prior year level.

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\(^1\) Based on net income attributable to shareholders.
We have delivered on our targets and created significant value for shareholders

**TOTAL SHAREHOLDER RETURN IN USD (SINCE JAN 1, 2016)**

- **TOTAL (%)**
  - Zurich Insurance Group: 96%
  - STOXX Europe 600 Insurance: 19%

- **CAGR (%)**
  - Zurich Insurance Group: 35%
  - STOXX Europe 600 Insurance: 8%

**2017 – 2019 TARGETS**

- **TARGET**
  - BOPAT ROE: >12%
  - EXPENSE SAVINGS: USD 1.5bn
  - Z-ECM: 100-120%
  - CASH REMITTANCES: USD >9.5bn

- **HY-19**
  - BOPAT ROE: 15.0%
  - EXPENSE SAVINGS: USD 1.3bn
  - Z-ECM: 113%
  - CASH REMITTANCES: USD 9.2bn

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1. Source: Datastream, as of November 1, 2019.
2. Q3-19 Z-ECM reflects midpoint estimate with an error margin of +/- 5ppts.
Our growth has been reinvigorated, with continued low earnings volatility

2016 – 2018 EPS CAGR (%)\(^1\)

- Zurich: 8.0%
- Peers\(^1\): 7.3%

- Zurich: 5.1%
- Peers\(^1\): 3.9%

- Zurich: -2.2%
- Peers\(^1\): -5.0%

2007 – 2018 NET INCOME COEFFICIENT OF VARIATION (%)\(^2\)

- Zurich: 24%
- Peers\(^3\): 27%

- Zurich: 30%
- Peers\(^3\): 34%

- Zurich: 43%
- Peers\(^3\): 53%

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\(^1\) Basic earnings per share. AXA based on adjusted earnings to avoid distortions from demerger of AXA Equitable Holdings. Source: Company reports.

\(^2\) Standard deviation of net income attributable to shareholders (NIAS) divided by the average NIAS over the time frame. Converted to USD based on average exchange rates. Source: Company reports.

\(^3\) Peers include Allianz, AXA, Chubb, Generali and Travelers.
We have delivered on an industry-leading simplification program

**We have simplified our business and operations...**

**Simplified Organization**
- Organization de-layered (# people managers -11%\(^1\))
- Reduced corporate center (expenses -35%\(^1\))
- Cut 33% of steering committees

**Simplified IT**
- From >70 data centers to 13
- From >140 network providers to 1
- Number of IT applications cut by ~20%

**Simplified Products and Services**
- Standardization (e.g., UK SME from 108 to 8 products)
- 85% STP\(^2\) of personal lines underwriting
- Improved customer journeys

**...Driving cost savings ahead of peers**

<table>
<thead>
<tr>
<th>P&amp;C Other Underwriting Expenses (OUE), FY-18 vs. FY-15 Change (%)(^3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zurich</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>8%</td>
</tr>
<tr>
<td>4%</td>
</tr>
<tr>
<td>-12%</td>
</tr>
<tr>
<td>-17%</td>
</tr>
</tbody>
</table>

1. Comparison December 2019e vs December 2015. Based on direct expenses for headquarters and shared services above business units.
2. Straight-through processing.
3. Other underwriting expenses or, if not available, administrative expenses evolution over time, based on peer reporting currencies. Source: Company reports.
4. Seven comparable peers (four based in the U.S., two based in Europe, one in APAC).
We have improved our competitive profile and customer focus while building a culture of innovation and empowerment.

**STRENGTHENED MARKET POSITION**

<table>
<thead>
<tr>
<th>ACQUISITION</th>
<th>CHANGE IN RANKING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crop</td>
<td>n.m.</td>
</tr>
<tr>
<td>Travel</td>
<td>n.m.</td>
</tr>
<tr>
<td>Life</td>
<td>#8</td>
</tr>
<tr>
<td>P&amp;C + Life</td>
<td>#5</td>
</tr>
<tr>
<td>P&amp;C</td>
<td>n.m.</td>
</tr>
</tbody>
</table>

**SHARPENED CUSTOMER FOCUS**

<table>
<thead>
<tr>
<th>NPS CHANGE</th>
<th>CHANGE IN RANKING</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMEA</td>
<td>+2</td>
</tr>
<tr>
<td>NORTH AMERICA</td>
<td>-1</td>
</tr>
<tr>
<td>LATIN AMERICA</td>
<td>+5</td>
</tr>
<tr>
<td>ASIA PACIFIC</td>
<td>+16</td>
</tr>
</tbody>
</table>

-1m respondents
~70k close the loop calls
>440 touchpoints (vs. 169 in 2017)

**DRIVING A CULTURE OF INNOVATION AND EMPOWERMENT**

- 1,250 employees from 28 countries
- 700+ ideas submitted

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1. Subject to regulatory approval, closing of transaction expected by the end of the year.
2. Transactional NPS 9m-19 vs. FY-18 (Relational NPS for Farmers Exchanges). Does not include the JVs with Banco de Sabadell S.A. in Spain and Banco Santander S.A. in Latin America.
3. For all references to Farmers Exchanges see the disclaimer and cautionary statement.
4. FY-19 estimate.
Our strategy and flexible operating model position us to take advantage of industry change.

**EXTERNAL ENVIRONMENT**
- Customer revolution
- Geopolitical and economic uncertainty
- Innovation and technology
- Regulation

**OUR STRATEGY**
- Focus on the customer
- Simplify
- Innovate

**OUR OPERATING MODEL**
- COMMERCIAL
  - GROUP
    - Brand
    - Customer data
    - Capital
    - Shared services
  - Go to market
  - Products

- RETAIL
  - Go to market
  - Products
In commercial we have differentiated ourselves from peers and have opportunities to further improve earnings

**COMMERCIAL STRATEGIC FOCUS 2017 TO 2019**

- ✔️ Reduced results volatility
- ✔️ Changed business mix
- ✔️ Lowered expenses
- ✔️ Improved customer service
- ✔️ Strengthened underwriting capabilities

**P&C COMMERCIAL AY COMBINED RATIO EXCLUDING CATASTROPHES**

<table>
<thead>
<tr>
<th>HY-19 VS. FY-16 (pts)</th>
<th>Zurich</th>
<th>Peers¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.7pts</td>
<td>2.0pts</td>
<td>0.2pts</td>
</tr>
<tr>
<td>-1.0pts</td>
<td>-1.0pts</td>
<td>-4.3pts</td>
</tr>
</tbody>
</table>

¹ Peers’ commercial divisions as reported: AIG (Commercial Lines), Chubb (Commercial P&C), QBE (overall), Swiss Re (Corporate Solutions), Travelers (Business Insurance + Bond & Specialty). Source: Company reports.
In commercial we have differentiated ourselves versus peers and have opportunities to further improve earnings

COMMERCIAL STRATEGIC FOCUS 2017 TO 2019

- Reduced results volatility
- Changed business mix
- Lowered expenses
- Improved customer service
- Strengthened underwriting capabilities

P&C COMMERCIAL LARGE LOSS VOLATILITY (ppt)¹

1 Volatility is measured as difference between lowest and highest ratio for the indicated period. Data for 2014/2015 reflects Global Corporate business only.
In commercial we have differentiated ourselves versus peers and have opportunities to further improve earnings

COMMERCIAL STRATEGIC FOCUS 2017 TO 2019

- Reduced results volatility
- Changed business mix
- Lowered expenses
- Improved customer service
- Strengthened underwriting capabilities

P&C COMMERCIAL BUSINESS MIX (% NEP)

<table>
<thead>
<tr>
<th></th>
<th>FY-16</th>
<th>FY-17</th>
<th>FY-18</th>
<th>HY-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialty</td>
<td>23%</td>
<td>22%</td>
<td>24%</td>
<td>26%</td>
</tr>
<tr>
<td>Property</td>
<td>51%</td>
<td>51%</td>
<td>45%</td>
<td>43%</td>
</tr>
<tr>
<td>Casualty</td>
<td>26%</td>
<td>27%</td>
<td>31%</td>
<td>31%</td>
</tr>
</tbody>
</table>
In commercial we have differentiated ourselves versus peers and have opportunities to further improve earnings

**COMMERCIAL STRATEGIC FOCUS 2017 TO 2019**

- Reduced results volatility
- Changed business mix
- Lowered expenses
- Improved customer service
- Strengthened underwriting capabilities

**P&C COMMERCIAL OTHER UNDERWRITING EXPENSE RATIO (%)**

- FY-16: 15.4%
- FY-17: 14.6%
- FY-18: 14.3%
- HY-19: 14.0%
In commercial we have differentiated ourselves versus peers and have opportunities to further improve earnings.

**COMMERCIAL STRATEGIC FOCUS 2017 TO 2019**
- ✔ Reduced results volatility
- ✔ Changed business mix
- ✔ Lowered expenses
- ✔ Improved customer service
- ✔ Strengthened underwriting capabilities

**HY-19 P&C COMMERCIAL CUSTOMER SATISFACTION**

T-NPS score: 68
In commercial we have differentiated ourselves versus peers and have opportunities to further improve earnings

**COMMERCIAL STRATEGIC FOCUS 2017 TO 2019**

- Reduced results volatility
- Changed business mix
- Lowered expenses
- Improved customer service
- Strengthened underwriting capabilities

**KEY COMMERCIAL INITIATIVES**

- Deployed technology and analytics
- Consistent guidelines and harmonized risk appetite
- More empowerment and recognition
We have built a solid foundation in retail

**SHARPENED CUSTOMER FOCUS**
Deepened customer insights
Leads generation capability established with ZCAM\(^1\)

**BROADENED ACCESS TO CUSTOMERS**
New distribution partnerships started in 2016 to 2019 giving access to >80m customers

**DEVELOPED SERVICE OFFERING**
- Mobility
- Smart property
- Travel
- Wellcare

**RETAIL TOP-LINE\(^2\)**

<table>
<thead>
<tr>
<th></th>
<th>FY-16</th>
<th>FY-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>P&amp;C GWP</td>
<td>18.6</td>
<td>19.4</td>
</tr>
<tr>
<td>LIFE APE</td>
<td>3.0</td>
<td>3.1</td>
</tr>
</tbody>
</table>

\(^1\) Zurich Customer Active Management.
\(^2\) P&C (Retail & Other), Life (excluding Corporate Life & Pensions and including Farmers Life).
Farmers Exchanges\(^1\) drives growth by executing on its customer-centered, agent-powered strategy

ACCELERATING EXECUTION ON KEY FOCUS AREAS...

- Improve customer experience and loyalty
- Enhance agent productivity
- Expand in the eastern U.S.
- Grow in life and business insurance

...WHILE INNOVATING AND EXPANDING INTO NEW SEGMENTS

- Millennials
  - ![Toggle Logo]
- Rideshare & delivery
  - Uber
  - Uber Eats
- Telematics/connected home
  - [ALTO Logo]
- Distribution partnerships
  - ![Benefitfocus Logo]

FARMERS EXCHANGES GWP (USDbn)\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>GWP (USDbn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY-16</td>
<td>18.9</td>
</tr>
<tr>
<td>FY-17</td>
<td>19.5</td>
</tr>
<tr>
<td>FY-18</td>
<td>20.2</td>
</tr>
</tbody>
</table>

\(^{+3}\text{p.a.}\)

1 For all references to Farmers Exchanges see the disclaimer and cautionary statement.
2 Excludes discontinued operations (21st Century outside of California and Hawaii, Business Insurance Independent Agents, and other businesses).
**Over 2020 – 2022 we will continue our journey to create the leading customer-oriented insurer**

### Focus on the Customer
- Develop transactional buyers into long-term Zurich customers
- Balance our commercial customer segment mix

### Simplify
- Enable better product and service offering
- Continue to leverage technology to simplify the business and operations

### Innovate
- Accelerate innovation of products and delivery models
- Develop value-adding services
- Use data & analytics capabilities to drive performance

### Our Ambition
- Become the preferred insurer for all our retail customers
- Be the leader in underwriting capabilities and customer focus in commercial
We want to be known as one of the most responsible and impactful businesses in the world

**OUR LONG-TERM COMMITMENT**

**OUR AREAS OF FOCUS**

**WORK SUSTAINABILITY**
Providing support to our employees and customers as we navigate together the impact of the changing nature of work.

**A CHANGING CLIMATE**
Providing insights, protection and transparency to support the transition to a low carbon economy and manage climate risks.

**CONFIDENCE IN A DIGITAL SOCIETY**
Making people and organizations more resilient by enabling and inspiring confidence in a digital economy.
We will pull all levers to further lift Zurich’s performance and drive higher levels of profitability

**LEVERS TO IMPROVE 2020 – 2022 BOPAT ROE (ppts)**

1. **Business growth** ~2-2.5ppts
2. **Productivity** ~0.75-1.5ppts
3. **Portfolio quality** ~1-1.5ppts
4. **Capital allocation** ~0.5ppts

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1 Baseline: HY-19 adjusted for timing of dividend payment and normalization of natural catastrophe losses and hedge fund performance.
We are stepping up our financial targets for 2020 – 2022 and we will disclose additional customer KPIs

**FINANCIAL TARGETS**

**2017 – 2019 DELIVERED**

- BOPAT ROE\(^1\) in excess of 12% and increasing
- Cumulative cash remittances in excess of USD 9.5bn over 2017 – 2019
- USD 1.5bn in net savings by 2019 compared to the 2015 baseline
- Z-ECM ratio to remain in 100-120% range

**2020 – 2022 AMBITION**

- BOPAT ROE\(^1\) in excess of 14% and increasing
- Cumulative cash remittances in excess of USD 11.5bn over 2020 – 2022
- Compound organic earnings per share growth\(^2\) of at least 5% p.a.
- Z-ECM ratio to remain in 100-120% range

**CUSTOMER KPIs**

- Net new retail customers
- Retail brand consideration

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\(^1\) Business Operating Profit after tax return on equity, excluding unrealized gains and losses.

\(^2\) Before capital deployment.
### Key messages

<table>
<thead>
<tr>
<th>Execution</th>
<th>We have delivered on all our 2017 – 2019 targets, reduced volatility and achieved superior returns to shareholders, while executing an industry-leading simplification program</th>
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<td>Targets</td>
<td>We will pull all levers to further improve our return on equity to be in excess of 14% and increasing, while driving organic earnings per share growth of at least 5% p.a.</td>
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<td>We will reward shareholders through our attractive dividend policy based on sustainable earnings growth, with a payout ratio(^1) of (~75%) and a minimum target of the prior year level</td>
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\(^1\) Based on net income attributable to shareholders.
Operational simplicity

Kristof Terryn, Group Chief Operating Officer
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<th>Key messages</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Execution</strong></td>
<td>We have delivered on all our 2017 – 2019 targets by building simpler, leaner operations</td>
</tr>
<tr>
<td><strong>Simplification</strong></td>
<td>We have simplified our operations and continue to do so with focus shifting from infrastructure and applications towards products and front-end processes</td>
</tr>
<tr>
<td><strong>Customer</strong></td>
<td>We will continue the modernization of our operating model front-to-back with customer experience top of mind</td>
</tr>
<tr>
<td><strong>Innovation</strong></td>
<td>We will continue the build-up of new digital offerings and services</td>
</tr>
<tr>
<td><strong>Efficiency</strong></td>
<td>We will drive further efficiencies to improve our net OUE ratio by 1 point – after investments in new capabilities and growth</td>
</tr>
</tbody>
</table>
Three years ago we set clear ambitions on which we have delivered.

### SIMPLIFICATION

<table>
<thead>
<tr>
<th>FROM</th>
<th>TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;70</td>
<td>Data Centers → 13</td>
</tr>
<tr>
<td>&gt;140</td>
<td>IT network providers → 1</td>
</tr>
<tr>
<td>&gt;2900</td>
<td>IT Applications → &lt;2350</td>
</tr>
<tr>
<td>&gt;680</td>
<td>Pricing tools → &lt;300</td>
</tr>
<tr>
<td>108</td>
<td>UK SME product set → 8</td>
</tr>
</tbody>
</table>

### TECHNICAL EXCELLENCE

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>85%</td>
<td>Straight-through processing of personal lines underwriting</td>
</tr>
<tr>
<td>37%</td>
<td>Straight-through processing of claims</td>
</tr>
<tr>
<td>1</td>
<td>Single large loss management tool, 1 year ahead of schedule</td>
</tr>
<tr>
<td>USD 172m</td>
<td>Incremental BOP from Life inforce management</td>
</tr>
</tbody>
</table>

### EFFICIENCY

- **~USD 600m**
  - FY-19e Group Operation savings vs. FY-15 expenses
**OPERATIONAL SIMPLICITY**

We have simplified our operations and continue to do so with focus towards products and front-end processes.

**OPERATING PLATFORM**

**2017 – 2019 execution:** Focus on simplifying our operating landscape

- Products & Services
- Processes
- Applications
- Infrastructure

**2020 – 2022 priorities:** Continue modernization of operating model front-to-back with customer top of mind

- Products & Services
- Processes
- Applications
- Infrastructure
We have consolidated our data centers from over 70 to currently 13 and replaced over 140 IT network providers with a single one.

**FROM**
- >70 data centers spread out across the world
- End-user tools reaching end of lifecycle
- Limited ability to support new technologies
- Different network operating models

**TO**
- Currently 13 strategic data centers
- Up-to-date workplace and mobility services
- Full ability to leverage new technologies, e.g. hybrid cloud
- Standardized global network operating model

**BENEFITS**
- Reduction in complexity and risk
- Enhanced network stability and quality
- Improved capabilities and service uplift
- Easier integration of new technologies
- Net savings of USD 100m from IT Infrastructure
We are transferring our technical depth to the cloud to reduce complexity and cost while improving stability and time-to-market

FROM

- Diverse infrastructure and technology platforms, mainly on premise
- First regional instances of private cloud with lean workloads
- Application monitoring via hosting technology silos

TO

- At scale deployments into a mature global private cloud
- First generation of 'cloud control plane' for use of public cloud
- 'Enterprise command center' for 24x7 management of digital customer journeys

BENEFITS

- Reduction of significant outages by >60%
- Shorter time-to-market for new propositions
- Reduction of private cloud costs by >30%
- Robust security
- Expanded capabilities

November 14, 2019
We have simplified our application landscape by decommissioning over 550 applications

**FROM**
- Fragmented and complex technology landscape with over 2,900 applications
- High maintenance costs
- Sub-optimal split between internal and external resources

**TO**
- Uniform landscape with increased level of sharing and less than 2,350 applications
- Reduced number of integration points

**BENEFITS**
- Reduced complexity
- Greater flexibility with 34% of applications on cloud-based solutions
- Reduced expenses allowing investments in new capabilities
- Net savings of USD 230m from IT applications
We have enhanced our IT capabilities through insourcing and selective crowdsourcing

**FROM**
- Relying on traditional IT delivery models
- Supplementing in-house staff with outsourcing and offshoring

**TO**
- Insourcing development capabilities
- Augmenting traditional delivery with open talent models through crowdsourcing
- Enabling innovation

**BENEFITS**
- Significant leaps in agility, optionality and quality
- Access to a huge breadth of internal and external talent e.g. to new areas of design, data science
- Best quality output at pre-defined budgets

November 14, 2019
We have simplified the life of our underwriters by halving the number of pricing tools while adding new functionalities.

FROM

- 681 pricing tools
- Manual re-keying processes
- Limited pricing functionalities
- Complex pricing methods
- Local tools for global lines of business

TO

- 299 pricing tools
- Automated processes via application integration
- Extensive pricing functionalities
- Predictive analytics and machine learning to inform risk selection and pricing decisions

BENEFITS

- Faster time to market
- Greater pricing flexibility
- More accurate data capture
- Increased consistency of underwriting
- Improved risk assessment
We have significantly improved motor claims customer journeys through digitalization

FROM

- Difficult customer interaction
- Multiple systems and green screen technology
- Outdated document management
- Inefficient workflow
- Zero vendor integration

TO

- Modern technology with predictive analytics for process automation
- Automated communication, electronic payments
- Capture damage photos
- Multiple customer and supplier integrations

BENEFITS

- Improved customer satisfaction with T-NPS increase of +9 pts
- Time for customers to receive payment reduced from 10 to 3 days
- Lower claims costs with 20% increase in steerage to approved repairers
- Increased productivity through greater automation
- Greater accuracy with elimination of rekeying and built-in intelligence

November 14, 2019
We have streamlined the UK product set to offer a superior SME customer experience

**FROM**

- 108 products with extensive wordings on legacy technologies
- Case-based processing with manual broker touch points
- Limited offerings and scattered support for SME customers
- Limited broker platform functionality

**TO**

- 8 products with simple wording on simplified systems landscape
- Increased straight-through processing and digital touch points
- New flexible propositions and CoE of specialist SME underwriters
- New enhanced platform for brokers

**BENEFITS**

- Targeted coverage for brokers with clearly conveyed risk appetite
- Increased customer satisfaction with T-NPS increase of +28 pts
- Up to 25% reduction in variable costs through simpler operating model
- 80% of service requests responded to within one hour
Our focus will be on further improving the customer experience and investing in capabilities to support our growth...

**OPERATING PLATFORM**

- **Products & Services**
- **Processes**
- **Applications**
- **Infrastructure**

**PRIORITIES 2020 – 2022**

- Flexible propositions with increased coverage through continued product rationalization
  - klinc
  - doppo by ZURICH

- At-scale roll-out of intelligent automation in core functions

- Scaled-up data & analytics capabilities to drive business performance
  - Next generation technical functions able to value and protect new insurable assets

- Plug & Play architecture, externally available for customers, partners and vendors
... while continuing the efficiency journey

P&C OTHER UNDERWRITING EXPENSE RATIO DEVELOPMENT (%)

-2.4ppts

<table>
<thead>
<tr>
<th>Year</th>
<th>Expense Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY-15</td>
<td>16.1%</td>
</tr>
<tr>
<td>FY-16</td>
<td>15.4%</td>
</tr>
<tr>
<td>FY-17</td>
<td>14.2%</td>
</tr>
<tr>
<td>FY-18</td>
<td>14.1%</td>
</tr>
<tr>
<td>HY-19</td>
<td>13.7%</td>
</tr>
</tbody>
</table>
Example: Parametric Insurance (Earthquake Insurance Japan)

Implemented capability:
- Parametric earthquake insurance with pre-agreed payout trigger
- Granular risk selection based on customer address
- Automatic SMS notification and claims payment

Results achieved:
- Over 275,000 customers in the first year, with >10% opting for increased coverage
- Reduced transaction costs and faster claims settlement

Further opportunities:
- Over 1m customers expected within next 2 years

Operational simplicity
Improved customer experience through innovative products using fully automated underwriting and claims settlement
Automation has potential to reduce underwriting cost base by up to 15%

EXAMPLE: AUTOMATED STRUCTURING OF GEO-LOCATION DATA (LOCATION ROBOTS)

Implemented capability:
- Natural language processing to automatically structure address data on EMEA property broker submissions to allow instant geocoding

Results achieved:
- Data cleansing reduced from hours to minutes
- Automatically structured data sufficiently accurate for immediate geocoding

Further opportunities:
- Extend capability to monetary insured values for property damage and business interruption
- Roll out to commercial property portfolios across the entire Group
Automation has potential to reduce claims handling cost base by up to 15%

EXAMPLE: SELF-LEARNING ALGORITHM IN SWITZERLAND COMMERCIAL LINES (‘MEDEYE’)

**Implemented capability:**
- Algorithm developed and trained with historical data from last 10 years for hospital liability (medical malpractice) allowing for automated assessment of claims

**Results achieved:**
- Significant time savings
- Improved claims assessment effectiveness and fraud detection

**Further opportunities:**
- Extend ‘Medeye’ capability to other medical claims lines and the entire claims process
- Scale up across all commercial lines
Further efficiencies to improve net OUE ratio by 1 percentage point and support investments in new capabilities and growth

KEY PRIORITIES AND OBJECTIVES FOR 2020 – 2022

- At scale roll-out of intelligent automation program to all core insurance functions
- Shift of our project portfolio from back-end to front-end

1ppt of OUE ratio improvement

Support growth in retail and commercial
**Execution**
We have delivered on all our 2017 – 2019 targets by building simpler, leaner operations

**Simplification**
We have simplified our operations and continue to do so with focus shifting from infrastructure and applications towards products and front-end processes

**Customer**
We will continue the modernization of our operating model front-to-back with customer experience top of mind

**Innovation**
We will continue the build-up of new digital offerings and services

**Efficiency**
We will drive further efficiencies to improve our net OUE ratio by 1 point – after investments in new capabilities and growth
Driving customer excellence

Conny Kalcher, Chief Customer Officer
# Key messages

<table>
<thead>
<tr>
<th>Transforming Zurich</th>
<th>In 2016 we chose to become a customer-led company; the change is well underway and more is to come</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer loyalty</td>
<td>We understand what drives customer loyalty and we are acting upon customer feedback to improve satisfaction and thereby increase profits</td>
</tr>
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</tr>
<tr>
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<td>We have clear priorities ahead to guide customer engagement, transform the way we work and drive growth</td>
</tr>
<tr>
<td>Customer KPIs</td>
<td>Going forward we will disclose the progress in brand consideration and net new customers</td>
</tr>
</tbody>
</table>
We are transforming Zurich into a customer-centric company

FROM
- Policy oriented
- Standardized
- Owning the customer
- Opaque
- Company led
- Complex

TO
- ✔ Customer led
- ✔ Modular and personalized
- ✔ Serving their needs & society
- ✔ Transparent
- ✔ Community and co-creation
- ✔ Intuitive and convenient
Changing from ‘Product Brand’ to ‘Experience Brand’

EXPERIENCE BRANDS

- Focus on understanding customers
- Create distinct and seamless experience
- Create moments of dialogue
- Continuously improve customer experience

DRIVING CUSTOMER EXCELLENCE
We will redefine our customer value proposition and transform the way we service and engage with customers.

CUSTOMER FOCUSED OPERATING MODEL

**STRATEGIC INTENT**
- Customer driven
- Substance brand
- Premium experience

**5 BRAND PROMISES**
- Protection
- People
- Shareholder
- Partner
- Planet

**CUSTOMER FOCUSED**
- Culture & behavior
- Decision making
- Innovation

**DEEP UNDERSTANDING**
- Customer insights
- Customer behavior
- Customer co-creation

CUSTOMER LOYALTY
We continue to gain deep customer knowledge and insights through our NPS program

**PROGRAM KPIs (FY-19e)**

- Responses expected: ~1m
- Detractor close the loop calls: ~70,000

**GLOBAL DRIVERS OF LOYALTY**

- Ease
- Speed
- Product
- Value for Money
- People
- Info

**STRONG GOVERNANCE**

Cross-functional teams reviewing customer feedback and identifying actions
Our efforts are yielding positive results across the Group

NPS CHANGE (9m-19 vs. FY-18)

- **NORTH AMERICA**: 
  - T-NPS change
  - \(-1\)pts

- **LATIN AMERICA**
  - T-NPS change
  - +5pts

- **EMEA**: 
  - T-NPS change
  - +2pts

- **ASIA PACIFIC**: 
  - R-NPS change
  - +16pts
  - T-NPS change
  - +1pts

---

1. Does not include the joint venture with Banco Santander S.A.
2. Does not include the joint venture with Banco de Sabadell S.A. in Spain.
3. Relational NPS. For all references to Farmers Exchanges see the disclaimer and cautionary statement.
Customer loyalty leads to higher profits

**PROMOTERS BUY MORE**

- Average # of policies per customer:
  - Detractors: 1.3x
  - Promoters: 2x

**MULTI-LINE CUSTOMERS STAY LONGER**

- Customer retention (%):
  - Motor-only customers: 68%
  - Multi-line customers: 80%

**PROMOTERS ARE MORE LOYAL**

- Customer retention (%):
  - Detractors: +10 ppts
  - Promoters: -68%

**RETAINING CUSTOMERS IS COST EFFICIENT**

- Retention vs. acquisition cost (%):
  - Acquisition costs: 120%
  - Retention costs: 52%
### Continuously solving customer pain points improves satisfaction and loyalty

#### WE TOOK ACTIONS BASED ON NPS THAT SHOW WE ARE ON THE RIGHT PATH...

<table>
<thead>
<tr>
<th>PAIN POINT</th>
<th>ACTION</th>
<th>T-NPS IMPACT$^1$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unclear claims status, difficult access to staff</td>
<td>Introduced digitalized motor claims journey</td>
<td>+8</td>
</tr>
<tr>
<td>Inconsistent service by claims call center</td>
<td>Rolled out training and quality tracking</td>
<td>+6</td>
</tr>
<tr>
<td>Inflexible product offering</td>
<td>Launched modular motor product</td>
<td>+11</td>
</tr>
</tbody>
</table>

#### …AND WE WILL KEEP ENHANCING OUR NPS PROGRAM

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Countries in scope</td>
<td>25</td>
<td>30</td>
</tr>
<tr>
<td>Respondents (millions)$^2$</td>
<td>~1</td>
<td>1.4</td>
</tr>
<tr>
<td>Close the loop calls (thousands)$^2$</td>
<td>~70</td>
<td>80</td>
</tr>
<tr>
<td>New features</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

- Sentiment analysis
- Digital & social listening

---

1. Touchpoint: Claims settlement (Italy example), first notification (Japan example), purchase (Spain example).
2. FY-19 estimate.
We have an opportunity to grow in the sizeable millennial and Gen Z segments

**Millennials/Gen Z are currently underserved by insurers**

<table>
<thead>
<tr>
<th>Category</th>
<th>Share of World Population</th>
<th>Zurich Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gen Z (age: &lt;23)</td>
<td>~80%</td>
<td>&lt;20%</td>
</tr>
<tr>
<td>Millennials (age: 23-38)</td>
<td>~1%</td>
<td>&lt;20%</td>
</tr>
<tr>
<td>Other (age: 39+)</td>
<td>~80%</td>
<td>38%</td>
</tr>
</tbody>
</table>

2 Based on four European countries’ retail business (Ireland, Italy, Switzerland, Portugal).*
Millennials follow a radically different lifestyle

**TRADITIONAL LIFESTYLE**
- Live with parents
- Get an education
- Start a career
- Get married and have babies
- Buy a house
- Kids leaving house

**MILLENNIAL LIFESTYLE**
- Live with parents
- Get an education
- Move back home
- Travel the world
- Start a career
- Cohabit with partner
- Marry?
- Have babies?
- Start different career
- Start side project
- Start 2nd education
- 2+2=2
Four strategic initiatives to guide customer engagement, transform the way we work and drive growth

CUSTOMER EXPERIENCE INNOVATION
CUSTOMER INSIGHTS AND DATA ANALYTICS
CUSTOMER VALUE PROPOSITION
CORPORATE BRAND FRAMEWORK & VISUAL IDENTITY

DRIVE GROWTH

Deepen relationship with our existing customers
Attract millennials and Gen Z
Going forward we will disclose two additional customer KPIs:

**BRAND CONSIDERATION**

- **Awareness**
- **Consideration**
- **Preference**
- **Ownership**

1. **Top 3**
2. **#4 to #5**
3. **Below top 5**

- 15 markets
- 33%
- 13%
- 53%

**NET NEW CUSTOMERS**

- 8 businesses in scope (~65% of Retail BOP)

1. **Customer count (period beginning)**
2. **Acquisitions/disposals**
3. **Churn**
4. **Gross new customers**
5. **Customer count (period end)**

---

1. Argentina, Australia, Austria, Brazil, Germany, Hong Kong, Ireland, Italy, Japan, Malaysia, Mexico, Portugal, Spain, Switzerland, UK.
2. Excluding Farmers and North America alternative markets. Countries in scope are Australia, Brazil, Germany, Italy, Japan, Spain, Switzerland, UK.
### Key messages

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</table>
Customer-led retail transformation

Giovanni Giuliani, Group Head of Strategy, Innovation and Business Development
<table>
<thead>
<tr>
<th>Key messages</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong foundation</td>
<td>Retail is an attractive market and we have a large, profitable and growing franchise</td>
</tr>
<tr>
<td>Positioned for the future</td>
<td>Our open architecture distribution and simplified operating model position us well for the fundamental changes driven by technology and customer demographics</td>
</tr>
<tr>
<td>Deeper customer focus</td>
<td>We have developed proven solutions to deepen existing customer relationships and are deploying these at scale across our businesses</td>
</tr>
<tr>
<td>Targeting new segments</td>
<td>We are well prepared to attract new customer segments, Millennials and SMEs</td>
</tr>
<tr>
<td>Enhanced execution</td>
<td>Customer-led transformation accelerated by employee-driven change will unlock growth and increase brand consideration</td>
</tr>
</tbody>
</table>
Retail Insurance is a large and growing market

2018 INSURANCE MARKET (%)\(^1\)

- 75% Retail
- 25% Commercial
- USD 5.5tn

RETAIL GWP (USDtn)\(^1\)

- FY-18
- FY-22e
- +5% p.a.
- Life
- Non-Life

Retail is fundamentally changing, propelled by new technology and shifting demographics.

A NEW MODEL IS EMERGING

Customer proximity

Customer intimacy & pull approach

Captive approach & push approach

New model
Customer intimacy in open platforms

Old model
Captive ownership of customers

Customer reach

Agents
Direct
Banc-assurance
Affinities
Platforms

LARGE AND VERY DIFFERENT CUSTOMER SEGMENTS ARE ENTERING NEW LIFE STAGES

% of world population

Gen Z
Age: <23
38%

Millennials
Age: 23 - 38
24%

Gen X
Age: 39 - 54
20%

Baby boomers
Age: 55 - 73
15%

Pre-work
Start to work / family formation
Maturity

Our Retail business is large, profitable and growing

RETAIL TOPLINE (USDbn)

P&C GWP

<table>
<thead>
<tr>
<th>FY-16</th>
<th>FY-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>18.6</td>
<td>19.4</td>
</tr>
</tbody>
</table>

+2% p.a.

Life APE\(^1\)

<table>
<thead>
<tr>
<th>FY-16</th>
<th>FY-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.0</td>
<td>3.1</td>
</tr>
</tbody>
</table>

+2% p.a.

Farmers Exchanges

<table>
<thead>
<tr>
<th>GWP(^2)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FY-16</td>
<td>18.9</td>
</tr>
<tr>
<td>FY-18</td>
<td>20.2</td>
</tr>
</tbody>
</table>

+3% p.a.

AVERAGE 2016 – 2018 RETAIL BOP SPLIT (%)

- P&C: 39%
- Life: 27%
- Farmers Exchanges: 34%

USD 4.3bn

+5% p.a.

---

1. Including Farmers Life.
2. Continuing operations only, excludes discontinued operations (21st Century outside of California and Hawaii, Business Insurance Independent Agents, and other businesses). For all references to Farmers Exchanges see the disclaimer and cautionary statement.
Our portfolio delivers healthy performance, further benefiting from recently simplified operating model.

**CUSTOMER-LED RETAIL TRANSFORMATION**

**HIGH QUALITY LIFE BUSINESS MIX**

**LIFE RETAIL APE BUSINESS MIX (USDbn, %)**

<table>
<thead>
<tr>
<th></th>
<th>FY-16</th>
<th>FY-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Protection and Unit-linked</td>
<td>28%</td>
<td>21%</td>
</tr>
<tr>
<td>Other</td>
<td>72%</td>
<td>79%</td>
</tr>
</tbody>
</table>

**ENHANCED P&C PROFITABILITY**

**P&C RETAIL COMBINED RATIO (%)**

<table>
<thead>
<tr>
<th></th>
<th>FY-16</th>
<th>FY-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>94.9%</td>
<td>93.8%</td>
</tr>
</tbody>
</table>

-1.1ppt

**FURTHER IMPROVED EFFICIENCY**

**P&C RETAIL OUE RATIO (%)**

<table>
<thead>
<tr>
<th></th>
<th>FY-16</th>
<th>FY-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>15.1%</td>
<td>13.8%</td>
</tr>
</tbody>
</table>

-1.3ppt

---

1 Including Farmers Life.
We have a focused yet geographically diversified footprint, which has been further strengthened through targeted M&A.

CUSTOMER-LED RETAIL TRANSFORMATION

AVERAGE 2016 – 2018 RETAIL BOP (USDbn, %)

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Other</th>
<th>Top 6 retail</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-2018</td>
<td>4.3</td>
<td>1.1</td>
<td>3.2</td>
</tr>
<tr>
<td>73%</td>
<td></td>
<td>27%</td>
<td></td>
</tr>
</tbody>
</table>

STRENGTHENED MARKET POSITION

<table>
<thead>
<tr>
<th>ACQUISITION</th>
<th>CHANGE IN RANKING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel</td>
<td>n.m.</td>
</tr>
<tr>
<td>Cover-More, Travel Ace, Universal Assistance, Blue</td>
<td>#2</td>
</tr>
<tr>
<td>Life</td>
<td>#8</td>
</tr>
<tr>
<td>OnePath Life</td>
<td>#2²</td>
</tr>
<tr>
<td>P&amp;C + Life</td>
<td>#5</td>
</tr>
<tr>
<td>QBE (5 countries), EuroAmerica</td>
<td>#3</td>
</tr>
<tr>
<td>P&amp;C</td>
<td>n.m.</td>
</tr>
<tr>
<td>Adira Insurance</td>
<td>#6³</td>
</tr>
</tbody>
</table>

1 Farmers (Farmers Management Services, Farmers Life and Farmers Re).
2 Individual Life only (#3 including group life).
3 Subject to regulatory approval, closing of transaction expected by the end of the year.
We have an open distribution architecture ensuring wide customer reach which positions us well for the future

**AGENTs**

<table>
<thead>
<tr>
<th>ZURICH</th>
<th>&gt;45,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>FARMERS</td>
<td>&gt;45,000²</td>
</tr>
</tbody>
</table>

**DIRECT**

-3m customers

**BANK DISTRIBUTION**

Access to >100m customers through >70 banks

**AFFINITIES & PLATFORMS**

Access to >100m customers

---

¹ For all references to Farmers Exchanges see the disclaimer and cautionary statement.

² Exclusive and independent agents.
Over the past three years we have validated solutions with clear business impact and know what works and why

**INCREASE RETENTION**
We know how to serve our customers better so they stay longer

USD 100m BOP = ~2.2ppts retention

**INCREASE PROFITABILITY**
We know how to help them reduce their risk with connected propositions

USD 100m BOP = ~0.6ppts combined ratio

**INCREASE PRODUCT DENSITY**
We know how to identify and address more of their unmet needs

USD 100m BOP = 1 in ~30 customers buys an additional product

**EXPAND DISTRIBUTION**
We know how to enhance our distribution productivity and reach

Access to incremental customers

PROVEN SOLUTIONS
- Global NPS program
- Zurich Active Customer Management
- Connected propositions
- Enhanced agents productivity
- Expanded affinity distribution
Happier customers stay longer, buy more and cost less to serve

**EXPANDED NPS GLOBAL PROGRAM**

- Countries in scope: 25
- Respondents (millions): ~1
- Close the loop calls (thousands): ~70
- Customer Touchpoints: >440

**CONTINUOUS WORK ON PAIN POINTS**

**PAIN POINT**: Motor product offering not matching customer’s demand for flexibility

**ACTION**: Launched modular motor product

**PURCHASE T-NPS**: +11pts

**HIGHER NPS DRIVES PROFITS**

- **RETENTION**: Promoters vs. detractors +10pts
- **SHARE OF WALLET**: Promoters vs. detractors 1.3x
- **ACQUISITION COSTS**: Retained vs. new business -68%

**Countries in scope**: 25

**Respondents (millions)**: ~1

**Close the loop calls (thousands)**: ~70

**Customer Touchpoints**: >440

**PAIN POINT**: Motor product offering not matching customer’s demand for flexibility

**ACTION**: Launched modular motor product

**PURCHASE T-NPS**: +11pts

**RETENTION**: Promoters vs. detractors +10pts

**SHARE OF WALLET**: Promoters vs. detractors 1.3x

**ACQUISITION COSTS**: Retained vs. new business -68%
ZCAM\(^1\) provides our distribution partners with deeper insights into customers unmet needs

### DISTINCTIVE CAPABILITIES

- **360° customer view**
  One view of overall customer value with Zurich

- **Customer segmentation and next best action**
  AI driven insights to predict next customer need

- **100% integration with sales channels**
  Each channel receives automatic triggers for action

### STRONG RESULTS AFTER ONLY 12 MONTHS

<table>
<thead>
<tr>
<th></th>
<th>Without ZCAM</th>
<th>With ZCAM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PRODUCT DENSITY</strong> (# policies)</td>
<td></td>
<td>+5%</td>
</tr>
<tr>
<td><strong>CUSTOMERS WITH LIFE AND P&amp;C POLICIES (%)</strong></td>
<td>4x</td>
<td></td>
</tr>
</tbody>
</table>

### FIVE UNITS IN DEPLOYMENT PHASE AND MORE WILL FOLLOW

---

\(^1\) Zurich Customer Active Management.
We can now identify more and specific customer needs, leading to much longer tenure and increasing customer value.

**WE CAN TARGET UNMET CUSTOMER NEEDS TO INCREASE PRODUCT DENSITY...**

Six insurance products per customer on average, of which two with Zurich.

**... AND WE HAVE LEARNED THEIR EXPONENTIAL IMPACT ON CUSTOMER TENURE**

Opportunity

CUSTOMER TIME ON BOOK (years)

Motor only: 6
Motor + household / liability: 10
P&C + Life: 19

1 Defined as customers which own one or more products from Zurich. Proprietary research based on 5 countries. Includes car, home, life & pensions, health, accident, personal liability, travel and cyber insurance owners.
We have developed connected propositions enriched by services to improve customer experience.

---

1 For all references to Farmers Exchanges see the disclaimer and cautionary statement.
Increased agent productivity through enhanced digital tools

FLEXIBLE CRM TOOL DESIGNED BY AGENTS FOR AGENTS

Digital, easy-to-use solution, leveraging state-of-the-art user experience design

Integrated data analytics, lead and performance management

- Freed-up time per agent per week: ~0.5 day
- Additional customer visits per year: +20%
- Above average new business production: +56%

1 Experience in Portugal in second year after introduction of new CRM tool. New business production measured in premiums of top 30 agents using the tool vs. average of all agents in Portugal.
Distribution partnerships are a growing channel and enable us to reach customers across different moments of their lives.

**PARTNERING WITH AFFINITIES TO ACCESS CUSTOMERS IN DIFFERENT MOMENTS OF THEIR LIVES**

Where insurers play today:

- Protect family/goods...
- Eat and exercise...
- Move and travel...
- Buy goods and services...
- Take care of the house...
- Taking a mortgage, invest...
- They work...

**EXAMPLE BANCASSURANCE**

**OVERALL MARKET GROWTH (USDbn)**

<table>
<thead>
<tr>
<th></th>
<th>FY-11</th>
<th>FY-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>604</td>
<td>849</td>
<td></td>
</tr>
</tbody>
</table>

+5% p.a.

**Source:** McKinsey's Global Insurance Pools. Including Life and Non-Life, retail and commercial insurance, converted to USD based on 2018 average exchange rates.

**Preliminary.**
We will continue to build out this model giving us even greater customer access.

**DISTINCTIVE CAPABILITIES**
- Unique **global footprint**
- Comprehensive **product offering**
- High-quality **Swiss brand**
- Flexibility due to **balanced distribution mix**
- Advanced **customer data analytics** capability combining own and partner data
- Broad and proven **track-record** with distribution partnerships

**A KEY DISTRIBUTION CHANNEL FOR OUR RETAIL BUSINESS...**

<table>
<thead>
<tr>
<th>Channel</th>
<th>P&amp;C GWP</th>
<th>Life APE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other channels</td>
<td>26%</td>
<td>49%</td>
</tr>
<tr>
<td>Distribution partnerships</td>
<td>74%</td>
<td>51%</td>
</tr>
</tbody>
</table>

**CONTINUOUSLY EXPANDING**

<table>
<thead>
<tr>
<th>CUSTOMERS (millions)</th>
<th>Banks</th>
<th>Utilities</th>
<th>Retailers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>11</td>
<td></td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Access to ~45m customers added in last 12 months

---

1. Excluding North America alternative markets.
2. Including Farmers Life.
We are also well prepared to attract new customer segments: SMEs and millennials

- Increase **retention**
- Increase **product density**
- Improve **profitability**
- Strengthen **distribution**

- **Simplify** propositions
- Increase **service** components
- Improve **broker access**, better support **agents**
- Strengthen our **digital channels**

- Scale up **innovative solutions**
  ... **more to come**
We have end-to-end initiatives in place to better serve the growing SME market

A LARGE AND GROWING BUSINESS

FY-18 P&C SME GWP BY OUR MAIN MARKETS (USDbn)

>USD 125bn

END-TO-END SET OF INITIATIVES IN PLACE

- Product simplification
- Better risk prevention
- Stronger agency CRM
- Improved access to brokers
- Strengthened D2C channels

¹ Excluding programs.
A simpler and more intuitive SME product offering to support growth

WE HAVE SIMPLIFIED THE SME PRODUCT OFFER IN THE UK...

...WITH CLEAR WIN-WIN BENEFITS

- T-NPS +28pts
- Service response reduced from days to minutes
- Faster quote
- More time to spend advising customers
- Easier to deal with Zurich
- Cost and IT efficiency
- Wider channel presence
- Largest business pipeline ever

FURTHER ROLL-OUT PLANNED

- Deployment in 2020
- More markets to follow
We are supporting our agents with specific SME insights and have simplified brokers’ access.

Agents are provided with:
- # of customers in their area
- Description of customers and their needs
- Products they currently have with Zurich
- Potential business opportunities

Main benefits of one single Zurich platform:
- Access to more brokers
- Faster quotes
- One centralized solution
- Centralized pricing tool to ensure consistency across brokers
CUSTOMER-LED RETAIL TRANSFORMATION

Our collaboration with CoverWallet provides greater access to digitally savvy SMEs

DISTINCTIVE CAPABILITIES

STRONG RESULTS

4 products launched:
- Accident
- Accident plus
- Accident for owners
- Workers compensation

Quote to bind conversion
- 13% - 35%

Lead to bind conversion
- 12% - 18%

November 14, 2019

EXCLUSIVE COLLABORATION IN EUROPE

Live since 2018
- Live since 2019
- Ready for launch in 2020
- More markets to follow
New and innovative solutions already launched in the market, with more to come

- **Extended gadget insurance**
- Launched in Spain in Q3-18 and in Argentina in Q2-19
  - ~6,000 customers since launch

- **Renters insurance, with add-on for pet & content**
- Launched in Q4-18
  - ~16,000 policies in 23 states

- **Home insurance**
- Launched in Italy in Q2-19
  - NPS of 65 up to date

- **Motor insurance**
- Launched in Spain in Q3-19

---

1 For all references to Farmers Exchanges please see the disclaimer and cautionary statement.
## Key messages

<table>
<thead>
<tr>
<th>Strong foundation</th>
<th>Retail is an attractive market and we have a large, profitable and growing franchise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positioned for the future</td>
<td>Our open architecture distribution and simplified operating model position us well for the fundamental changes driven by technology and customer demographics</td>
</tr>
<tr>
<td>Deeper customer focus</td>
<td>We have developed proven solutions to deepen existing customer relationships and are deploying these at scale across our businesses</td>
</tr>
<tr>
<td>Targeting new segments</td>
<td>We are well prepared to attract new customer segments, Millennials and SMEs</td>
</tr>
<tr>
<td>Enhanced execution</td>
<td>Customer-led transformation accelerated by employee-driven change will unlock growth and increase brand consideration</td>
</tr>
</tbody>
</table>
MAKE THE DIFFERENCE

700+ ideas submitted

2,000+ Nominees

1,250+ employees engaged

60 Initiatives

22 Global Events

4 REGIONS

28 COUNTRIES
Plain Language - From 40 pages to 4 pages

SteerCo Streamlining
33% reduction of meetings

Fast Track Renewals
15% time reduction

48h Referral - From 7 days to less than 48h
Optimizing commercial insurance

James Shea, CEO Commercial Insurance
## Key messages

<table>
<thead>
<tr>
<th>Leading market position</th>
<th>We are one of the leading global commercial insurers</th>
</tr>
</thead>
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<tr>
<td>Profitability improved</td>
<td>We have differentiated ourselves from peers, reducing our accident year combined ratio excl. catastrophes by 4ppts since 2016, and have reduced results volatility</td>
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<tr>
<td>Well positioned</td>
<td>We have strong capabilities which are not easily replicated</td>
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<tr>
<td>Ambition</td>
<td>We aspire to be the leader in underwriting discipline and customer focus</td>
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<tr>
<td>Further opportunities</td>
<td>Improved market conditions together with targeted growth in the attractive middle market and accident and health business will drive further profitability increases</td>
</tr>
</tbody>
</table>
We have earned our strong position with actions taken, will continue on this path to build an even stronger foundation.

<table>
<thead>
<tr>
<th>WHERE WE CAME FROM (2016)</th>
<th>WHAT WE HAVE ACHIEVED SO FAR (2019)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Portfolio</strong></td>
<td><strong>Customer service</strong></td>
</tr>
<tr>
<td>Overweight in volatile large corporate and long-tailed liability risks</td>
<td>Re-balanced product mix</td>
</tr>
<tr>
<td><strong>Customer service</strong></td>
<td><strong>Loss of competitiveness in many propositions</strong></td>
</tr>
<tr>
<td><strong>Broker relationships</strong></td>
<td><strong>Poor communication of risk appetite</strong></td>
</tr>
<tr>
<td><strong>Talent/ Culture</strong></td>
<td><strong>Strong reliance on process and models</strong></td>
</tr>
<tr>
<td><strong>Data &amp; technology</strong></td>
<td><strong>Complex tools and high administrative burden</strong></td>
</tr>
</tbody>
</table>
Strong improvement in accident year combined ratio and BOP, driven by underlying improvements in loss ratio and efficiency

### P&C COMMERCIAL AY COMBINED RATIO EXCLUDING CATASTROPHES (%)

- **FY-16**: 99.1%
- **FY-17**: 100.8%
- **FY-18**: 99.5%
- **HY-19**: 94.8%

### P&C COMMERCIAL BOP (USDm)

- **FY-16**: 1,694 USDm
- **FY-17**: 1,061 USDm
- **FY-18**: 1,168 USDm
- **HY-19**: 1,067 USDm

- **BOP excl. catastrophes**
- **Catastrophes**
Better risk selection and focus on driving rate increases have led to an improved quality of risk

**RISK SELECTION**
- Consistent global risk appetite
- Focus on improvement of terms & conditions
- Reduced exposures to loss-making segments across LoBs
- Better use of reinsurance
- Excellent underwriting talent and technical skills

**P&C COMMERCIAL RATE CHANGES (%)**

<table>
<thead>
<tr>
<th>Region</th>
<th>FY-16</th>
<th>FY-17</th>
<th>FY-18</th>
<th>HY-19</th>
<th>Market (Marsh market index)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NORTH AMERICA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zurich</td>
<td>0.4%</td>
<td>0.6%</td>
<td>3.6%</td>
<td>6.1%</td>
<td></td>
</tr>
<tr>
<td>Market</td>
<td>-3.2%</td>
<td>-1.9%</td>
<td>-0.1%</td>
<td>3.0%</td>
<td></td>
</tr>
<tr>
<td><strong>EMEA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zurich</td>
<td>1.8%</td>
<td>1.5%</td>
<td>1.9%</td>
<td>3.5%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Market</td>
<td>-4.0%</td>
<td>-2.7%</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>LATIN AMERICA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zurich</td>
<td>0.5%</td>
<td>1.3%</td>
<td>1.2%</td>
<td>0.9%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Market</td>
<td>-3.1%</td>
<td>-0.2%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ASIA PACIFIC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zurich</td>
<td>1.5%</td>
<td>3.7%</td>
<td>4.3%</td>
<td>6.2%</td>
<td>8.9%</td>
</tr>
<tr>
<td>Market</td>
<td>-3.1%</td>
<td></td>
<td></td>
<td></td>
<td>12.2%</td>
</tr>
</tbody>
</table>
We have made progress in shifting our portfolio mix towards property and specialty lines of business.

### EXAMPLES OF PORTFOLIO ACTIONS

**NEP CHANGE FY-18 vs FY-16 (%)\(^1\)**

- **NORTH AMERICA LIABILITY**: -31%
- **U.S. PROPERTY**: +7%
- **MOTOR**: -18%
- **ACCIDENT & HEALTH**: +6%

### P&C COMMERCIAL BUSINESS MIX (% NEP)

<table>
<thead>
<tr>
<th></th>
<th>FY-16</th>
<th>FY-17</th>
<th>FY-18</th>
<th>HY-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Casualty</td>
<td>![Casualty] 51%</td>
<td>![Casualty] 51%</td>
<td>![Casualty] 45%</td>
<td>![Casualty] 43%</td>
</tr>
<tr>
<td>Property</td>
<td>![Property] 26%</td>
<td>![Property] 22%</td>
<td>![Property] 24%</td>
<td>![Property] 26%</td>
</tr>
<tr>
<td>Specialty</td>
<td>![Specialty] 23%</td>
<td>![Specialty] 22%</td>
<td>![Specialty] 31%</td>
<td>![Specialty] 31%</td>
</tr>
</tbody>
</table>

\(^1\) On a comparable basis.
We have a leading global commercial franchise

**RANKING (FY-18 NEP, USDbn)**

- CHUBB®
- AIG
- ZURICH®
- QBE
- Allianz
- Swiss Re

**A LEADER IN COMMERCIAL SPACE**

- **#3** Largest global player
- **#1** Cross-border insurer to multinational corporations
- **#1** Global risk engineering franchise
- **TOP 3** Provider of captive insurance solutions

**FULL PRODUCT SUITE AND A WELL DIVERSIFIED BUSINESS**

**FY-18 GWP BY LINE OF BUSINESS (%)**

- Specialty: 28%
- Property: 34%
- Casualty: 38%

**FY-18 GWP BY REGION (%)**

- Latin America: 37%
- Asia Pacific: 6%
- North America: 5%
- EMEA: 52%

---

1. Source: Company reports. Data includes only primary insurance and is on a more comparable basis. Zurich view includes alternative markets in North America and municipal business in the UK and excludes SME business.
2. With regard to multi-line insurers.
We have strong capabilities in place and have made investments to further enhance them

**KEY CAPABILITIES**

- Leader in complex international programs
- Superior risk engineering and captive services
- Strengthened customer service for key clients, reliable partner for brokers
- Advanced analytics capabilities

**KEY INVESTMENTS**

- Upgraded and rationalized underwriting platforms
- Enhanced data and data analytics tools for underwriters
- Expanded service capabilities in risk prevention and mitigation
- Developed sales force to drive service revenues
- Strengthened underwriting leadership
- Aligned incentives towards profitability and value creation
**We are well positioned to succeed in evolving market conditions**

<table>
<thead>
<tr>
<th>COMMERCIAL INSURANCE INDUSTRY ENVIRONMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DISTRIBUTION LANDSCAPE EVOLVING</strong></td>
</tr>
<tr>
<td>Broker consolidation, increased placement of homogenous risks, and propositions with additional services</td>
</tr>
<tr>
<td><strong>HIGHER NATURAL CATASTROPHES</strong></td>
</tr>
<tr>
<td>Weather related catastrophe losses increasing; 2017-2018 losses highest ever for a two-year period</td>
</tr>
<tr>
<td><strong>CUSTOMERS REQUESTING MORE SERVICES</strong></td>
</tr>
<tr>
<td>Customers require risk prevention and mitigation services to face increasingly complex and interconnected risk landscape</td>
</tr>
<tr>
<td><strong>INCREASING USE OF DATA</strong></td>
</tr>
<tr>
<td>Increased risk selection and pricing sophistication, as well as enhanced risk management services through use of data</td>
</tr>
<tr>
<td><strong>GENERAL ENVIRONMENT</strong></td>
</tr>
<tr>
<td>The macroeconomic environment, coupled with regulatory and political developments impacting risk selection / appetite</td>
</tr>
<tr>
<td><strong>CHANGING MARKET</strong></td>
</tr>
<tr>
<td>Signs of improvement across line of businesses and geographies</td>
</tr>
</tbody>
</table>
We focus on further expansion of our global leadership and underwriting discipline in commercial insurance.

PRODUCTS
Scale selected propositions and make them globally consistent

CUSTOMER SEGMENTS
Strengthen the middle market in targeted geographies

SERVICE
Innovate service offerings

CULTURE
Accelerate culture change and greater business acumen

TOOLS AND DATA
Optimize underwriting with better tools and data insights

TALENT
Improve competency in risk selection and pricing
Continued focus on risk selection aided by superior systems

**INSIGHT 360° – DELIVERING SUPERIOR INTELLIGENCE**

- Whole account view
- Internal and external risk measurement
- Holistic performance benchmarking

**BENEFITS FOR UNDERWRITERS AND CUSTOMERS**

- Analysis capabilities of customer profitability and risk by line of business
- Deep insight into exposure and improved risk selection
- Easier communication of performance with customers and brokers
We continue to balance our portfolio mix

**ONGOING PORTFOLIO ACTIONS**

<table>
<thead>
<tr>
<th>PROPERTY &amp; ENERGY</th>
<th>CASUALTY</th>
<th>FINANCIAL LINES</th>
<th>CREDIT LINES</th>
<th>ACCIDENT &amp; HEALTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY-19e GWP (USDbn)</td>
<td>5.2</td>
<td>5.1</td>
<td>1.7</td>
<td>1.0</td>
</tr>
<tr>
<td>EXPECTED GWP GROWTH</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EXPECTED RATE INCREASES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AVG. FY-16 TO FY-18 AY CR (%)(^1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) Excluding Group Reinsurance. For commercial insurance AY combined ratio average is 106%.
We continue to complement large corporate with attractive middle market business

---

**SIZEABLE AND GROWING MARKET**

GWP GLOBAL P&C COMMERCIAL INSURANCE MARKET (USDbn)

- FY-11: 350
- FY-18: 480
- FY-25e: 650

GWP CAGR: +37%

**LARGE CORPORATE ACCOUNTS FOR MORE THAN 70% OF GLOBAL GWP**

CUSTOMER SEGMENT MIX (%)

- FY-18: 28% Middle market, 72% Large corporate

FY-11 TO FY-18 GWP CAGR (%)

- FY-18: 4%

**MIDDLE MARKET IS LESS VOLATILE**

NORTH AMERICA CUMULATIVE QUARTERLY RATE INCREASES BY ACCOUNT SIZE (%)

- Small: Q4-00: 90%, Q4-05: 90%, Q4-10: 90%, Q4-15: 90%
- Medium: Q4-00: 90%, Q4-05: 90%, Q4-10: 90%, Q4-15: 90%
- Large: Q4-00: 90%, Q4-05: 90%, Q4-10: 90%, Q4-15: 90%

---

2. Middle market accounts are companies with turnover of USD 25 – 500m, large corporate accounts are companies with turnover of >USD 500m.
Strengthen position in the middle market in the U.S.

**FURTHER STRENGTHEN UNDERWRITING EXPERTISE**

- Current: 55-60% Senior, 40-45% Junior
- Future: 55-60% Senior, 40-45% Junior

Target ratio senior to junior UWs of ~2:1

---

**DEEPEN U.S. FOOTPRINT**

- Existing locations
- New locations
- 20-30 locations

---

**INCREASED DISTRIBUTION AND CUSTOMER FOCUS**

- Focused and sophisticated distribution management

---

**SIMPLIFIED AND FASTER INTERACTION**

- Timely and quality services offered
Scale selected specialty products to fully capitalize on our position; ambition to become a leading A&H global player

ATTRACTION A&H MARKET\(^1\)

<table>
<thead>
<tr>
<th>Region</th>
<th>FY-18 GWP (USDbn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>6.7</td>
</tr>
<tr>
<td>EMEA</td>
<td>5.2</td>
</tr>
<tr>
<td>APAC</td>
<td>0.6</td>
</tr>
</tbody>
</table>

WELL POSITIONED IN A&H

- Large client base
- Strong position with major brokers
- Strong brand with clients and brokers for international program business
- Broad underwriting expertise and unified product offering
- Newly developed global pricing tool enabling better risk selection
- Ability to combine with corporate life

CURRENT A&H PORTFOLIO RUNS AT LOWER COMBINED RATIO

1 Accident & health (A&H) covers occupational accident and health and business travel. Figures represent aggregated size of Zurich’s targeted subsegment and geographies. Source: AON Inpoint.
Strengthen our customer value proposition by expanding our risk management service offering

**RATIONALE**
- Sizable market with >USD 15bn revenues and growing demand
- Positions Zurich beyond risk transfer
- Increased customer proximity and retention
- Generates recurring and capital-light profits

**CURRENT CORE SERVICE CAPABILITIES**
- Risk engineering advisory
- Engineering inspections
- Captives advisory

**SERVICE CAPABILITIES EXPANSION**
- Risk monitoring and risk prevention tools
- Risk mitigation tools
- Across multiple business areas

**EXAMPLE: SUPPLY CHAIN RISK MANAGEMENT SERVICE**
An interactive world map digitizes your end-to-end supply network helping you assess risk exposure in an instant.
# Priority of margin expansion to remain, with continued lower volatility

## OUR DELIVERY AND OPPORTUNITIES

### RATE CHANGE (%)

<table>
<thead>
<tr>
<th></th>
<th>FY-16</th>
<th>FY-17</th>
<th>FY-18</th>
<th>9m-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0%</td>
<td>1.2%</td>
<td>3.1%</td>
<td>5.5%</td>
<td></td>
</tr>
</tbody>
</table>

### GROWTH (%)

<table>
<thead>
<tr>
<th></th>
<th>FY-16</th>
<th>FY-17</th>
<th>FY-18</th>
<th>FY-19e</th>
</tr>
</thead>
<tbody>
<tr>
<td>-9.7%</td>
<td>-8.8%</td>
<td>-6.2%</td>
<td>-5.3%</td>
<td>-6.1%</td>
</tr>
</tbody>
</table>

1. Growth is measured in actual rates and GWP is after eliminations. In local currency FY-19e GWP growth at 6.8% and NEP growth at -3.0%.

### LARGE LOSS VOLATILITY (ppts)

<table>
<thead>
<tr>
<th></th>
<th>Q1-14</th>
<th>Q4-15</th>
<th>Q2-19</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>5ppts</td>
</tr>
</tbody>
</table>

### EXPENSE RATIO (%)

<table>
<thead>
<tr>
<th></th>
<th>FY-16</th>
<th>FY-17</th>
<th>FY-18</th>
<th>FY-19e</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.8%</td>
<td>27.4%</td>
<td>27.7%</td>
<td>26.8%</td>
<td>27.4%</td>
</tr>
</tbody>
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### COMBINED RATIO (%)

<table>
<thead>
<tr>
<th></th>
<th>FY-16</th>
<th>FY-17</th>
<th>FY-18</th>
<th>FY-19e</th>
</tr>
</thead>
<tbody>
<tr>
<td>104.2%</td>
<td>111.4%</td>
<td>99.2%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

1. Volatility is measured as difference between lowest and highest ratio for the indicated period. Data for 2014/2015 reflects Global Corporate business only.
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<thead>
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</tr>
</tbody>
</table>
Increased financial ambition

George Quinn, Group Chief Financial Officer
### Key messages

**Ambitious 2020-22 targets**
We target a BOPAT RoE in excess of 14% and increasing, with compound organic earnings per share growth of at least 5% p.a.

**Productivity**
Productivity to further improve, with the P&C OUE ratio expected to reduce by 1-2 ppts through cost discipline and improved top-line development.

**Capital allocation**
Continued capital reallocation provides further opportunities to improve returns.

**Cash generation**
Strong conversion of earnings into cash; Cumulative cash remittances expected to exceed USD 11.5bn over 2020 – 2022.

**Dividend**
Our attractive policy is unchanged with dividends based on sustainable earnings growth and a NIAS payout ratio of ~75% with a minimum target of the prior year level.
INCREASED FINANCIAL AMBITION

We delivered on all our current Group targets

<table>
<thead>
<tr>
<th>BOPAT ROE (%)</th>
<th>Z-ECM RATIO (%)</th>
<th>CUMULATIVE CASH REMITTANCES (USDbn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY-17 9.2%</td>
<td>Q3-19e 113%</td>
<td>FY-17 - FY-19e</td>
</tr>
<tr>
<td>FY-18 12.1%</td>
<td>Target 120%</td>
<td>2017 - 2019 Target &gt;9.5</td>
</tr>
<tr>
<td>FY-19e &gt;12.0%</td>
<td>Target range</td>
<td></td>
</tr>
</tbody>
</table>

**CUMULATIVE NET EXPENSE SAVINGS (USDm)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Achieved</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>~300</td>
<td>2019</td>
</tr>
<tr>
<td>2016</td>
<td>~700</td>
<td>1,500</td>
</tr>
<tr>
<td>2017</td>
<td>~1,100</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Q3-19 Z-ECM reflects midpoint estimate with an error margin of +/- 5ppts.
We have ambitious new targets for 2020 to 2022

2017 – 2019 DELIVERED

- BOPAT ROE\(^1\) in excess of 12% and increasing
- Cumulative cash remittances in excess of USD 9.5bn over 2017 – 2019
- USD 1.5bn in net savings by 2019 compared to the 2015 baseline
- Z-ECM ratio to remain in 100-120% range

2020 – 2022 AMBITION

- BOPAT ROE\(^1\) in excess of 14% and increasing
- Cumulative cash remittances in excess of USD 11.5bn over 2020 – 2022
- Compound organic earnings per share growth\(^2\) of at least 5% p.a.
- Z-ECM ratio to remain in 100-120% range

\(^1\) Business Operating Profit after tax return on equity, excluding unrealized gains and losses.
\(^2\) Before capital deployment.
We will use all levers to drive further ROE expansion

ILLUSTRATIVE BOPAT ROE DEVELOPMENT (%)

1. HY-19 adjusted for timing of dividend payment and normalization of natural catastrophe losses and hedge fund performance.
Continued growth in retail while focusing on improving profitability of commercial will improve ROE

**P&C CAPITAL INTENSITY**

- Commercial: ~90%
- Retail: ~40%

**P&C CAPITAL ALLOCATION (USD bn)**

- FY-16: ~35% Commercial, ~65% Retail
- FY-19e: ~40% Commercial, ~60% Retail

- Reduction: ~1.2bn

**P&C PROFITABILITY**

- Return on capital (%): FY-16, FY-17, FY-18, FY-19e

---

1. Ratio based on Z-ECM risk based capital divided by net earned premium.
2. Based on Z-ECM risk based capital.
3. Return on capital defined as business operating profit after tax divided by net asset value.
Our successful life protection strategy insulates against low yields and is beneficial to returns.

**LIFE PROTECTION GWP (USDbn)**

- EMEA: +10%
- Latin America: +8%
- Asia Pacific: +22%
- North America: +24%
- Total: +12%

**LIFE BOP SOURCE OF EARNINGS (%)**

- HY-18: 13%
- HY-19: 12%

**2018 LIFE IRR VERSUS PAYBACK**

- Protection
- Unit-linked
- Traditional

- IRR (%)
  - Protection
  - Unit-linked
  - Traditional

- Payback period (years)
  - HY-18: 87%
  - HY-19: 88%

- APE (USDbn)
INCREASED FINANCIAL AMBITION

We have significantly improved the Group’s cost base and will further increase productivity

EXPENSE DEVELOPMENT (USDbn)¹

- FY-15: 10.3
- FX & baseline changes: 0.0
- FY-15 @2019 FX: 10.3
- M&A: 0.5
- Savings: 1.5
- Other: 0.1
- FY-19e: 9.4

P&C OTHER UNDERWRITING EXPENSE (OUE) RATIO (%)

- HY-19: 13.7%
- Efficiency: ~1.0%
- Volume growth: ~0-1.0%
- FY-22e: ~12-13%

¹ Direct expenses.

November 14, 2019
We will retain our portfolio quality and continue to drive improvement through sharpened skills.

**P&C ACCIDENT YEAR LOSS RATIO EX-CAT (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Loss Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY-16</td>
<td>65.7%</td>
</tr>
<tr>
<td>FY-17</td>
<td>64.7%</td>
</tr>
<tr>
<td>FY-18</td>
<td>63.6%</td>
</tr>
<tr>
<td>HY-19</td>
<td>61.8%</td>
</tr>
</tbody>
</table>

**PRICING AND BUSINESS INTELLIGENCE**

- Focus on improvement of terms and conditions
- Global exchange of hazard and risk insights across the organization
- Use of larger internal and external data pools with expanded range of analytical methods
- More agile and dynamic pricing capabilities
We are continually looking at opportunities to improve our capital allocation.

**CAPITAL RELEASED THROUGH DIVESTMENTS (USDbn)**

- FY-16 to FY-19e: 2.0
- Continuous focus on capital release
- FY-20 to FY-22

**OPTIMIZATION OF INDIVIDUAL BALANCE SHEETS VIA REINSURANCE**

- Pooling of economic capital to preferred balance sheets
- Strategic reinsurance to actively manage portfolio
- Tactical reinsurance to address the unexpected
- External cat programs to reduce required capital

**ROE UPLIFT FROM COMPLETED ACQUISITIONS AND DISPOSALS**

- BOPAT ROE +0.7ppts
- FY-18

---

1. Completed acquisitions and disposals from FY-16 to FY-18.
Strong conversion of earnings into distributable cash

**NET CASH REMITTANCES**

- FY-17: 3.7
- FY-18: 3.8
- FY-19e: 3.8

**PAYOUT RATIO (%)**

<table>
<thead>
<tr>
<th></th>
<th>P&amp;C</th>
<th>LIFE</th>
<th>FARMERS</th>
<th>GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY-12 to FY-19e average</td>
<td>103%</td>
<td>83%</td>
<td>102%</td>
<td>96%</td>
</tr>
<tr>
<td>FY-20 to FY-22e guidance</td>
<td>~90%</td>
<td>~75%</td>
<td>~90%</td>
<td>~85%</td>
</tr>
</tbody>
</table>

**Payout ratio defined as net cash remittances divided by net income attributable to shareholders.**

© Zurich
We will continue to reward shareholders through our attractive dividend policy

ZURICH’S DIVIDEND POLICY

1. NIAS\(^2\) payout ratio of ~75%
2. Dividend increases based on sustainable earnings growth
3. Minimum target of prior year level

DIVIDEND PER SHARE (CHF)

- FY-16: 17
- FY-17: 18
- FY-18: 19
- FY-19e: New floor

The dividend is subject to approval by the shareholders at the Annual General Meeting.

\(^1\) Net income attributable to shareholders.
\(^2\) Net income attributable to shareholders.
### Key messages

<table>
<thead>
<tr>
<th>Ambitious 2020-22 targets</th>
<th>We target a BOPAT RoE in excess of 14% and increasing, with compound organic earnings per share growth of at least 5% p.a.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Productivity</td>
<td>Productivity to further improve, with the P&amp;C OUE ratio expected to reduce by 1-2ppts through cost discipline and improved top-line development</td>
</tr>
<tr>
<td>Capital allocation</td>
<td>Continued capital reallocation provides further opportunities to improve returns</td>
</tr>
<tr>
<td>Cash generation</td>
<td>Strong conversion of earnings into cash; Cumulative cash remittances expected to exceed USD 11.5bn over 2020 – 2022</td>
</tr>
<tr>
<td>Dividend</td>
<td>Our attractive policy is unchanged with dividends based on sustainable earnings growth and a NIAS payout ratio of ~75% with a minimum target of the prior year level</td>
</tr>
</tbody>
</table>
Biographies
Mario Greco
Group Chief Executive Officer
Nationality: Italian

Skills and experience
Mario Greco joined Zurich in March 2016 as Group Chief Executive Officer and member of the Executive Committee.

Mr. Greco started his professional career in management consulting, working in McKinsey & Company's Milan office from 1986 until 1994, where he became a partner in 1992 and subsequently a partner leader in the insurance segment. In 1995, he joined RAS (Allianz Group) in Milan as head of the claims division. He became general manager in charge of the insurance business the following year. In 1998, he was appointed managing director and in 2000, he became the company's CEO. At the end of 2004, Mr. Greco joined Allianz AG’s executive board, with responsibility for France, Italy, Spain, Portugal, Greece and Turkey. In April 2005, he joined the Sanpaolo IMI Group in Milan as CEO of EurizonVita and in October 2005, he was appointed CEO of Eurizon Financial Group. From 2007 to 2012, he served at Zurich, first as CEO Global Life and from 2010, as CEO General Insurance. In 2012 he was appointed CEO of Generali.

External appointments
Mr. Greco is a member of the board of directors of the Swiss-American Chamber of Commerce. He is also a member of the International Advisory Council of Bocconi University, a member of the advisory board of the Department of Economics at the University of Zurich and a member of the EMBA X advisory board at the University of St. Gallen.

Educational background
Mr. Greco holds a bachelor's degree in economics from the University of Rome and a master's degree in international economics and monetary theory from Rochester University.
**Kristof Terryn**  
**Group Chief Operating Officer**  
Nationality: Belgian

**Skills and experience**  
Kristof Terryn began his career in 1993 in the banking industry, where he worked in capital markets. In 1997, he joined McKinsey & Company where he held various positions within the financial services practice in Brussels and Chicago. He joined Zurich in 2004 in the Finance department. In 2007 he became Chief Operating Officer (COO) for the Global Corporate business division and in January 2009 was named COO for General Insurance. Mr. Terryn became a member of the Executive Committee in 2010 upon his appointment as Group Head Operations. In September 2013 he was appointed CEO Global Life, and after becoming CEO General Insurance in October 2015, continued to serve as CEO Global Life on an ad interim basis until the end of December 2015. He was appointed Group Chief Operating Officer effective July 2016.

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**Conny Kalcher**  
**Chief Customer Officer**  
Nationality: Danish

**Skills and experience**  
Conny Kalcher joined Zurich in July 2019 as Chief Customer Officer after a career spent identifying how best to put customers at the heart of a successful business. In her current role at Zurich she heads the newly created Customer Office, with responsibility for leading customer loyalty and advocacy within Zurich’s global brand and marketing teams. Her extensive experience includes prior executive positions at LEGO Group, one of the world’s best-known brands. After joining LEGO in 1985 as a business manager, in 1997 she created the company’s first computer game. While at LEGO, her responsibilities included global leadership of the company’s brand, building new business areas, responsibility for the corporate HR and communication portfolio, as well as serving as vice president for marketing and consumer experiences. After leaving the LEGO Group in 2018, she became a partner at Mindfolio, an analytics and innovation consultancy based in London and Chicago, where she remains as a member of the advisory board.
BIOGRAPHIES

Giovanni Giuliani
Group Head of Strategy, Innovation and Business Development
Nationality: Italian

Skills and experience
Giovanni Giuliani joined Zurich in 2016 as Group Head of Strategy, Innovation and Business Development, also in charge of Customer & Digital Office and Group Marketing until mid-2019. Within the Group, he also serves as Board member of Cover-More, Chairman of ZIMS and Chairman of Blue Marble.

Before, he was Managing Director of Generali Investment Management (€ 500 bn AuM), Executive Vice Chairman of Generali Real Estate, and Head of Unit-linked Life products. His tenure at Generali started in 2012 in Strategy, where he was initially in charge for Group Innovation and Global Partnerships, and progressively extended to Bancassurance, Accident & Health, and Generali-Vitality (JV with the ‘Discovery Insurance Group’ for wellness Insurance).

Previously, Giovanni was Senior Partner at McKinsey & Company for 14 years, serving Insurance and Banking clients across Europe as leader of the Insurance Mediterranean region, and the Claims and Organization Practices.

James Shea
CEO Commercial Insurance
Nationality: Canadian

Skills and experience
James Shea began his insurance career at AIG in 1994 as a financial lines underwriter in New York. He joined the American International Underwriters (AIU) division in 1996, where he held several senior underwriting and general management positions. These included senior vice president of International Financial Lines, regional president for Central Europe and the Commonwealth of Independent States and managing director of AIG UK. In 2011 he was appointed president of Global Specialty Lines and in 2012 his role was expanded to CEO of Commercial Insurance for AIG in Asia Pacific. Most recently he was President of Global Financial Lines based in New York. During his career, he has worked in Canada, the U.S., UK, France, Japan and Singapore. Mr. Shea joined Zurich in September 2016 as CEO Commercial Insurance and as a member of the Executive Committee effective October 2016.
Skills and experience
George Quinn started his career at KPMG 1988 in London, where he held several positions working with the insurance and reinsurance industry. He joined Swiss Re in 1999 as Group Chief Accounting Officer based in Zurich and later served as Chief Financial Officer (CFO) for Swiss Re Group’s financial services. Mr. Quinn became the regional CFO for Swiss Re Americas based in New York in 2005. In March 2007 he became Swiss Re Group’s CFO. Mr. Quinn joined Zurich in May 2014 as Group CFO and is a member of the Executive Committee.
For further information

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CALENDAR:

- February 13, 2020, Annual results 2019
- April 1, 2020, Annual General Meeting
- May 14, 2020, Update for the three months ended March 31, 2020
- May 19, 2020, Zurich Insights – Investor Event
- August 13, 2020, Half year results 2020