Introduction to Zurich

A value proposition for investors

April 2021
Investor Relations and Rating Agency Management
Group Finance
GROUP OVERVIEW

Our proposition to investors

RESILIENT BUSINESS MODEL
- A balanced and diverse global business
- Industry leading capital levels with conservatively managed balance sheet
- Attractive return on equity

CLEAR STRATEGY
- Focus on customer
- Simplify
- Innovate

RESPONSIBLE AND IMPACTFUL BUSINESS
- Tackling climate change
- Inspiring confidence in a digital society
- Ensuring work sustainability
A truly global and highly diversified group

**KEY FACTS**

| USD 50bn    | Total revenues (excl. result on UL investments) |
| USD 226bn   | Total group investments (economic view)        |
| USD 4.2bn   | Business operating profit (BOP)                |
| USD 3.8bn   | Net income attributable to shareholders (NIAS)  |
| 182%        | SST regulatory solvency ratio                  |
| USD 38bn    | Shareholders’ equity                           |
| CHF 56bn    | Market cap                                     |

**A BALANCED GLOBAL BUSINESS**

- **BOP by business (%):**
  - Property & Casualty (incl. Farmers Re): 26%
  - Life (incl. Farmers Life): 29%
  - Farmers Management Services: 26%
  - North America (incl. Farmers): 45%
  - Asia Pacific: 32%
  - Europe: 54%
  - Latin America: 8%

1. Values are for the full year 2020 unless otherwise noted. Investments, solvency ratios, shareholders’ equity and market cap are as of December 31, 2020.
2. Adjusted average BOP for FY-16 to FY-20. BOP split by business excludes Group Functions & Operations and Non-Core Businesses. BOP split by region excludes additionally Group Reinsurance.
GROUP OVERVIEW

Genuinely global franchise with distinct capabilities

Top 3 global commercial insurer

NORTH AMERICA
- #4 in commercial insurance
- #2 in crop insurance
- #6 in US personal lines through Farmers Exchanges

LATIN AMERICA
- #3 in P&C
- #4 in Life

ASIA PACIFIC
- #5 in P&C, #1 in Life retail
- #2 in P&C direct
- #4 in P&C, #9 in Life
- #6 in P&C

EMEA
- #4 insurance company overall

Source: Axco, Company reports and presentations, local statistics (2020 or most recent available), Dowling & Partners, SNL Financial, Strategic Insight, Zurich internal data.

1 Based on FY-20 NEP. Data includes only primary insurance and is on a more comparable basis. Zurich includes alternative markets in North America and municipal business in the UK and excludes SMEs.

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

3 Pro-forma for the acquisition of Adira Insurance, based on FY-19 data.
GROUP STRATEGY AND TARGETS

Simple execution, higher ambition

2016 – 2019 ACHIEVEMENTS

SIMPLIFIED AND FLEXIBLE ORGANIZATION

✔ Delayered structure
✔ Simplified IT landscape
✔ Simplified products and services

IMPROVED EFFICIENCY

✔ Over-delivered on USD 1.5bn savings program
✔ Reduced corporate center expenses

STRENGTHENED BUSINESS AND CULTURE

✔ Strengthened position of our key countries
✔ Improved the Commercial profitability
✔ Built culture of customer focus and innovation
✔ Reinvigorated growth with low earnings volatility

2020 – 2022 AMBITION

SIMPLIFIED AND FLEXIBLE ORGANIZATION

BOPAT ROE<sup>1</sup> >14%

IMPROVED EFFICIENCY

Cumulative cash remittances USD >11.5bn

STRENGTHENED BUSINESS AND CULTURE

SST<sup>2</sup> >160%

Earnings per share growth<sup>3</sup> >5% p.a.

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<sup>1</sup> Business operating profit after tax return on equity, excluding unrealized gains and losses.

<sup>2</sup> From FY-20 the basis for the target capitalization has been changed to the Swiss Solvency Test (SST), previously the target range was based on the Group’s internal Z-ECM basis.

<sup>3</sup> Before capital deployment.
GROUP OVERVIEW

Strong capital position and cash generation

VERY STRONG FINANCIAL STRENGTH

AA (very strong) / outlook ‘stable’

Aa3 (excellent) / outlook ‘stable’

A+ (superior) / outlook ‘stable’

STRONG CAPITAL POSITION, GROUP SWISS SOLVENCY TEST 1 (%)

HIGHLY CASH GENERATIVE, CASH REMITTANCE (USD$bn)

1 Estimated Swiss Solvency Test (SST) ratio as of January 1, 2021, has been calculated based on the Group’s Internal Model, which has been approved by the Swiss Financial Market Supervisory Authority FINMA. The SST ratio as of January 1 has to be filed with FINMA by end of April each year and is subject to review by FINMA. FINMA agreed to the use of standard yield curves for the main currencies to calculate the SST, starting end of Q1 2020. SST ratio as of January 1, 2020 has been re-calculated on the same basis for disclosure purposes in order to allow better comparison.
We have adapted plans to the changed environment and expect to meet our 2020 – 2022 targets.

ILLUSTRATIVE BOPAT ROE DEVELOPMENT (%)

- FY-19: 14.2%
- Growth in equity base: ~1.5-2.0%
- Investment income: ~1.5-2.0%
- Business growth: ~1.0-1.5%
- Productivity: ~0.5-1.0%
- Portfolio quality: ~2.0-2.5%
- Capital allocation / other: ~0.0-0.5%
- FY-22 illustrative: ~15%
Actions during the crisis have earned the trust and confidence of our stakeholders, while our ESG approach is well recognized.

**STRENGTHENED CUSTOMER FOCUS**

<table>
<thead>
<tr>
<th>Country</th>
<th>NPS Move</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmers Ins</td>
<td>+3</td>
</tr>
<tr>
<td>Switzerland</td>
<td>+7</td>
</tr>
<tr>
<td>Germany</td>
<td>+8</td>
</tr>
<tr>
<td>UK</td>
<td>+13</td>
</tr>
<tr>
<td>Italy</td>
<td>+3</td>
</tr>
<tr>
<td>Spain</td>
<td>+2</td>
</tr>
<tr>
<td>Brazil</td>
<td>+4</td>
</tr>
<tr>
<td>US</td>
<td>+3</td>
</tr>
</tbody>
</table>

**HIGHER EMPLOYEE SATISFACTION**

- NPS place to work
  - Oct-19: [Bar Graph]
  - Jul-20: [Bar Graph]
  - +22

Support during COVID-19 crisis:
- Rapid move to working from home
- Implementation of new digital tools
- Hospitalization benefits for employees and their families

**INDUSTRY LEADING ESG RATINGS**

- **MSCI ESG RATINGS**
  - ‘AA’ rating
  - Member of Dow Jones Sustainability Indices
  - #1 in insurance group
  - Absolute score of 4.4 (out of 5.0)

- **FTSE4Good**
  - ‘A-’ Management Level

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1. For all references to Farmers Exchanges see the disclaimer and cautionary statements.
Property & Casualty
P&C – our value proposition

**STRONG & BALANCED FRANCHISE**
- Leading global commercial insurer, profitable retail franchise
- Equally weighted to EMEA and North America, with growing business in APAC and Latin America

**HIGH QUALITY EARNINGS**
- Consistent reserving approach resulting in stable reserve releases
- Reduced catastrophe and large loss volatility

**WELL PLACED TO GAIN FROM PRICING CYCLE**
- Focus on rate increases started ahead of market
- Strong capabilities which are not easily replicated
A balanced footprint and business mix leveraging an open distribution architecture

FOOTPRINT
FY-20 Gross written premiums by region (%)

BUSINESS MIX
FY-20 Gross written premiums by line of business (%)

DISTRIBUTION
FY-20 Gross written premiums by distribution channel (%)

1 The split excludes Group Reinsurance and Eliminations.
Leading global commercial insurer, profitable franchise across both customer units

CUSTOMER UNITS
FY-20 Gross written premiums by customer unit (%)\(^1\)

<table>
<thead>
<tr>
<th>Customer Unit</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial insurance</td>
<td>66%</td>
</tr>
<tr>
<td>Retail and SME</td>
<td>34%</td>
</tr>
</tbody>
</table>

COMMERCIAL INSURANCE RANKING
FY-20 Net earned premiums (USD\(\text{bn}\))\(^2\)

<table>
<thead>
<tr>
<th>Insurer</th>
<th>Net Earned Premiums (USD(\text{bn}))</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chubb</td>
<td>90.9%</td>
</tr>
<tr>
<td>AIG</td>
<td>3%</td>
</tr>
<tr>
<td>Zurich</td>
<td>9.7%</td>
</tr>
<tr>
<td>QBE</td>
<td>6%</td>
</tr>
<tr>
<td>Allianz</td>
<td>4%</td>
</tr>
<tr>
<td>Swiss Re</td>
<td>3%</td>
</tr>
</tbody>
</table>

UNDERWRITING PROFITABILITY
FY-20 AY CR ex Catastrophes and COVID-19 (%)\(^3\)

- Commercial: 90.9%
- Retail and SME: 93.7%

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\(^1\) The split excludes Group Reinsurance and Eliminations.
\(^2\) Source: Company reports. Data includes only primary insurance on a more comparable basis. Zurich view includes alternative markets in North America and municipal business in the UK and excludes SME.
\(^3\) Accident year combined ratio excluding Catastrophes and COVID-19 impacts (frequency benefits, Cover-More operating loss included in underwriting result, and premium refunds.)
Consistent reserve releases and reduced large loss volatility

NET PRIOR YEAR RESERVE DEVELOPMENT (% of NEP)

-1.8%  -1.4%  -2.3%  -2.3%  -1.6%
FY-16  FY-17  FY-18  FY-19  FY-20

LARGE LOSS VOLATILITY (ppts)¹

8ppts  3ppts
Q4-14  Q1-16

Indicated range (1-2% of NEP)

¹ Volatility is measured as difference between lowest and highest ratio for the indicated period.
Balance sheet and large loss volatility well managed through reinsurance

GROUP CATASTROPHE REINSURANCE PROTECTION (USDm)

- **Europe all perils**: USD 200m in excess of USD 1,000m
- **U.S. all perils**: USD 115m in excess of USD 1,000m
- **Rest of world all perils**: USD 1,000m in excess of USD 650m

GLOBAL SURETY EXCESS OF LOSS

- Designed to manage earnings volatility
- North America: USD 325m coverage per customer in excess of USD 75m retention
- Other regions: USD 362.5m coverage per customer in excess of USD 37.5m retention
- Aggregate limit: USD 1.1bn

MAIN ADDITIONAL TREATIES

- Global property per risk
- U.S. property quota share
- U.S. liability quota share

1. Europe cat treaty calculated with EUR/USD exchange rate as of March 31, 2021 (EUR 390m in excess of EUR 425m).
2. Franchise deductible of USD 45m, i.e. losses greater than USD 45m count towards erosion of the retention (annual aggregate deductible).
3. This USD 200m cover can be used only once, either for aggregated losses or for an individual occurrence or event.
Well placed to gain from improved pricing in commercial

DISTINCTIVE 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

P&C COMMERCIAL RATE CHANGE

<table>
<thead>
<tr>
<th>Region</th>
<th>Q1-20</th>
<th>Q2-20</th>
<th>Q3-20</th>
<th>Q4-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>12%</td>
<td>18%</td>
<td>18%</td>
<td>18%</td>
</tr>
<tr>
<td>EMEA</td>
<td>5%</td>
<td>12%</td>
<td>15%</td>
<td>15%</td>
</tr>
</tbody>
</table>

IMPROVED TERMS & CONDITIONS

- Increased use of Zurich standard wordings
- Higher deductibles and self-insured retentions
- Exclusions for industries and coverages out of appetite
- Smaller line sizes

1 GWP development due to premium rate change as a percentage of the renewed portfolio (excl. the crop business) against the comparable prior year period.
Growing at the right point of the cycle

**GWP GROWTH LIKE-FOR-LIKE (%)\(^1\)**

<table>
<thead>
<tr>
<th>Year</th>
<th>GWP like-for-like growth (%)(^1)</th>
<th>Rate change (%)(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY-16</td>
<td>-3.4%</td>
<td></td>
</tr>
<tr>
<td>FY-17</td>
<td>1.7%</td>
<td>1.2%</td>
</tr>
<tr>
<td>FY-18</td>
<td>1.5%</td>
<td>2.3%</td>
</tr>
<tr>
<td>FY-19</td>
<td>3.8%</td>
<td>6.1%</td>
</tr>
<tr>
<td>FY-20</td>
<td>8.1%</td>
<td>3.8%</td>
</tr>
</tbody>
</table>

**ACCIDENT YEAR COMBINED RATIO EXCL. CATASTROPHES AND COVID-19 (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Combined Ratio Excl. Catastrophes and COVID-19 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY-16</td>
<td>97.3%</td>
</tr>
<tr>
<td>FY-17</td>
<td>96.5%</td>
</tr>
<tr>
<td>FY-18</td>
<td>96.1%</td>
</tr>
<tr>
<td>FY-19</td>
<td>95.4%</td>
</tr>
<tr>
<td>FY-20</td>
<td>92.8%</td>
</tr>
</tbody>
</table>

1. In local currency and after adjusting for closed acquisitions and disposals.
2. GWP development due to premium rate change as a percentage of the renewed portfolio (excl. the crop business) against the comparable prior year period.
Life
Life – our value proposition

PROVEN TRACK RECORD IN BANK AND DISTRIBUTION PARTNERSHIPS

- ~70% of new business distributed through bancassurance and CLP
- Key enablers to access large pools of new customers and extend footprint

STABLE AND GROWING OPERATING EARNINGS

- Annual growth in operating earnings of more than 5% p.a. since FY-16
- Earnings stream with high technical margin and low market dependency

FOCUS ON PROTECTION AND CAPITAL LIGHT SAVINGS

- Major life insurer with competitive advantage in protection and unit-linked business
- Well positioned for ongoing low yield environment
Proven track record in bank and distribution partnerships, stable and growing operating earnings

**FOOTPRINT (%)**
FY-20 Annual premium equivalent region (%)

- EMEA: 28%
- Asia Pacific: 6%
- North America: 3%
- Latin America: 63%

USD 3,625m

**DISTRIBUTION MIX (%)**
FY-20 Annual premium equivalent by pillar (%)

- Corporate savings and protection: 29%
- Banks: 31%
- Other: 40%

**FY-20 BUSINESS OPERATING PROFIT (USDm)**

- EMEA
- Latin America
- North America
- Group Re
- Asia Pacific
- COVID 19 impact

<table>
<thead>
<tr>
<th>Region</th>
<th>FY-16</th>
<th>FY-17</th>
<th>FY-18</th>
<th>FY-19</th>
<th>FY-20 excl. COVID-19 impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMEA</td>
<td>1,130</td>
<td>1,258</td>
<td>1,554</td>
<td>1,486</td>
<td>1,597</td>
</tr>
<tr>
<td>Latin America</td>
<td>249</td>
<td>296</td>
<td>319</td>
<td>204</td>
<td>269</td>
</tr>
<tr>
<td>North America</td>
<td>889</td>
<td>831</td>
<td>1,010</td>
<td>945</td>
<td>945</td>
</tr>
<tr>
<td>Group Re</td>
<td>312</td>
<td>132</td>
<td>31</td>
<td>1037</td>
<td>13</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>1,037</td>
<td>1,037</td>
<td>1,037</td>
<td>1,037</td>
<td>1,037</td>
</tr>
<tr>
<td>COVID 19 impact</td>
<td>-85</td>
<td>-2</td>
<td>-31</td>
<td>-13</td>
<td>-13</td>
</tr>
</tbody>
</table>

FY-20 excl. COVID-19 impact: +6%
Revenue streams with high technical margin and low market dependency

### DRIVERS OF IFRS PROFITABILITY (USDm)

| INCOME                        | FY-20 BOP | Loadings & fees | 2,649 | 3,487 | Policy charges and fees mainly designed to cover distribution costs
|-------------------------------|-----------|-----------------|-------|-------|-------------------------------------------------------------------------------------------------------------------
|                               |           | Inv. margin     |       | 838   | Returns on our assets, plus share of returns on policyholder assets
|                               |           | Technical margin|       | 574   | Revenues on mortality and other 'risk' products, after allowing for claims costs
| EXPENSES                      |           | Operating costs |       | -1,451| The costs we incur running the business
|                               |           | Acquisition costs (net of deferrals) | -2,187 | 1,001 | What we pay to distributors net of deferred costs over policy terms
| OPERATING PROFIT              |           | FY-20 BOP       | 1,423 | 64%   | Peer 1
|                               |           |                 |       | 75%   | Peer 2
|                               |           |                 |       | 76%   | Peer 3
|                               |           |                 |       | 88%   | Zurich

Focus on protection and unit linked business positions our life business well for ongoing low yields

FY-20 GWP SPLIT (%)

<table>
<thead>
<tr>
<th>Region</th>
<th>Protection</th>
<th>Capital efficient</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMEA</td>
<td>47%</td>
<td>5%</td>
<td>31%</td>
</tr>
<tr>
<td>Latin America</td>
<td>21%</td>
<td>93%</td>
<td>14%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>2%</td>
<td>95%</td>
<td>3%</td>
</tr>
<tr>
<td>North America</td>
<td>2%</td>
<td>100%</td>
<td>3%</td>
</tr>
<tr>
<td>Total</td>
<td>32%</td>
<td>55%</td>
<td>2%</td>
</tr>
</tbody>
</table>

FY-20 NEW BUSINESS MIX (%)

- **FY-20 APE**: USD 3,625m
- **FY-20 NBV**: USD 788m

- Protection: 38%
- Corporate savings: 12%
- Unit-linked: 9%
- Savings & annuity: 7%
- Capital efficient: 30%
- Traditional & other: 2%

FY-20 SPLIT GROSS RESERVES & LIABILITIES (%)

<table>
<thead>
<tr>
<th>Region</th>
<th>Traditional &amp; other</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allianz</td>
<td>18%</td>
<td>95%</td>
</tr>
<tr>
<td>Generali</td>
<td>20%</td>
<td>95%</td>
</tr>
<tr>
<td>AXA</td>
<td>21%</td>
<td>95%</td>
</tr>
<tr>
<td>ZURICH</td>
<td>58%</td>
<td>95%</td>
</tr>
</tbody>
</table>

1 Annual premium equivalent (APE) is reported before non-controlling interests. New business value (NBV) is reported net of non-controlling interests.
Farmers
Farmers - our value proposition

- **LEADING U.S. PERSONAL LINES PLAYER**
  - No. 6 in the largest personal lines market in the world\(^1\)
  - Acquisition of MetLife U.S. P&C business to further boost nationwide presence and market share

- **STABLE CONTRIBUTION FROM FEE-BASED EARNINGS**
  - Unique capital-light business model with fee income based on a percentage of gross earned premium
  - Earnings contribution largely unaffected by underwriting risk

- **HIGHLY CASH-GENERATIVE BUSINESS**
  - ~95% of net income attributable to shareholders converted to cash and remitted to Group
  - Non-regulated management services business free from dividend restrictions

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\(^1\) FY-20 pro-forma; Source: SNL Financial.
A unique business structure

Farmers Group, Inc.
Provides non-claims and ancillary services to the Exchanges (e.g. underwriting, policy administration, premium collection, investment management, and accounting and reporting)

Farmers Exchanges
Carry underwriting risk and handle claims, as well as own the Farmers brand and distribution assets (e.g. exclusive agents, direct call centers)

Fees as % of Gross Earned Premiums

Farmers New World Life
Life insurance company dedicated to selling products through Farmers exclusive agents

Farmers Reinsurance Co.
Reinsurance company providing reinsurance to the Exchanges

MetLife strategic partnership
Exclusive relationship to sell P&C products via MetLife’s U.S. group benefits employer channel

Kraft Lake Brokerage
Brokerage dedicated to Farmers exclusive agents

Farmers Financial Solutions
Broker-dealer to support exclusive agents in providing clients with investment services

1 For all references to Farmers Exchanges see the disclaimer and cautionary statement.
Farmers Exchanges\(^1\) with a truly nationwide presence and increased scale in a consolidating market

**FY-20 U.S. PERSONAL LINES P&C DWP (USDbn)**\(^2\)

<table>
<thead>
<tr>
<th>Company</th>
<th>Change in DWP (USDm)</th>
<th>Change in Market Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Farm</td>
<td>60.4</td>
<td></td>
</tr>
<tr>
<td>Allstate</td>
<td>35.7</td>
<td></td>
</tr>
<tr>
<td>Progressive</td>
<td>35.1</td>
<td></td>
</tr>
<tr>
<td>Berkshire Hathaway (GEICO)</td>
<td>34.3</td>
<td></td>
</tr>
<tr>
<td>USAA</td>
<td>23.1</td>
<td></td>
</tr>
<tr>
<td>Farmers Exchanges pro-forma(^1)</td>
<td>19.4</td>
<td></td>
</tr>
<tr>
<td>Liberty Mutual</td>
<td>19.0</td>
<td></td>
</tr>
<tr>
<td>Farmers Exchanges(^1)</td>
<td>16.0</td>
<td></td>
</tr>
<tr>
<td>Nationwide</td>
<td>10.0</td>
<td></td>
</tr>
<tr>
<td>American Family</td>
<td>10.0</td>
<td></td>
</tr>
<tr>
<td>Travelers</td>
<td>9.7</td>
<td></td>
</tr>
<tr>
<td>MetLife</td>
<td>3.4</td>
<td></td>
</tr>
</tbody>
</table>

**A TOP 10 U.S. PERSONAL LINES PLAYER NATIONWIDE**\(^2\)

Change in market position / FY-20 pro-forma DWP (USDm) / pro-forma market share (%)

- **West**
  - 2nd → 2nd
  - USD 7,241m / 10.6%
- **Mid West**
  - 8th → 6th
  - USD 3,015m / 4.1%
- **Nationwide**
  - 7th → 6th
  - USD 19.4bn / 5.4%
- **South West**
  - 6th → 6th
  - USD 4,729m / 8.2%
- **South East**
  - 9th → 9th
  - USD 2,313m / 2.6%
- **Mid Atlantic**
  - 14th → 10th
  - USD 1,352m / 2.6%
- **North East**
  - 22nd → 8th
  - USD 716m / 4.2%

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1. For all references to Farmers Exchanges see the disclaimer and cautionary statement.
2. FY-20 pro-forma; Source: SNL Financial.
3. Includes Alaska and Hawaii (not pictured).
Large and diverse distribution footprint with diversified product mix

FY-20 DWP BY LINE OF BUSINESS (%)

- USD 23.7bn
- 49%
- 29%
- 11%
- 10%
- 1%

FY-20 DWP BY DISTRIBUTION CHANNEL (%)

- USD 23.7bn
- 70%
- 18%
- 12%
- 18%

MAIN DISTRIBUTION CHANNELS

- ~11,300 Farmers Exchanges exclusive agents
- ~35,000 Independent agent relationships incl. ~3,000 new relationships from MetLife
- 3,800+ Active employer relationships in scope from Metlife’s worksite marketing channel
- 250+ Active affinity relationships via dedicated sales force

1 For all references to Farmers Exchanges see the disclaimer and cautionary statement.
2 FY-20 pro-forma; Source: SNL Financial.
Stable contribution to Group earnings, primarily driven by Farmers Management Services fee-based business

**BUSINESS OPERATING PROFIT (USDm)**

<table>
<thead>
<tr>
<th></th>
<th>FY-18</th>
<th>FY-19</th>
<th>FY-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmers Management Services</td>
<td>1,424</td>
<td>1,456</td>
<td>1,375</td>
</tr>
<tr>
<td>Farmers Life</td>
<td>176</td>
<td>15</td>
<td>100</td>
</tr>
<tr>
<td>Farmers Re</td>
<td>176</td>
<td>236</td>
<td>29</td>
</tr>
</tbody>
</table>

**KEY DRIVERS**

1. Farmers Re GWP (USDm)
   - FY-18: 194
   - FY-19: 138
   - FY-20: 49

2. Farmers Life GWP (USDm)
   - FY-18: 1,048
   - FY-19: 1,069
   - FY-20: 1,101

3. Farmers Exchanges GEP (USDm) and FMS MGEP margin (%)
   - FY-18: GEP = 20,171, MGP = 7.0%
   - FY-19: GEP = 20,441, MGP = 7.0%
   - FY-20: GEP = 20,109, MGP = 6.8%

---

**Notes:**
1. Including policy fees and deposits.
2. Margin on gross earned premiums of the Farmers Exchanges. For all references to Farmers Exchanges see the disclaimer and cautionary statement.
Investment and capital management
INVESTMENT AND CAPITAL MANAGEMENT

Conservative investment portfolio focused on high asset quality

FY-20 GROUP INVESTMENTS (%)\(^1\)

![Investment Portfolio Chart]

- Government and government guaranteed: 34%
- Equities: 7%
- Credit, private debt: 7%
- Mortgages: 5%
- Real estate: 6%
- Hedge funds, private equity: 2%
- Cash: 2%

USD 226bn

FY-20 ASSET QUALITY (%)

- Government and government guaranteed:
  - USD 78bn: 31%
  - USD 99bn: 37%
- Credit, private debt:
  - USD 78bn: 4%
  - USD 99bn: 26%

Mortgages: 1%

Equities: 2%

Hedge funds, private equity: 2%

Real estate: 2%

USD 78bn: 3%

USD 99bn: 5%

USD 78bn: 15%

USD 99bn: 19%

USD 78bn: 37%

USD 99bn: 25%

FY-20 DURATION (# YEARS)\(^2\)

- Life: 12.9
- P&C: 4.8

\(^1\) Market value of the investment portfolio (economic view).

\(^2\) Duration numbers are calculated as DV10 (dollar value of 10bp of move in interest rates over the period on the asset values) divided by market value of fixed income investments.
Highly diversified credit and private debt portfolio

FY-20 RATING OF CREDIT, PRIVATE DEBT SECURITIES (%)

USD 31.7bn
- Non-financial credit: 54%
- Financial credit: 30%
- Municipalities, agencies, state credit: 12%
- Asset-backed securities: 12%
- Covered bonds: 1%  
- Other: 1%

USD 22.1bn
- Non-financial credit: 50%
- Financial credit: 39%
- Municipalities, agencies, state credit: 3%
- Asset-backed securities: 18%
- Covered bonds: 1%  
- Other: 1%

USD 18.1bn
- Non-financial credit: 51%
- Financial credit: 18%
- Municipalities, agencies, state credit: 4%
- Asset-backed securities: 4%
- Covered bonds: 1%  
- Other: 1%

USD 8.6bn
- Non-financial credit: 89%
- Financial credit: 1%
- Municipalities, agencies, state credit: 1%  
- Other: 1%

USD 6.6bn
- Non-financial credit: 67%
- Financial credit: 3%
- Municipalities, agencies, state credit: 36%
- Asset-backed securities: 21%
- Covered bonds: 2%  
- Other: 2%

USD 11.8bn
- Non-financial credit: 21%
- Financial credit: 36%
- Municipalities, agencies, state credit: 21%
- Asset-backed securities: 21%
- Covered bonds: 2%  
- Other: 2%

Legend:
- AAA
- AA
- A
- BBB
- Non-investment grade
- Unrated
INVESTMENT AND CAPITAL MANAGEMENT

Capital managed conservatively to AA financial strength

Group Swiss Solvency Test (%)\(^1\)

<table>
<thead>
<tr>
<th>FY-15</th>
<th>FY-16</th>
<th>FY-17</th>
<th>FY-18</th>
<th>FY-19</th>
<th>FY-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>189%</td>
<td>204%</td>
<td>216%</td>
<td>221%</td>
<td>222%</td>
<td>182%</td>
</tr>
</tbody>
</table>

SST target capital of “160% or above” equivalent to AA

9m-20 SST Sensitivities Impact (ppts)\(^2\)

- Interest rate +50bps: +15ppts
- Interest rate -50bps: -19ppts
- USD appreciation +10%: +1ppts
- USD depreciation -10%: -2ppts
- Equities +20%: +8ppts
- Equities -20%: -9ppts
- Credit spreads +100bps\(^3\): -21ppts
- CS excl. EUR sovereign +100bps\(^3\): -14ppts

Q1-20 SST VS. SOLVENCY II FOR EUROPEAN UNION ENTITIES (%)

-90ppts

SST\(^1\) | Solvency II

\(^1\) On Swiss Solvency Test (SST) see footnote on page 6. The ratio as of January 1, 2020 has been re-calculated on the same basis for disclosure purposes in order to allow better comparison.

\(^2\) Sensitivities are best estimates and reflect the impact on the pension plans in the UK. For the interest rate sensitivities shocks are applied to the liquid and the non-liquid part of the yield curve.

\(^3\) Credit Spreads (CS) include mortgages and including/excluding EUR sovereign spreads. CS sensitivities include changes to the volatility adjustment applied to interest rates curves.
Moderate leverage with interest cover at Aa levels

**GROUP CAPITAL STRUCTURE (%)**¹

<table>
<thead>
<tr>
<th>Year</th>
<th>Senior debt (%)</th>
<th>Subordinated debt (%)</th>
<th>Shareholders equity (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY-15</td>
<td>76</td>
<td>14</td>
<td>11</td>
</tr>
<tr>
<td>FY-16</td>
<td>73</td>
<td>17</td>
<td>10</td>
</tr>
<tr>
<td>FY-17</td>
<td>75</td>
<td>16</td>
<td>9</td>
</tr>
<tr>
<td>FY-18</td>
<td>72</td>
<td>16</td>
<td>12</td>
</tr>
<tr>
<td>FY-19</td>
<td>74</td>
<td>15</td>
<td>11</td>
</tr>
<tr>
<td>FY-20</td>
<td>74</td>
<td>16</td>
<td>11</td>
</tr>
</tbody>
</table>

**MOODY'S FINANCIAL LEVERAGE (%) & EARNINGS COVERAGE**

<table>
<thead>
<tr>
<th>Year</th>
<th>Financial leverage (%)</th>
<th>Earnings coverage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY-15</td>
<td>24.1</td>
<td></td>
</tr>
<tr>
<td>FY-16</td>
<td>26.4</td>
<td></td>
</tr>
<tr>
<td>FY-17</td>
<td>23.7</td>
<td></td>
</tr>
<tr>
<td>FY-18</td>
<td>25.8</td>
<td></td>
</tr>
<tr>
<td>FY-19</td>
<td>22.6</td>
<td></td>
</tr>
<tr>
<td>FY-20</td>
<td>22.3</td>
<td></td>
</tr>
</tbody>
</table>

¹ Based on IFRS balance sheet
Low average debt cost and balanced maturity profile

CDS SPREAD AMONG BEST OF PEERS (BPS)¹

BALANCED REFINANCING NEEDS (USDbn)²

Low average debt cost and balanced maturity profile

1. CDS spread among best of peers (BPS)¹

2. Balanced refinancing needs (USDbn)²

¹ 5y EUR sub CDS. Source: Bloomberg.

² Maturity profile based on first call date for subordinated debt and maturity date for senior debt. Includes the placement of USD 1.75bn of dated subordinated debt announced on January 12, 2021.
We have a strongly cash generative business reflected in high cash remittance

<table>
<thead>
<tr>
<th></th>
<th>Property &amp; Casualty</th>
<th>Life</th>
<th>Farmers</th>
<th>Non-Core Businesses</th>
<th>Group Functions and Operations</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOP (USDbn) FY-15 to FY-20</td>
<td>11.3</td>
<td>8.2</td>
<td>10.3</td>
<td>0.0</td>
<td>-4.4</td>
<td>25.3</td>
</tr>
<tr>
<td>NIAS (USDbn) FY-15 to FY-20</td>
<td>11.0</td>
<td>6.4</td>
<td>7.4</td>
<td>0.2</td>
<td>-5.2</td>
<td>19.8</td>
</tr>
<tr>
<td>Cash remittances (USDbn) FY-15 to FY-20</td>
<td>12.2</td>
<td>5.4</td>
<td>7.8</td>
<td>0.6</td>
<td>-5.1</td>
<td>21.0</td>
</tr>
<tr>
<td>Remittance / NIAS (%)</td>
<td>112%</td>
<td>84%</td>
<td>106%</td>
<td>nm</td>
<td>nm</td>
<td>106%</td>
</tr>
<tr>
<td>Expected remittance payout (%) FY-21 to FY-22</td>
<td>90%</td>
<td>75%</td>
<td>95%</td>
<td>nm</td>
<td>100%</td>
<td>85%</td>
</tr>
</tbody>
</table>
We are focused on continuing to reward our shareholders

DIVIDEND POLICY

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

DIVIDEND PER SHARE (CHF)

<table>
<thead>
<tr>
<th>Year</th>
<th>CHF</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY-16</td>
<td>17</td>
</tr>
<tr>
<td>FY-17</td>
<td>18</td>
</tr>
<tr>
<td>FY-18</td>
<td>19</td>
</tr>
<tr>
<td>FY-19</td>
<td>20</td>
</tr>
<tr>
<td>FY-20(^1)</td>
<td>20</td>
</tr>
</tbody>
</table>

\(^1\) The dividend is subject to the approval by the shareholders at the Annual General Meeting.

\(^2\) Net income attributable to shareholders.

\(^3\) Minimum dividend target is CHF 20 per share based on FY-20
Sustainability
SUSTAINABILITY

We want to be known as one of the most responsible and impactful businesses in the world

A CHANGING CLIMATE

- Science-based CO₂ reduction targets
- Mitigate climate risk
- Innovation for sustainable solutions

WORK SUSTAINABILITY

- Prioritize current workforce over external hires and outsourcing
- Support and develop the skills our people need for the future of work

CONFIDENCE IN A DIGITAL SOCIETY

- Ethical use of data & AI
- Data protection and cyber security
- Business resilience and digitalization
SUSTAINABILITY

Our commitments in action

ACHIEVEMENTS

- **USD 6bn invested**
  - in impact bonds, infrastructure, and private equity

- **-30% in CO2 emissions in operations since 2015**

- **+75 pts**
  - improvement in eNPS² score since 2017

- **270 companies**
  - in scope for coal and oil sands policy implemented by 2021

- **53% of positions**
  - filled internally

- **12 Countries**
  - with EDGE certification¹

- **170 000 people**
  - benefited from the Zurich Resilience Flood Alliance since 2017

- **22% green buildings**
  - in real estate investment portfolio

TARGETS

- **GROUP**
  - Align our business to a 1.5°C future

- **OPERATIONS**
  - Reduce CO2 emissions by 50% by 2025

- **INVESTMENTS**
  - Reduce CO2 emissions in green building investments by 30% and in equity and credit investments by 25% by 2025

- **PEOPLE AND COMMUNITY**
  - Help improve the mental wellbeing of 10 million people (2024 target of Zurich Z Foundation)

---

¹ EDGE Certification is a leading global assessment methodology and business certification standard for gender equality.

² Employee Net Promoter Score (eNPS).
Delivery against our ambition is widely recognized by external assessor.

### OUR RATINGS

**MSCI ESG RATINGS**
- ‘AA’ rating\(^1\)
- #1 in insurance group\(^2\)
- #3 amongst industry peers\(^3\)

**SUSTAINALYTICS**
- Absolute Score of 4.4 (out of 5.0)\(^4\)
- ‘A’- Management Level\(^5\)

---

1 MSCI ESG Rating Report July 2020
2 S&P Global ESG Score 2020 (previously RobecoSAM), 100% percentile
3 As defined and reported by Sustainalytics ESG Risk Report, December 3, 2020
4 FTSE Industry Classification Benchmark (ICB), Dec 2019
5 CDP Climate Change 2020 score.

### OUR LONG-TERM COMMITMENT

**OUR ENGAGEMENT PARTNERS**
- Lead author of the World Economic Forum Global Risk Report
- Founding member of the Net Zero Asset Owner Alliance
- Member of Coalition for Climate Resilient Investment
- Member of Insurance Development Forum
Appendix
### General information

<table>
<thead>
<tr>
<th>SST</th>
<th>SOLVENCY II</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Most onerous impact</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Risk measure

<table>
<thead>
<tr>
<th>SST</th>
<th>SOLVENCY II</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected shortfall 99% (~BBB)</td>
<td>Value at risk 99.5% (~BBB)</td>
</tr>
</tbody>
</table>

### Risk types covered

<table>
<thead>
<tr>
<th>SST</th>
<th>SOLVENCY II</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Market risk (including investment credit)</em></td>
<td><em>Market risk (including investment credit)</em></td>
</tr>
<tr>
<td><em>Premium, reserve and UPR risk</em></td>
<td><em>Premium, reserve and UPR risk</em></td>
</tr>
<tr>
<td><em>NatCat risk</em></td>
<td><em>NatCat risk</em></td>
</tr>
<tr>
<td><em>Life liability risk</em></td>
<td><em>Business risk</em></td>
</tr>
<tr>
<td><em>Life business risk</em></td>
<td><em>Operational risk</em></td>
</tr>
<tr>
<td><em>Reinsurance credit risk</em></td>
<td><em>Reinsurance credit risk</em></td>
</tr>
<tr>
<td><em>Receivables credit risk</em></td>
<td><em>Receivables credit risk</em></td>
</tr>
<tr>
<td>Internal model (ZIP):</td>
<td>Scenarios</td>
</tr>
<tr>
<td><em>Market risk (including investment credit)</em></td>
<td></td>
</tr>
<tr>
<td><em>Premium, reserve and UPR risk</em></td>
<td></td>
</tr>
<tr>
<td><em>NatCat risk</em></td>
<td></td>
</tr>
<tr>
<td><em>Life underwriting risk</em></td>
<td><em>Intangible asset risk</em></td>
</tr>
<tr>
<td><em>Non-life underwriting risk</em> (including premium, reserve and NatCat)</td>
<td></td>
</tr>
</tbody>
</table>

### Equivalence

<table>
<thead>
<tr>
<th>SST</th>
<th>SOLVENCY II</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>No concept of equivalence, applied to the entire Group</strong></td>
<td><strong>Possibility to use local regimes for subsidiaries in equivalent third countries</strong></td>
</tr>
</tbody>
</table>

### Tax

<table>
<thead>
<tr>
<th>SST</th>
<th>SOLVENCY II</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-tax</td>
<td>Post-tax</td>
</tr>
</tbody>
</table>
SST is more conservative than Solvency II

<table>
<thead>
<tr>
<th>Yield curves and transitionals</th>
<th>SST(^1)</th>
<th>SOLVENCY II</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most onerous impact</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Base for risk-free yield curves</td>
<td>Swaps (EUR, GBP, USD) Government bond (CHF)</td>
<td>Swaps</td>
</tr>
<tr>
<td>Entry point to extrapolation of yield curves</td>
<td>CHF: 15 years EUR: 20 years USD, GBP: 50 years</td>
<td>CHF: 25 years EUR: 20 years USD, GBP: 50 years</td>
</tr>
<tr>
<td>Ultimate forward rate (UFR)(^2)</td>
<td>CHF: 2.1% EUR, GBP: 3.6% USD: 3.3%</td>
<td>CHF: 2.6% EUR, GBP: 3.6% USD: 3.6%</td>
</tr>
<tr>
<td>Adjustments to yield curves(^2)</td>
<td>- credit risk adjustment: -30bps (USD) and -10bps (EUR, GBP) + volatility adjustment: 5bps (EUR) for IT, ES and GER</td>
<td>- credit risk adjustment: -10bps (EUR, CHF, GBP) and -13bps (USD) + volatility adjustment: 5bps (EUR), 10bps (CHF), 8bps (GBP) and 25bps (USD) + matching adjustment</td>
</tr>
<tr>
<td>Transitional requirements</td>
<td>None</td>
<td>Various transitional measures, especially for yield curves and technical provisions, lasting until 2032</td>
</tr>
</tbody>
</table>

\(^1\) For EUR and GBP same yield curves are used as under Solvency II

\(^2\) Yield curve parameters as of end March 2021.
Other important information
For further information

CALL US

INVESTOR RELATIONS AND RATING AGENCY MANAGEMENT
Richard Burden +41 44 628 96 40
Francesco Bonsante +41 44 628 00 68
Samuel Han +41 44 625 32 57
Michèle Matlock +41 44 625 28 50
Fabian Wiederkehr +41 44 625 33 08

EVENTS
Patricia Heina +41 44 625 38 44

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Investor Relations website
Follow us

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<table>
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<th>Useful hyperlinks</th>
<th></th>
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<td></td>
</tr>
</tbody>
</table>
Investing in Zurich

SIX SWISS EXCHANGE

- Listing: SIX Swiss Exchange, Switzerland
- Product type: Swiss Blue Chip Shares
- Ticker symbol: ZURN
- Swiss security number (Valorennummer): 1107539
- ISIN: CH0011075394
- Bloomberg symbol: ZURN VX Equity
- Reuters symbol: ZURN.VX
- Trading currency: CHF

US AMERICAN DEPOSITARY RECEIPT PROGRAM

- Depository: The Bank of New York Mellon
- Nature: ADR
- Symbol: ZURVY
- For further information:
  - in the USA: +1-888-BNY-ADRS
  - outside the USA: +1 201 680 6825
  - E-mail: shrrelations@bnymellon.com
  - Website: www.adrbnymellon.com
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