

Zurich to become a leading P&C player in Indonesia through the acquisition of Adira Insurance

Investor presentation
September 27, 2018

Zurich Insurance Group



Unique opportunity to achieve a leadership position in an attractive Asian growth market

Transaction details

- Acquisition of 80% stake in PT Asuransi Adira Dinamika (Adira Insurance)
- Formation of two separate long term strategic partnerships with PT Bank Danamon Indonesia (5th largest bank) and Adira Finance (2nd largest provider of automotive financing)

Attractive and growing market

- 4th most populous country in the world with 262 million people (2017), largest economy in Southeast Asia by GDP and young demographics with 84% of the population below age of 54
- Rapidly growing middle class driving increased insurance penetration

Strong strategic fit

- Zurich becomes a leading player in a fast growing and attractive market
- Opportunity to leverage the strong distribution networks of Bank Danamon and Adira Finance
- Increased scale and diversification within Asian P&C

Financials

- Upfront purchase price of USD 414m for 80% stake and two strategic partnerships¹
- Implied 2017 P/E of 22.1x; Capital impact of ~1ppt to Group Z-ECM ratio
- Closing subject to customary regulatory approval within the next 6 months

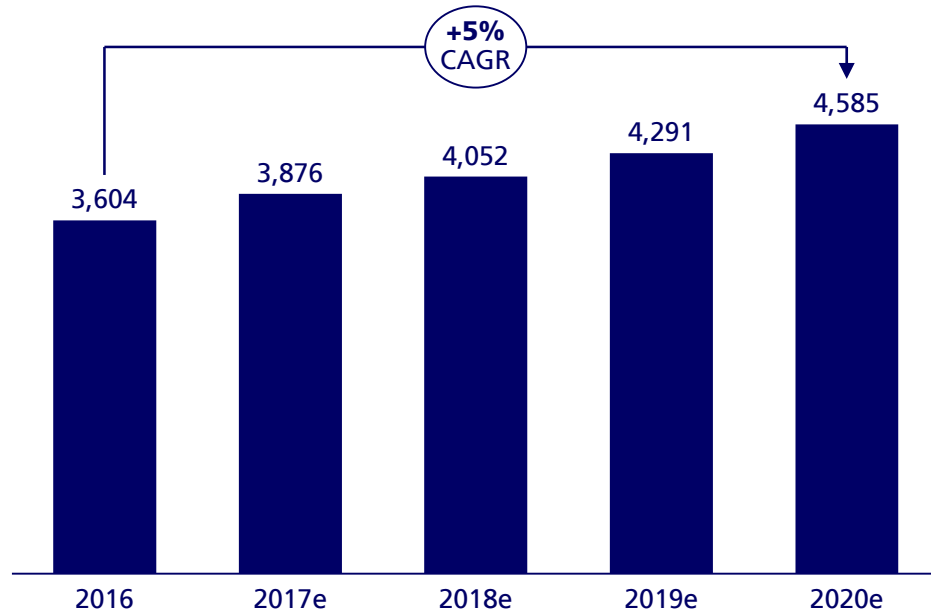
¹ Transaction terms provide for potential future incremental payments contingent on business performance relative to business plan.

Indonesian insurance market is highly attractive and growing



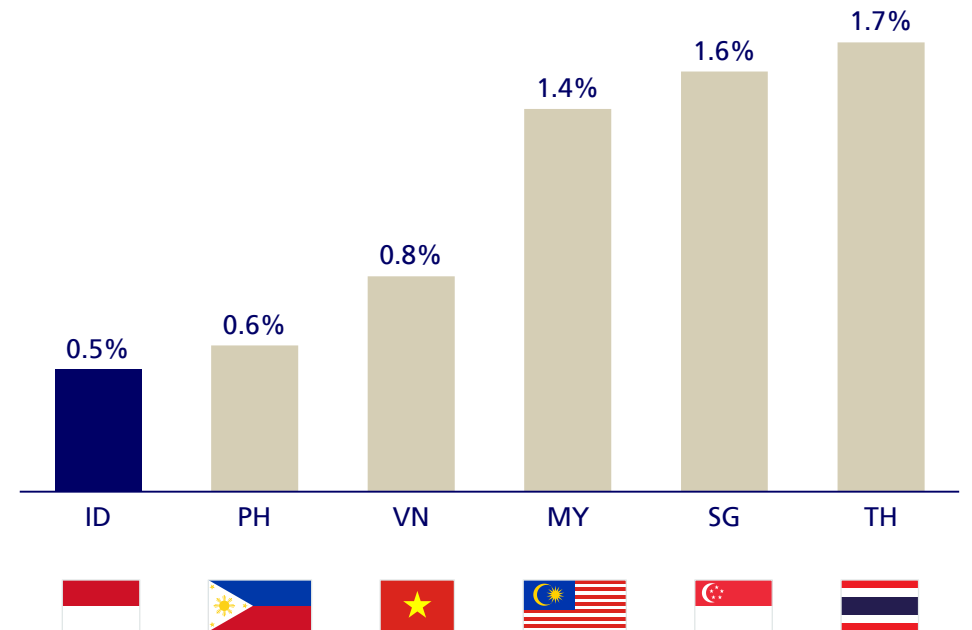
FAST GROWING ECONOMY

GDP per capita (USD)¹



LOW INSURANCE PENETRATION

2017 P&C insurance penetration (%)^{1,2}



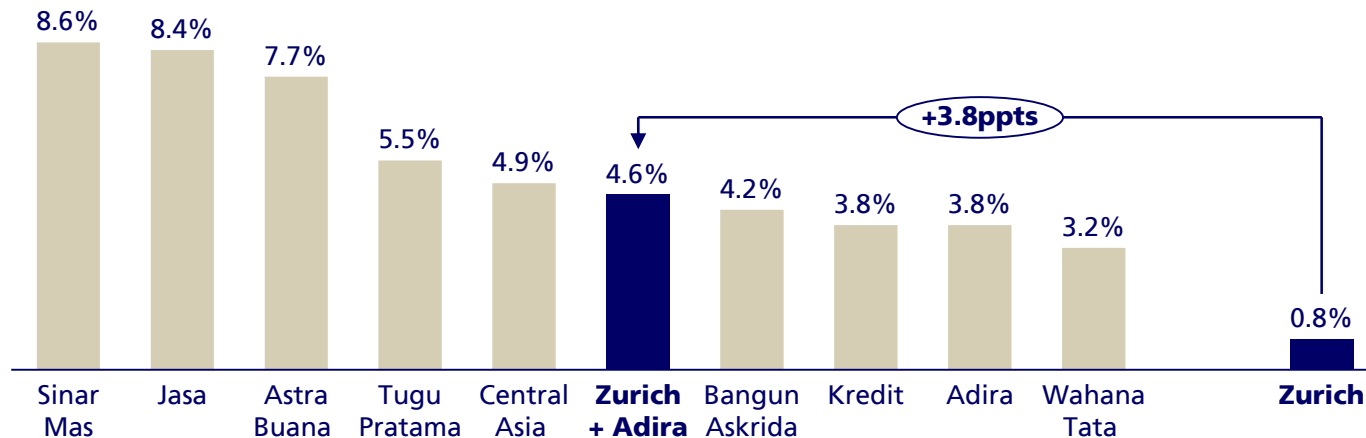
¹ Sources: IMF (International Monetary Fund), Swiss Re Sigma (No 03/2018).

² Gross written premium as a percentage of GDP.

Zurich to become a leading P&C insurer in Indonesia and potential for further growth due to strong existing partnerships



P&C MARKET SHARES (%)¹



STRONG DISTRIBUTION PARTNERS

Bank Danamon

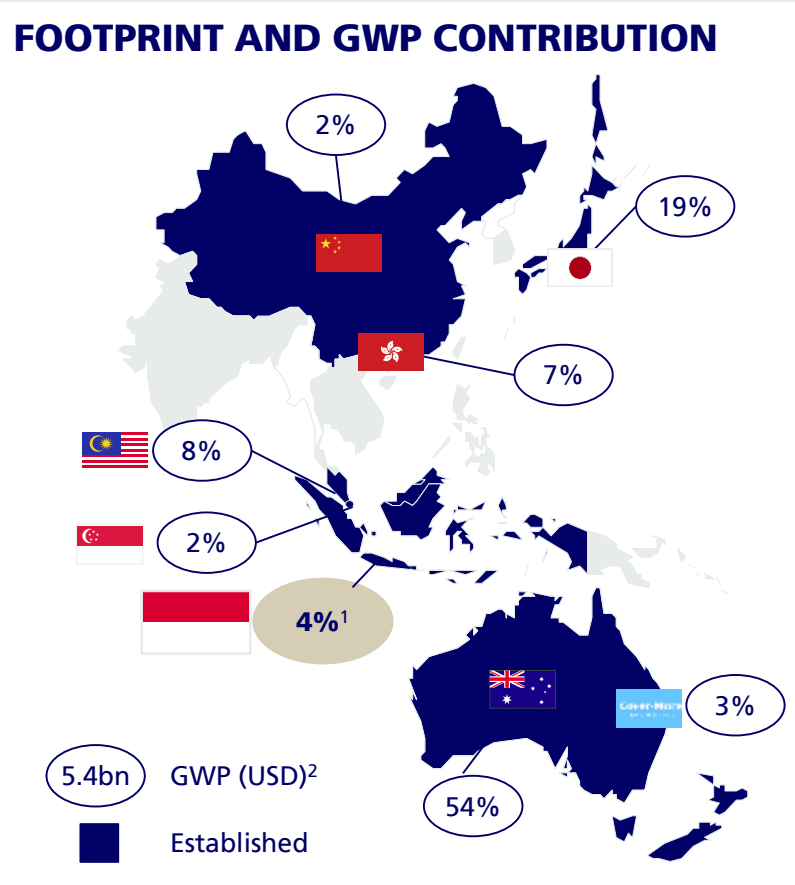
- Bank Danamon is the 5th largest bank in Indonesia by market capitalization
- Diversified franchise across SME, enterprise and consumer segments
- Publicly listed with key subsidiary Adira Finance

Adira Finance

- Adira Finance is the 2nd largest motorcycle and car financing solutions provider
- The firm operates via an extensive network of 463 distribution points (network of 193 branches, 242 representative offices and 28 kiosks)

¹ Source: OJK (Indonesia Financial Services Authority) report, as of FY-16.

Diversifying our Asian footprint, with increased scale in our key geographies



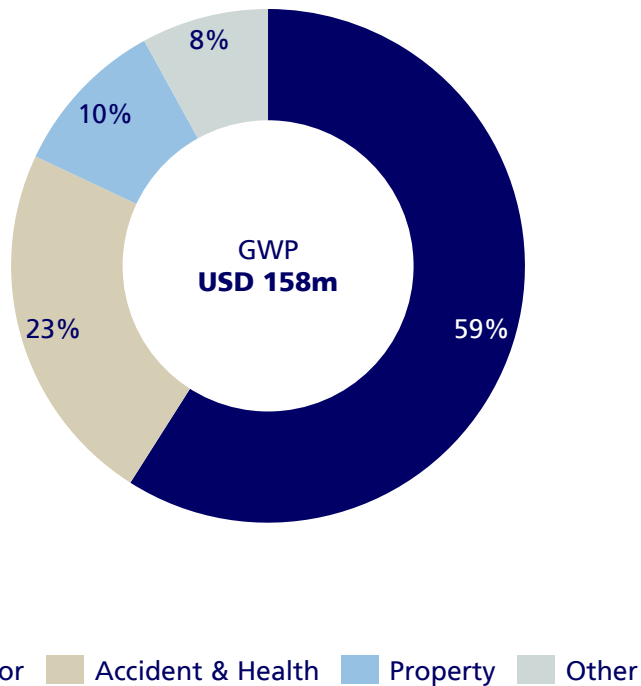
- AUSTRALIA**
P&C and Life
 - Leading position in Individual Life after acquisition of Macquarie Life and One Path Life from ANZ with distribution agreements with ANZ and IOOF
 - Significant commercial business
- JAPAN**
P&C and Life
 - Largest direct retail business in Group and large contributor to Asia Pacific profit focused on delivering innovative protection and motor
 - Niche Life operations targeting shopfront IFA distribution and direct
- CHINA**
P&C
 - Subsidiary in Shanghai with branch offices in Beijing and Guangdong
 - Service corporate customers for local operations and international expansion
- HONG KONG**
P&C and Life
 - Multi-channel and multi-line strategy in P&C and Life
 - Capture synergies from One Zurich composite model to improve customer experience
- SINGAPORE**
P&C
 - Established commercial business hub for Asia Pacific
 - Local operations service corporate customers through tailored propositions
- INDONESIA**
P&C and Life
 - Multi-channel distribution for P&C while Life products mainly distributed through agency, strong distribution partners with Bank Danamon and Adira Finance
 - Grow and develop protection proposition in line with demographics
- MALAYSIA**
P&C and Life
 - Life, P&C and Takaful offerings available to customers
 - Invest in tied agency and expand distribution opportunities with banks and affinity partners
- COVER-MORE**
 - A global travel and assistance provider based in Australia and operating proprietary brands

¹ 8% for P&C only.

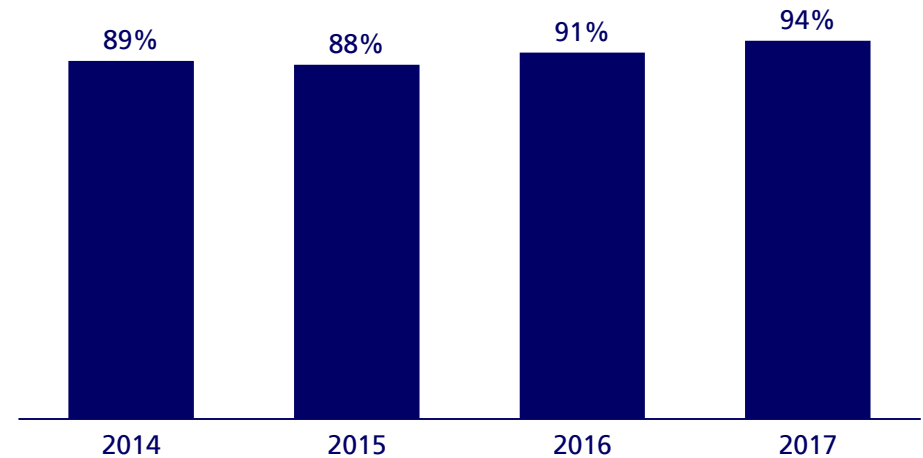
² As of FY-17, for P&C and Life combined (incl. insurance deposits) and adjusted for Adira Insurance and OnePath Life acquisition.

Adira Insurance offers a diverse portfolio and strong track record of underwriting performance

2017 GWP BY PRODUCT LINE (%)¹



P&C COMBINED RATIO (%)²



¹ Inclusive of takaful business.

² New strategic partnerships not reflected in combined ratios.

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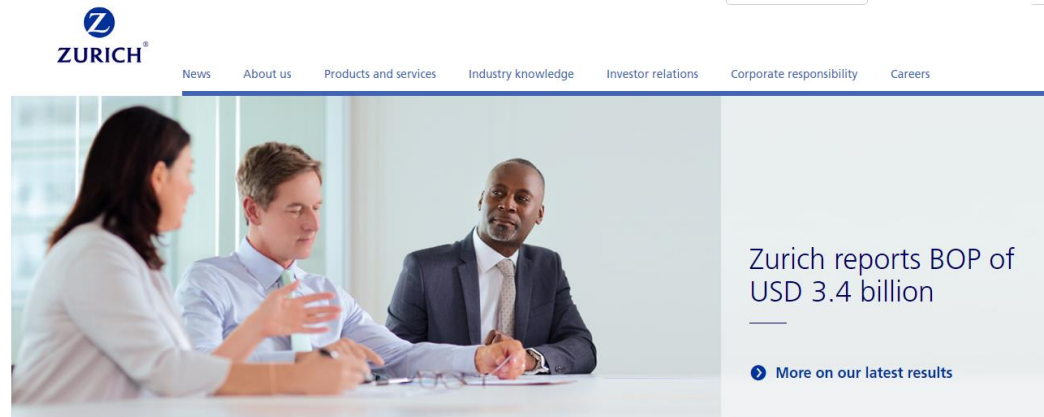
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CALENDAR:

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

