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Disciplined execution drives strong first half performance

Half year results 2021

August 12, 2021
Investor and media presentation
Zurich Insurance Group

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Key messages

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Focused execution drives BOP to pre-COVID level	Execution of group strategy drives strong performance across all businesses; HY-21 BOP up 60% at pre-pandemic levels despite ongoing pandemic and high natural catastrophes
Improved customer metrics support growth	Net promoter score improved in most major markets with ~600k net new customers acquired over the first half year supporting retail business growth
P&C well placed for continued success	Reshaped portfolio and disciplined underwriting provide platform for growth. P&C gross written premiums up 12% like-for-like[1] with lowest combined ratio in >20 years at 93.9%
Continued execution of life strategy	Focus on protection and capital light savings supports improved margins. Life BOP up 44% despite higher COVID-19 mortality, with new business value up 37% like-for-like[1]
Growth accelerated at Farmers Exchanges	Farmers Exchanges[2] GWP up 16% including acquired MetLife business and 7% like-for-like[1] driven by improved agency performance. FMS BOP up 10% and 5% like-for-like[1]
Very strong capital position	SST ratio of 206%[3] as of June 30 with 5ppts improvement compared to Q1-21, with lower sensitivity to interest rates and credit spreads

1 In local currency and after adjusting for closed acquisitions and disposals and reclassification of Zurich Global Employee Benefit Solutions from Life to Global Business Platforms in Group Functions and Operations.
2 For all references to Farmers Exchanges see the disclaimer and cautionary statement.
3 Estimated Swiss Solvency Test ratio (SST) ratio, calculated based on the Group's internal model approved by the Swiss Financial Market Supervisory Authority FINMA.

Execution of Group strategy drives strong performance across all businesses; HY-21 BOP at pre-pandemic levels

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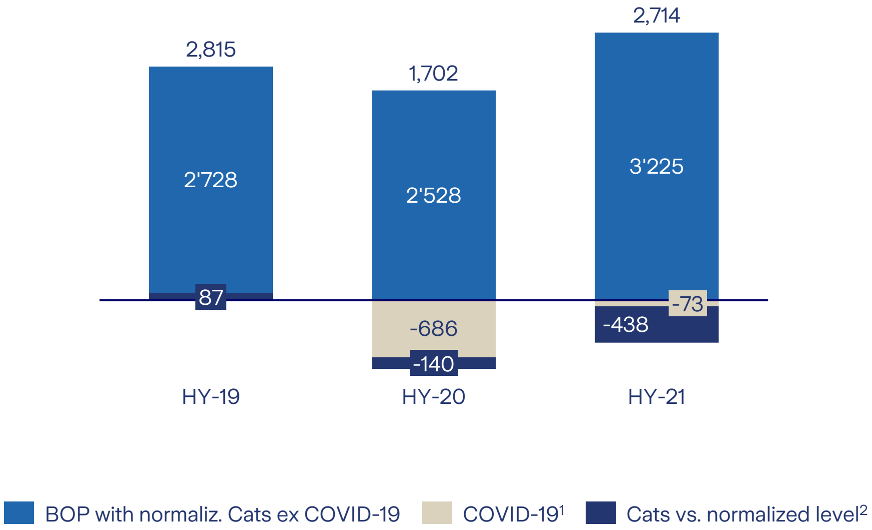
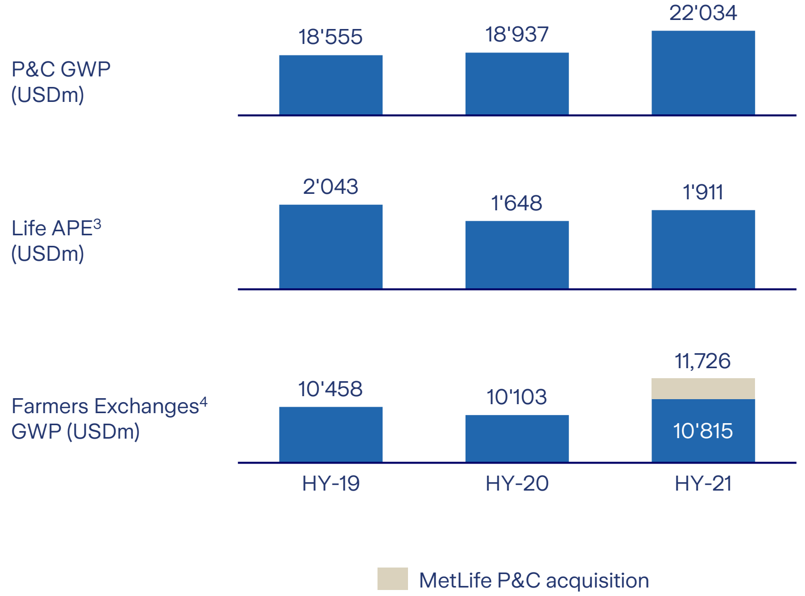
GROUP BOP (USDm)



TOP-LINE



1 COVID-19 claims, frequency benefits, premium refunds, and Cover-More operating loss.
2 Catastrophes and weather events compared to normalized level (i.e., 3.0% of NEP for HY-19 and HY-20, 3.5% of NEP for HY-21). Positive numbers indicate catastrophes below normalized level.
3 HY-19 and HY-20 Life APE adjusted for disposed businesses and Zurich Global Employee Benefits Solutions, currently reported within GF&O.
4 For all references to Farmers Exchanges see the disclaimer and cautionary statement.

Improvement in customer satisfaction drives higher retention and new business increasing customer numbers and revenues

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CUSTOMER SATISFACTION

NPS (HY-21 vs. FY-20)

FARMERS INSURANCE[1]	+2
	+3
	+9
	+5
	+4
	-3
	+4

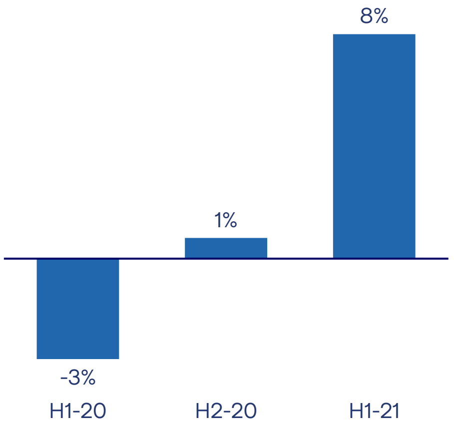
CUSTOMER GROWTH

~600k
Net new customers vs. FY-20[2]

+1ppts
P&C Retail retention rate (HY-21 vs. HY-20)

+23%
P&C Retail new business premiums, in local currency (HY-21 vs. HY-20)

P&C RETAIL GWP LIKE-FOR-LIKE GROWTH (%)[3]



1 For all references to Farmers Exchanges see the disclaimer and cautionary statements.
2 Difference between gross new customers and lost customers. Based on 8 retail markets accounting for ~70% of FY-20 P&C retail GWP and ~65% of Life APE (Australia, Brazil, Germany, Japan, Italy, Santander JV, Spain, Switzerland). For further information see page 33 in the appendix.
3 In local currency and after adjusting for closed acquisitions and disposals.

Reshaped commercial P&C portfolio delivering strong growth, with rate increases in excess of loss cost inflation

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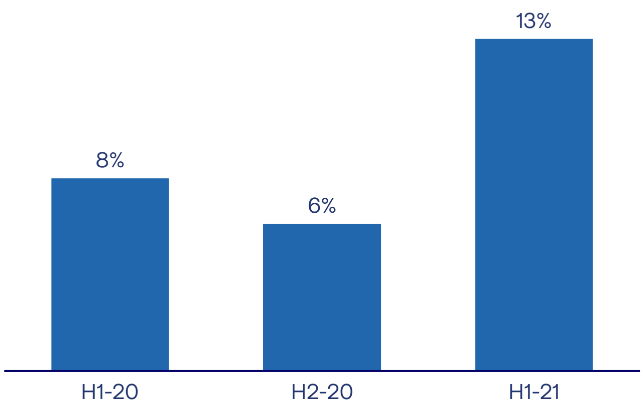
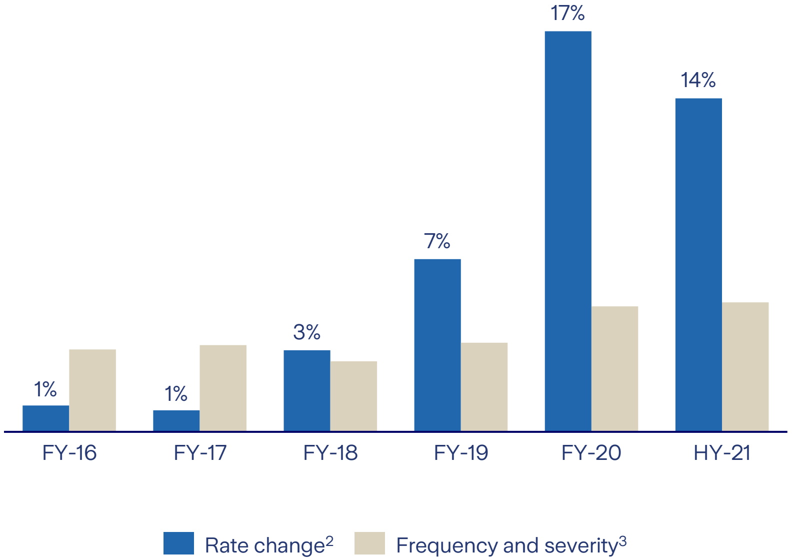
P&C COMMERCIAL GWP LIKE-FOR-LIKE GROWTH (%)[1]



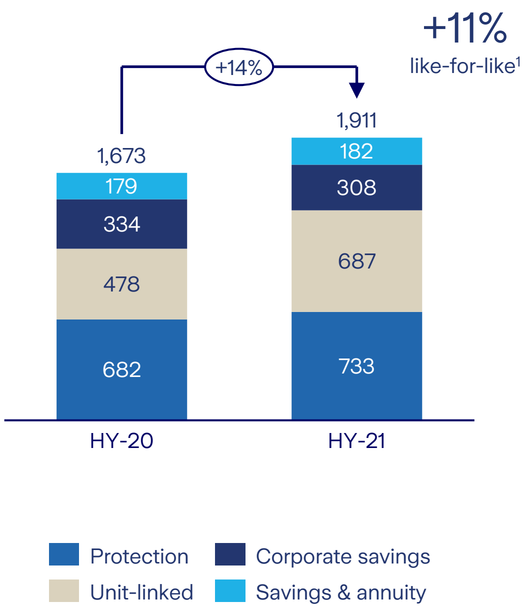
RATE CHANGE AND LOSS TREND - NORTH AMERICA



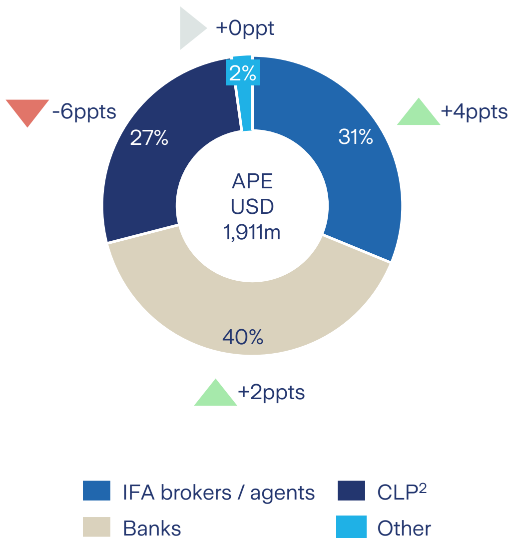
1 In local currency and after adjusting for closed acquisitions and disposals.
2 GWP development due to premium rate change as a percentage of the renewed portfolio against the comparable prior year period. Monitored premium typically accounts for ~45% of North America GWP, ~40% for HY-21 reflecting higher crop insurance GWP.
3 Does not include crop, finance and insurance, captives, surety, and other 'non monitored' businesses.

Strong Life result from continued execution of long-term strategy to focus on protection and capital light savings products

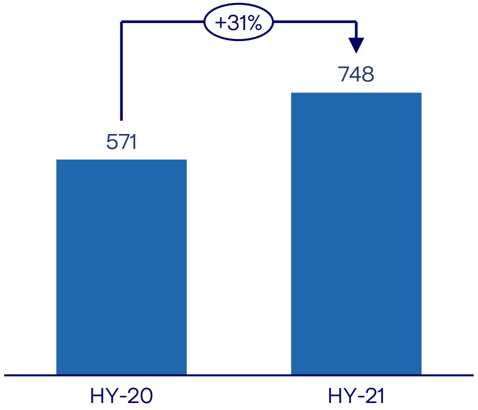
APE BY PRODUCT (USDm)



APE BY DISTRIBUTION CHANNEL (%)



LIFE BOP LIKE-FOR-LIKE (USDm)[1]



1 In local currency and after adjusting for closed acquisitions and disposals and reclassification of Zurich Global Employee Benefit Solutions from Life to Global Business Platforms in Group Functions and Operations.

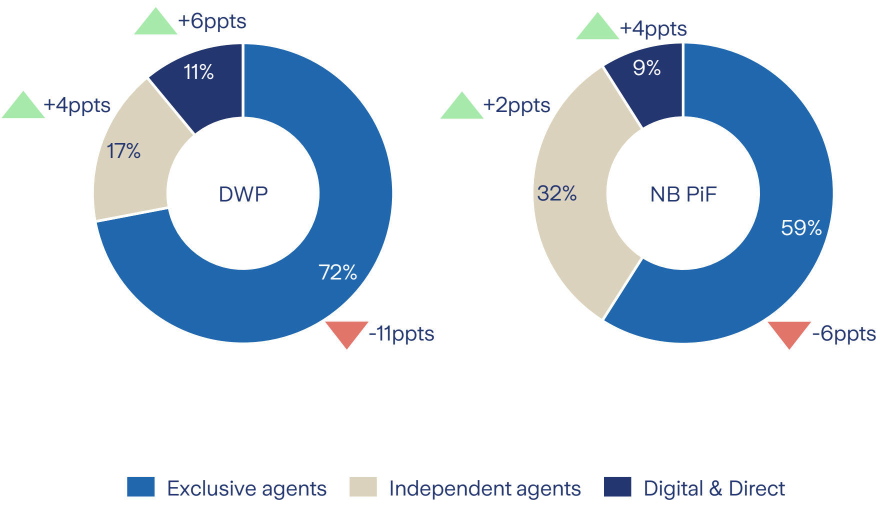
2 Corporate Life & Pensions (CLP).

Farmers Exchanges[1] with more diversified and strengthened distribution post acquisition

DISTRIBUTION LANDSCAPE

Past	Today
Independent agents selling non-standard and specialty products	Introduction of standard auto & home products
Exclusive agents and direct products offered in 36 states	Products available in all 50 states of the U.S.
Lead generation through advertising and affiliates	Addition of new worksite & affinity channel targeting 37m potential customers

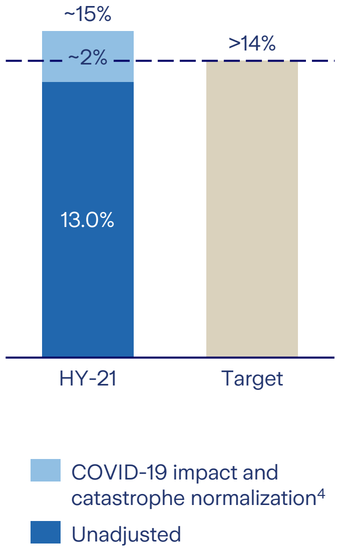
CHANNEL MIX AND NEW BUSINESS POLICIES IN FORCE (%)[2]



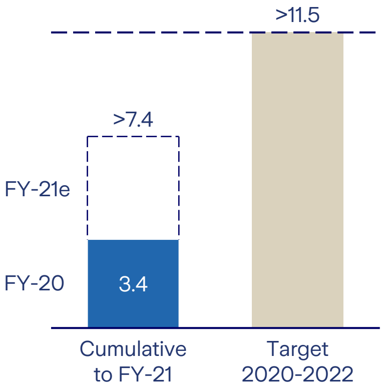
[1] For all references to Farmers Exchanges see the disclaimer and cautionary statement.
[2] Based on FY-20 pro-forma direct written premium (DWP) and FY-20 pro-forma new business policies in force (NB PiF). Arrows indicate change in mix based on addition of MetLife U.S. P&C business.

Well on track to meet 2022 targets

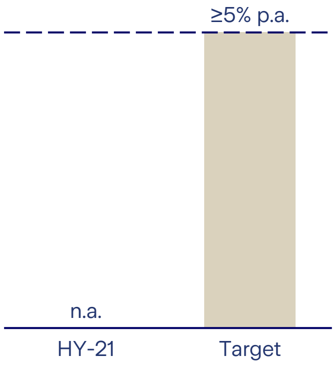
BOPAT ROE (%)[1]



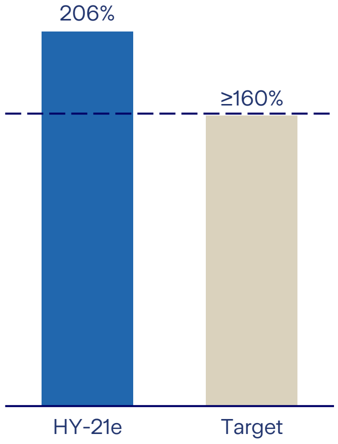
CASH REMITTANCES (USDbn)



EPS GROWTH (%)[2]



SST (%)[3]



1 Business operating profit after tax return on equity, excluding unrealized gains and losses.
2 Earnings per share growth, before capital deployment.
3 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.
4 COVID-19 impact includes claims, frequency benefits, premium refunds, and Cover-More operating loss. Catastrophe normalization based on past average experience of around 3.5% of NEP.

Delivering our ambition to be one of the most responsible and impactful businesses in the world with more to come in H2-21

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ACHIEVEMENTS[1]

USD 6bn invested in impact bonds infrastructure and private equity

+75ppts improvement in eNPS[2] score since 2017

-30% in CO_2 emissions in operations since 2015

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

12 countries with EDGE certification[3]

22% green buildings in real estate investment portfolio

53% of positions filled internally

3,200,000 lives positively impacted by the Z Zurich Foundation activities in 2020

Initial CHF 1m donated to UNICEF COVID-19 vaccine program for low-income countries[4] with matching from Z Zurich Foundation[6]

TARGETS AND COMMITMENTS

Align our business to a 1.5°C future

Operations

Reduce CO_2 emissions from own operations by 50% by 2025 and 70% by 2029. As part of these commitments, further actions related to travel, vehicle fleets, paper, food and real estate are planned for the second half of 2021.

Investments

Reduce CO_2 emissions from real estate investments by 30% and from equity and credit investments by 25% by 2025[5].

Underwriting

Founding member of the Net-Zero Insurance Alliance launched in July 2021.

People and Community

Positively impact the lives of 11,000,000 people (2020-2024 target of the Z Zurich Foundation[6]).

1 All values as per December 2020.
2 Employee Net Promoter Score.
3 EDGE Certification is a leading global assessment methodology and business certification standard for gender equality.
4 The Z Zurich Foundation has committed to match funds raised up to a sum of CHF2.5m.
5 Real estate measured in CO_2 emission per square meter equivalent; Corporate credit and equities based on CO_2 emissions per USD investment.
6 The Z Zurich Foundation is a charitable foundation funded by various members of the Group. It is the main vehicle by which the Group delivers on its global community investment strategy.

CFO update

P&C and Life drive strong development in Group BOP

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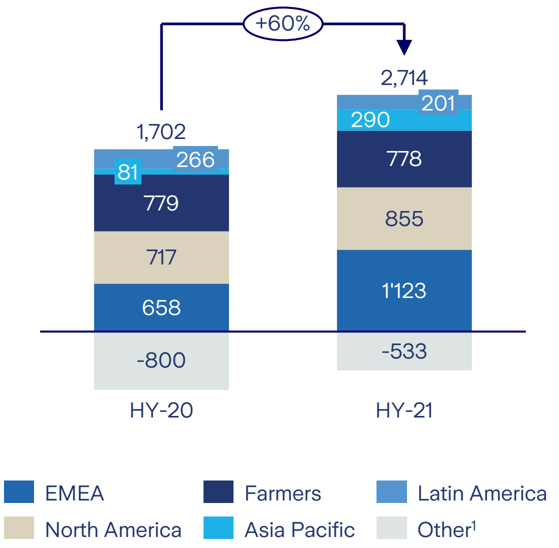
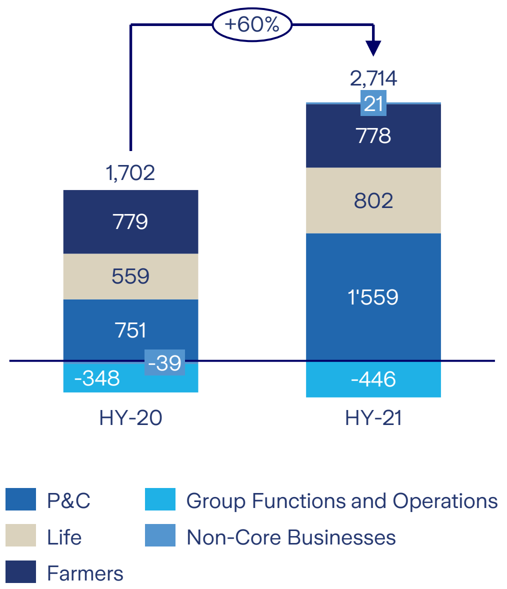
BOP BY REGION (USDm)



BOP BY BUSINESS (USDm)



HY-21 BOP IMPACTS TO BE CONSIDERED

- Catastrophes in excess of long-term average
- Lower COVID-19 impact versus prior year
- Inclusion of acquired MetLife U.S. P&C business for second quarter only
- Transaction costs related to acquisition of MetLife U.S. P&C business
- Favorable market and claims experience excluding COVID-19 in Life

[1] Includes Group Functions and Operations, Non-Core Businesses and Group Reinsurance.

Strong growth in net income attributable to shareholders driven by BOP growth and higher realized capital gains

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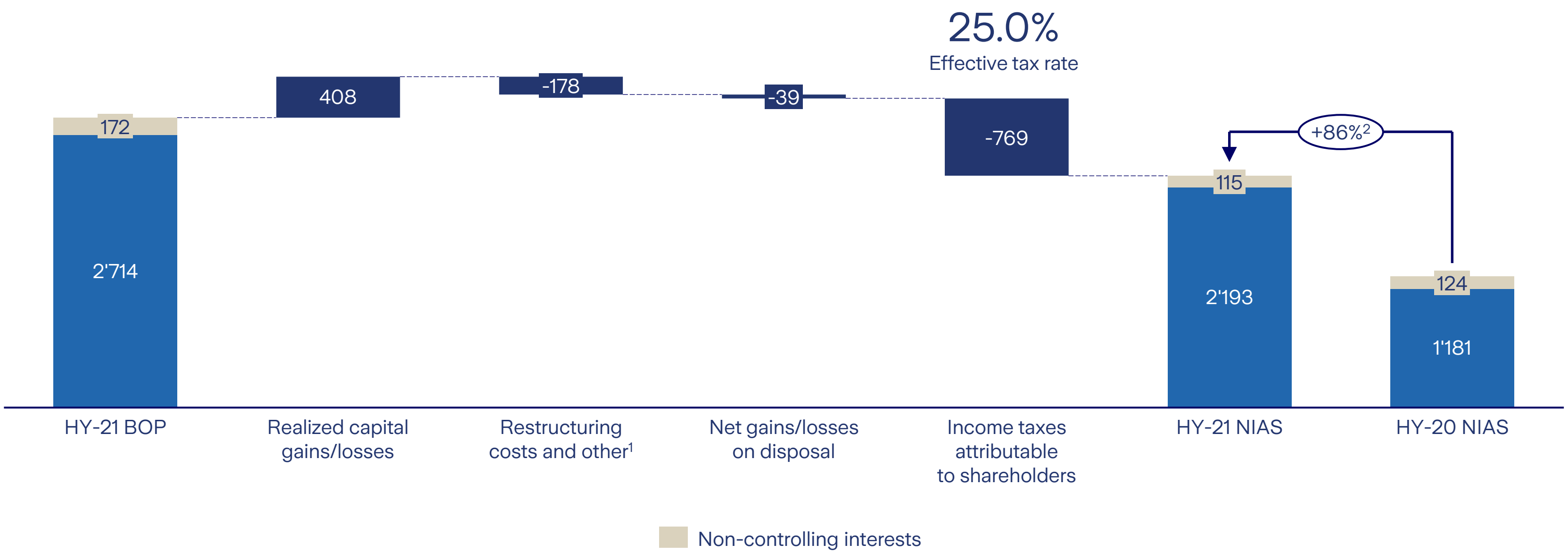
BOP TO NIAS WALK (USDm)



1 Restructuring costs include restructuring provisions, other adjustments and impairment of goodwill.
2 NIAS excluding non-controlling interests.

2021 outlook

PROPERTY & CASUALTY	• Commercial pricing expected to increase further over second half with rate in excess of loss cost inflation • Net earned premium growth expected to be around 10% for the full year • Losses from natural catastrophes expected to be around 5 percentage points for the full year • Investment income decline expected to be in the region of USD 100m for the full year • Travel restrictions expected to continue to impact Cover-More, with limited improvement in P&C net non-technical result in 2021
LIFE	• Mortality related to COVID-19 expected to remain elevated in the second half, particularly in Latin America • Growth in Life BOP ex-Farmers expected to be in the high-single digit range for the year
FARMERS	• Excluding acquisition of MetLife's U.S. P&C business, Farmers Exchanges[1] GWP growth expected to be in the mid-single digits with FMS managed gross earned premium margin expected to be around 7%
OTHER	• Group Functions and Operations loss expected to be in the range of USD 800-850m for the full year • Restructuring and other costs outside of BOP expected to be in the range of USD 300m including costs related to the MetLife U.S. P&C acquisition • Effective tax rate expected to be around 25%

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

Strong growth and rate change across all regions

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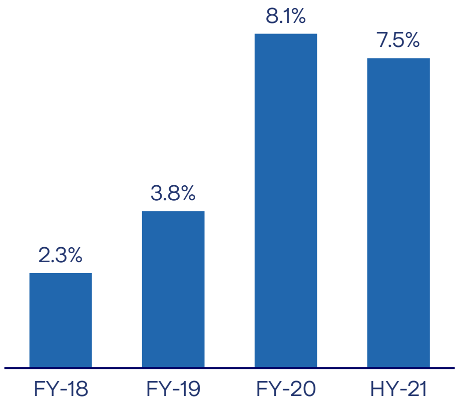
HY-21 TOP-LINE DEVELOPMENT

	GWP (USDm)	GWP like-for-like growth (%)[1]	Rate change (%)[2]	Rate change outlook
EMEA	10,238	6%	5%	Stable
North America	9,961	16%	14%	Stable
Asia Pacific	1,562	10%	5%	Stable
Latin America	1,166	19%	2%	Stable
Total[3]	22,034	12%	8%	Stable

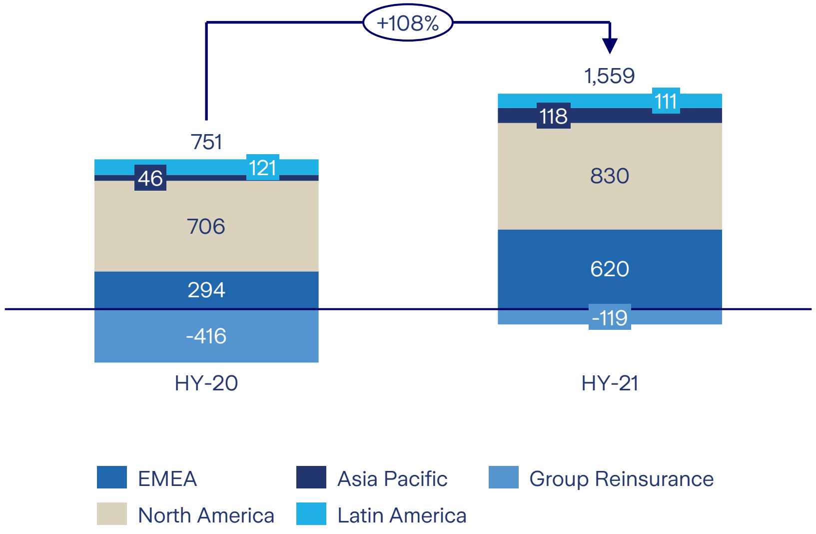
TOTAL RATE CHANGE (%)[2]



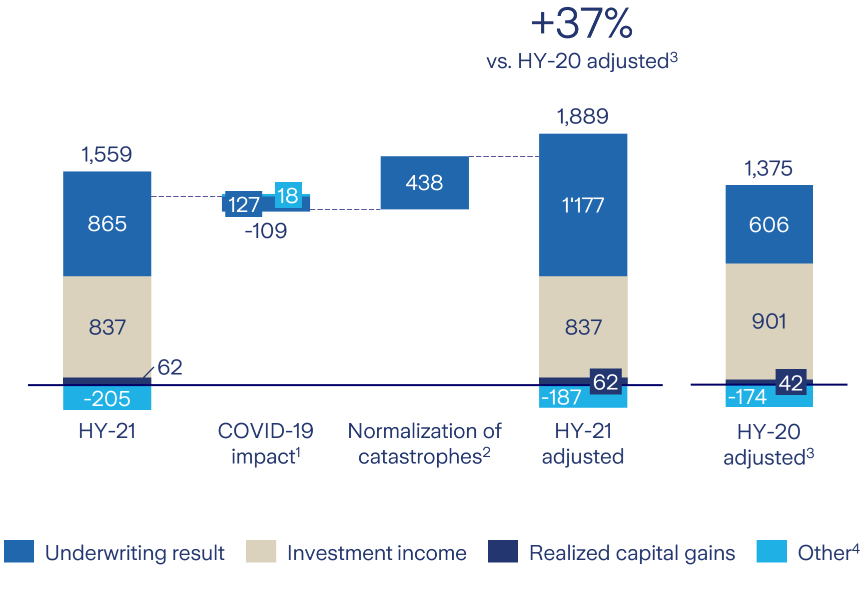
1 In local currency and after adjusting for closed acquisitions and disposals.
2 GWP development due to premium rate change as a percentage of the renewed portfolio (excl. crop business) against the comparable prior year period.
3 Total includes Group Reinsurance and Eliminations.

Underwriting improvements, cost discipline and more favorable impact from COVID-19 drive doubling in P&C BOP

BOP (USDm)



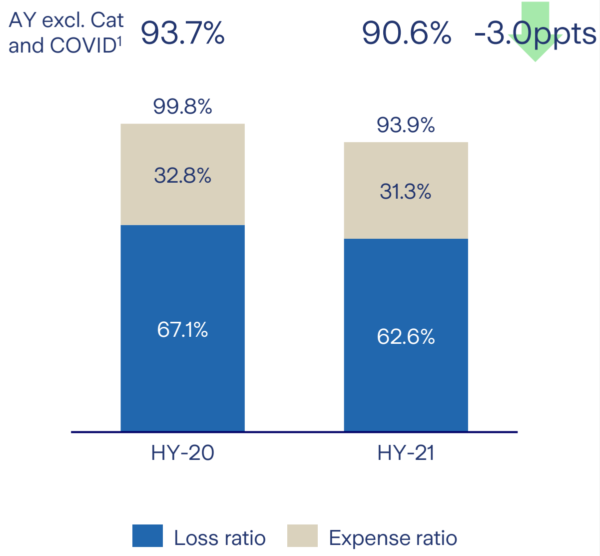
BREAK DOWN BY COMPONENT (USDm)



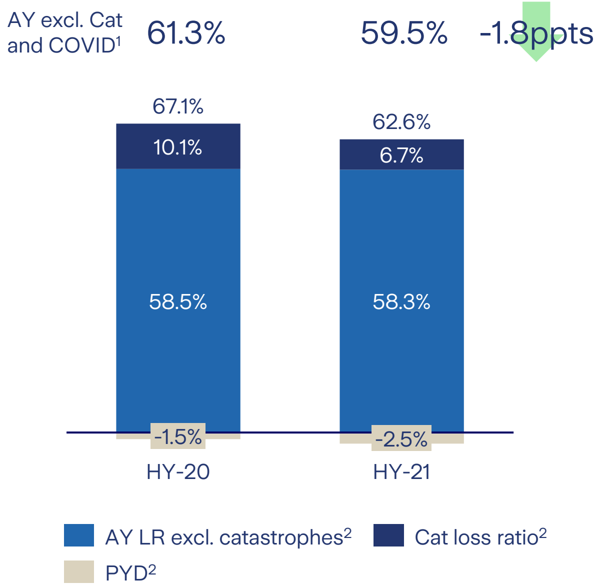
1 COVID-19 claims, frequency benefits, premium refunds, and Cover-More operating loss.
2 Normalization of catastrophes based on past average experience of around 3.5% of NEP.
3 Adjusted for COVID-19 impacts and catastrophes normalization to 3.0% of NEP, in line with HY-20 results presentation.
4 Includes non-technical result and non-controlling interest.

Portfolio quality demonstrated by 3-point improvement in accident year combined ratio ex-cat and COVID-19

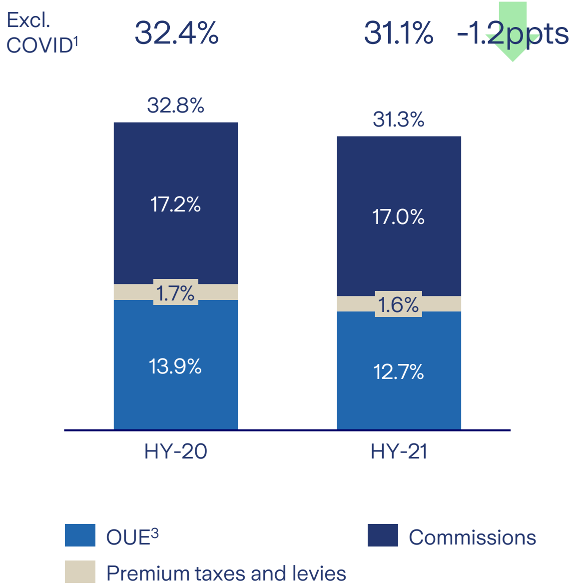
COMBINED RATIO (%)



LOSS RATIO (%)



EXPENSE RATIO (%)



[1] COVID-19 claims, frequency benefits, premium refunds, and Cover-More operating loss included in underwriting result (more details in the appendix at page 40).
[2] Accident year loss ratio (AY LR) excludes prior year reserve development (PYD). Catastrophes (Cat) include major and mid-sized catastrophes including significant weather-related events.
[3] Other underwriting expenses.

All regions and customer units show significant improvement in underlying profitability

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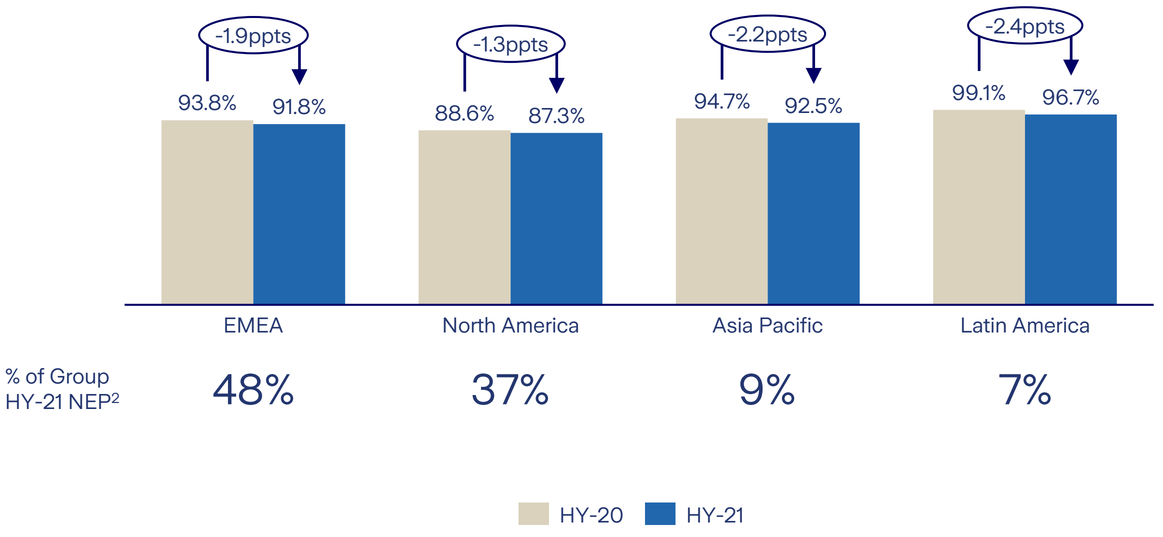
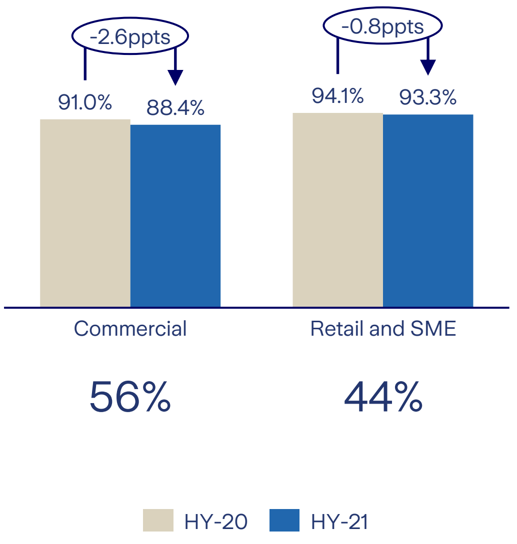
AY COMBINED RATIO (CR) EX CATASTROPHES AND COVID BY REGION (%)[1]



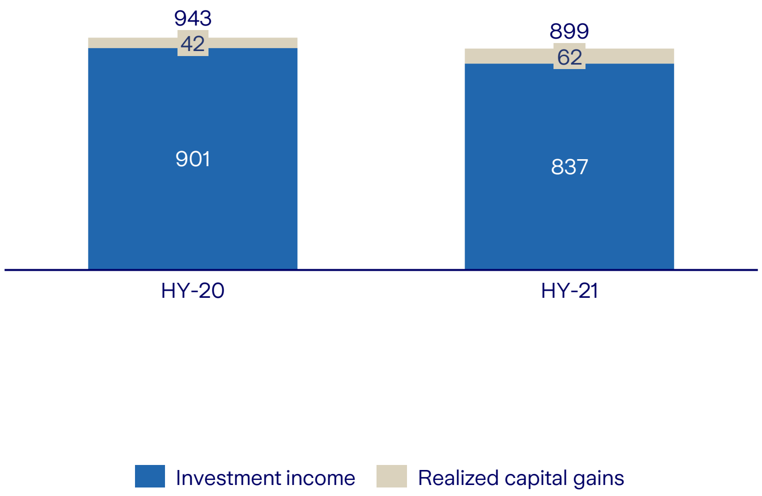
AY CR EX CATASTROPHES AND COVID BY CUSTOMER UNIT (%)[1]



1 COVID-19 impacts include frequency benefits, Cover-More operating loss included in accident year underwriting result, and premium refunds. Retail and SME includes USD 9m of eliminations in HY-21 (USD 10m in HY-20).
2 Excluding Group Reinsurance and Eliminations.

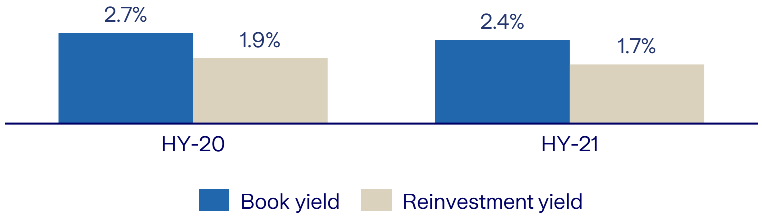
Lower investment result driven by reduction in portfolio yield

INVESTMENT RESULT IN BOP (USDm)



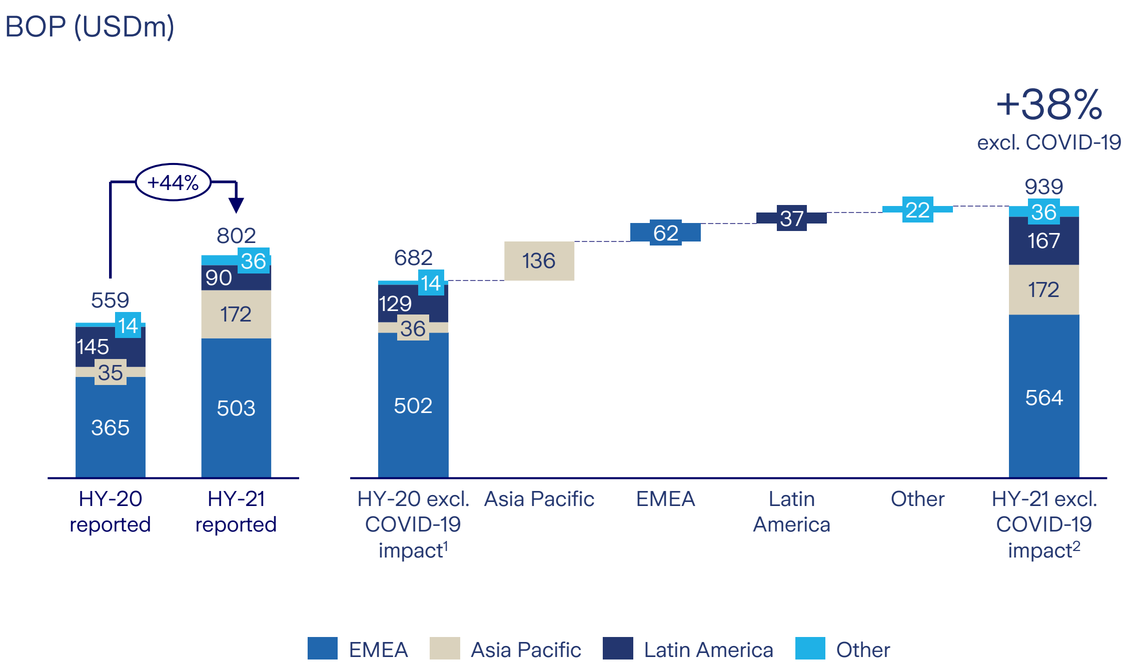
INVESTMENT INCOME YIELD OF GROUP INVESTMENTS (%)[1]

BOOK & REINVESTMENT YIELD OF DEBT SECURITIES (%)[2]



1 Net of investment expenses. Investment income yield calculated based on average Group Investments (accounting view) during the period on an annual basis.
2 Book yield calculated as weighted-average portfolio yield of debt securities during the period on an annual basis. Reinvestment yield calculated as a weighted-average trade yield of purchased debt securities with maturity >90 days during the period on an annual basis.

Life BOP ex-COVID up 38%; continued focus on protection and capital light saving products supported margin improvement



KEY DRIVERS

- COVID-19: HY-21 impact of USD 137m versus USD 123m at HY-20
- Australia: benefited from re-pricing and portfolio improvement actions
- UK: positive benefit from unit-linked loss reserve review
- Italy: strong growth in unit-linked supporting AUM growth
- Switzerland: growth in individual life together with positive claims experience
- Latin America: profitable growth through our long-term bancassurance agreement with Santander

[1] COVID-19 impact includes excess mortality, voluntary actions, DAC and unit-linked fees.
[2] COVID-19 impact includes excess mortality, higher health payments, and frequency benefits.

EMEA and Asia Pacific drive growth in Life gross premiums and deposits

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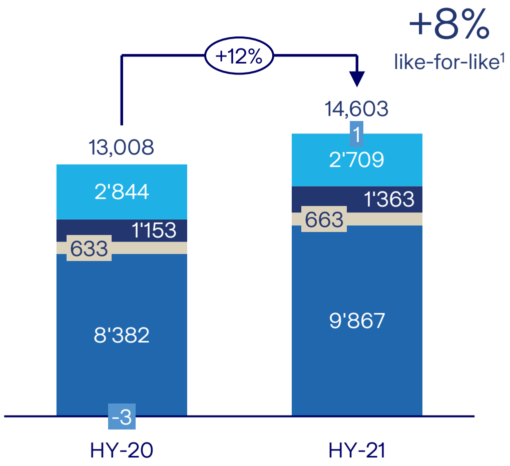
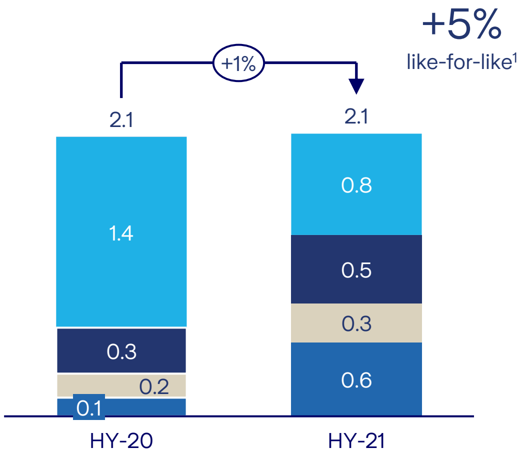
GWP AND DEPOSITS (USDm)

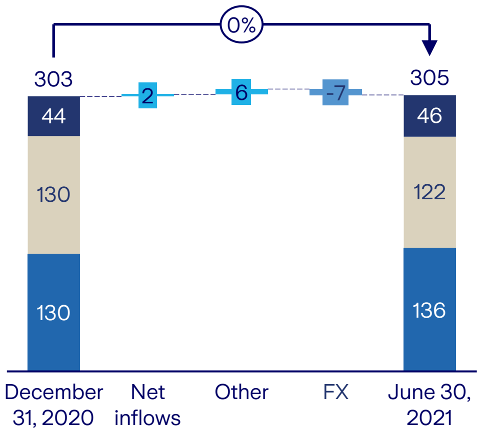


NET INFLOWS BY SEGMENT (USDbn)



EMEA | North America | Asia Pacific | Latin America | Other

ASSETS UNDER MANAGEMENT (USDbn)



Unit-linked | 3rd party investments | Group investments

[1] In local currency and after adjusting for closed acquisitions and disposals and reclassification of Zurich Global Employee Benefit Solutions from Life to Global Business Platforms in Group Functions and Operations.

NBV up 37% on a like-for-like basis due to more favorable business mix, higher sales volumes and improved margins

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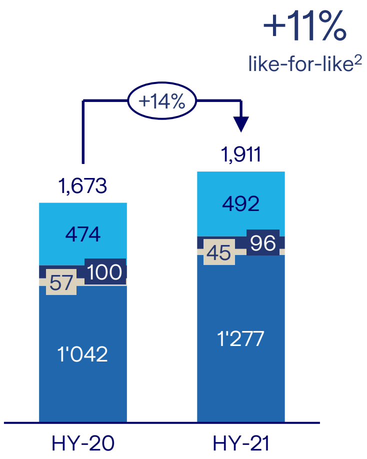
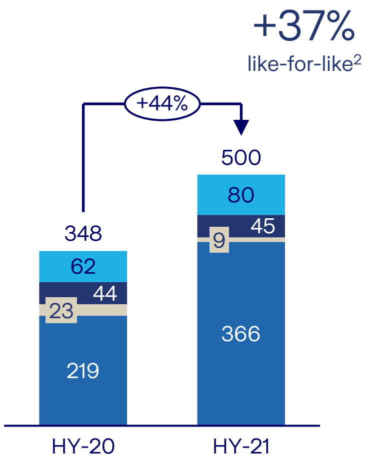
APE (USDm)[1]

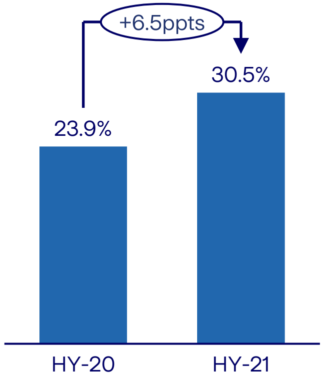


NBV (USDm)[1]

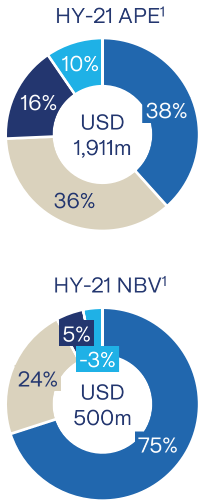


EMEA North America Asia Pacific Latin America

NBM (%)[1]



NEW BUSINESS MIX (%)

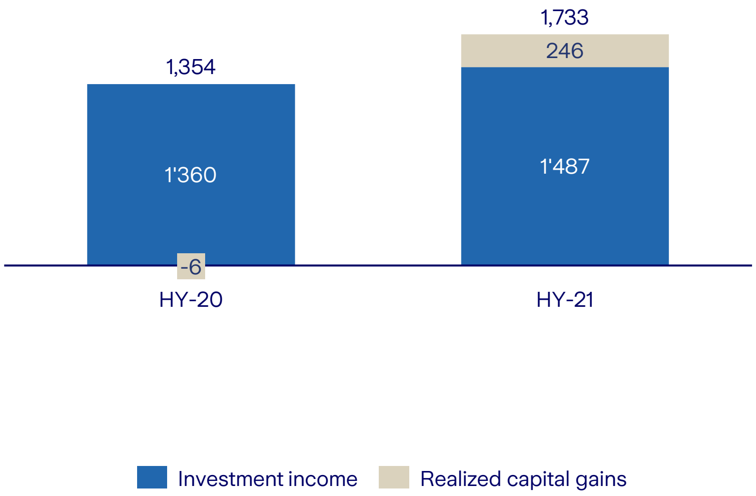


Protection Corporate savings
Unit-linked Savings & annuity

1 Annual premium equivalent (APE) is reported before non-controlling interests. New business margin (NBM) and value (NBV) are reported net of non-controlling interests.
2 In local currency and after adjusting for closed acquisitions and disposals and reclassification of Zurich Global Employee Benefit Solutions from Life to Global Business Platforms in Group Functions and Operations.

Higher investment result in Life driven by realized gains and favorable FX movements; ongoing pressure on portfolio yield

INVESTMENT RESULT IN BOP, GROSS OF PH (USDm)[1]



INVESTMENT INCOME YIELD OF GROUP INVESTMENTS (%)[2]

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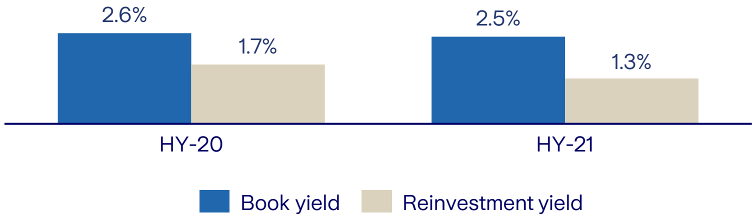
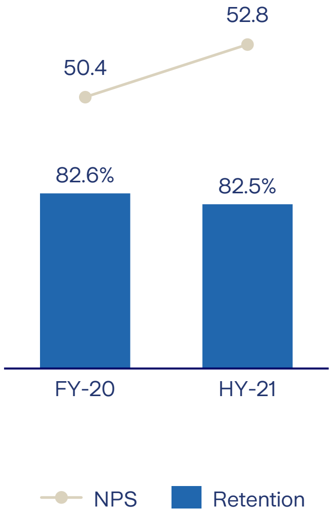


1 Gross of policyholder participation (PH).
2 Net of investment expenses. Investment income yield calculated based on average Group Investments (accounting view) during the period on an annual basis.
3 Book yield calculated as weighted-average portfolio yield of debt securities during the period on an annual basis. Reinvestment yield calculated as a weighted-average trade yield of purchased debt securities with maturity >90 days during the period on an annual basis.

Growth in exclusive agents and improved productivity together with MetLife acquisition drive growth in gross premiums

FARMERS INSURANCE

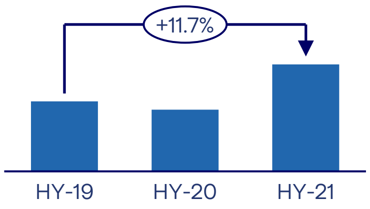
NPS & RETENTION (%)



EXCLUSIVE AGENTS

Total number of agents[2] +2.3%

NEW BUSINESS SALES PER AGENT

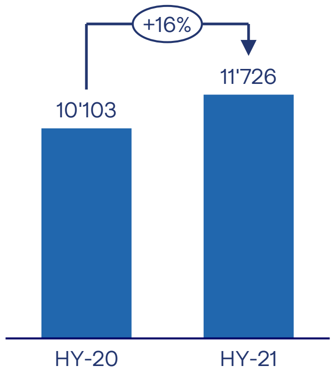


NEW BUSINESS SALES (%)[2]

Exclusive Agents	+16.0%
Independent Agents	+12.7%
Direct Sales	+14.7%

GWP (USDm)

+7%
like-for-like[3]



1 For all references to Farmers Exchanges see the disclaimer and cautionary statement.
2 HY-21 vs. HY-20.
3 In local currency and after adjusting for closed acquisitions and disposals.

Growth in Farmers Exchanges[1] drives increase in fees with partial offset from lower investment income and deal costs

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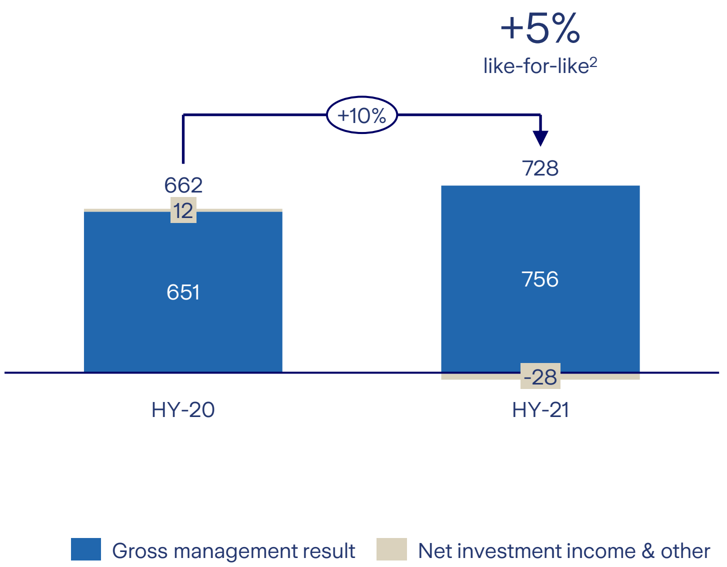
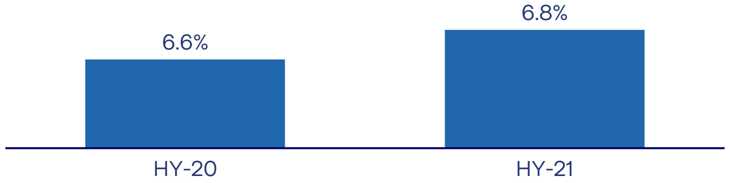
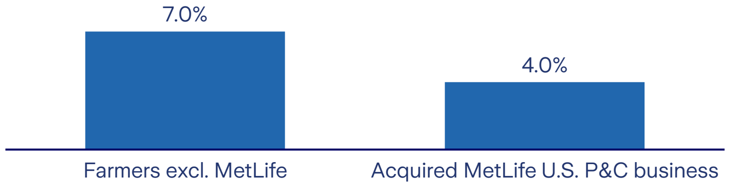
BUSINESS OPERATING PROFIT (USDm)



MGEP MARGIN (%)[1]



HY-21 MGEP MARGIN BREAKDOWN (%)[1]



1 Margin on gross earned premiums of the Farmers Exchanges. For all references to Farmers Exchanges see the disclaimer and cautionary statement.
2 In local currency and after adjusting for closed acquisitions and disposals.

Farmers Life with improved new business, BOP impacted by COVID related mortality; Farmers Re impacted by catastrophes

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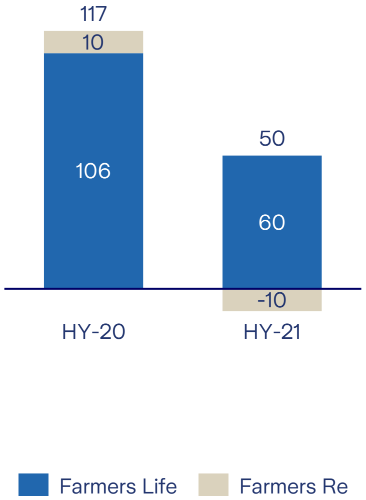
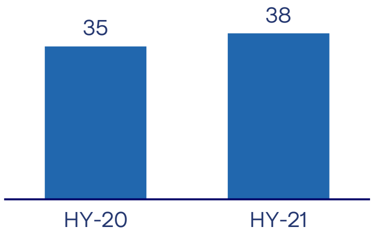
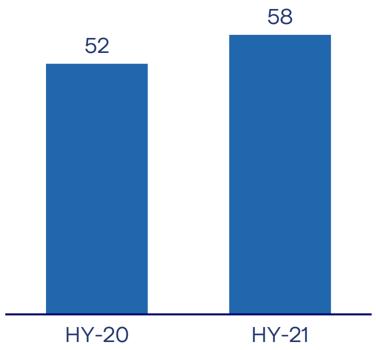
BOP (USDm)



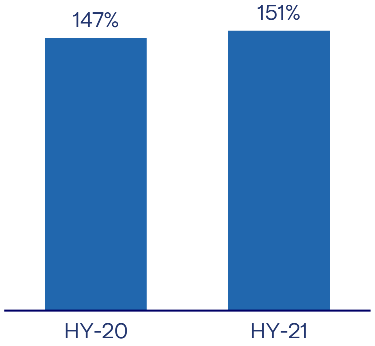
FARMERS LIFE APE (USDm)[1]



FARMERS LIFE NBV (USDm)[1]



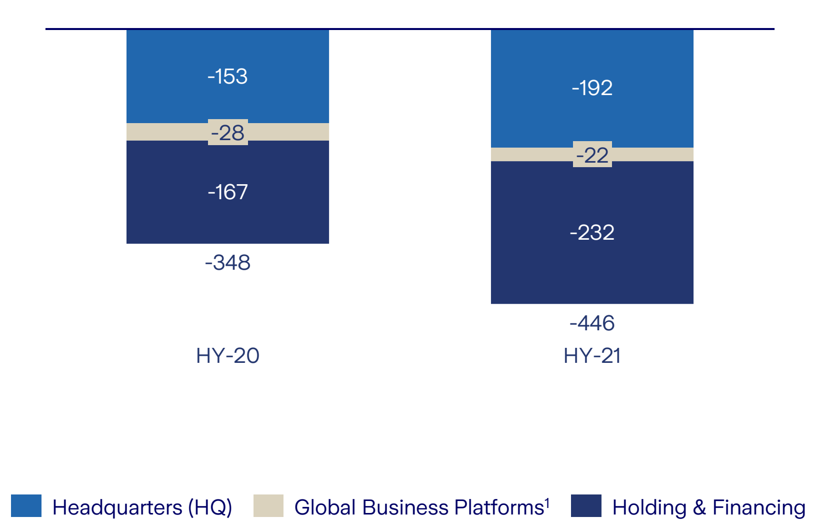
FARMERS LIFE NBM (%)[1]



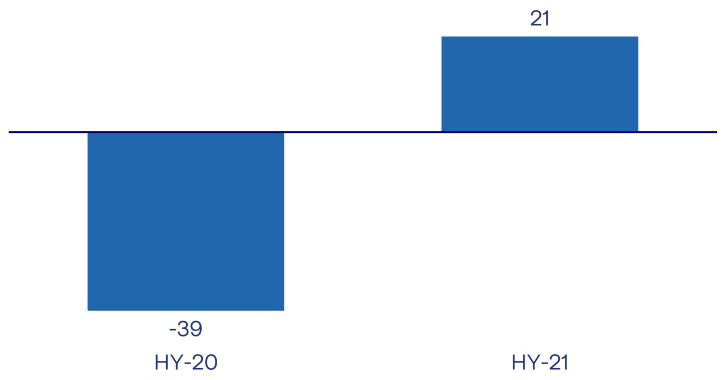
[1] Annual premium equivalent (APE); new business value (NBV) and margin (NBM).

Increased financing costs related to MetLife transaction; Improved Non-Core Businesses from lower market volatility

GROUP FUNCTIONS AND OPERATIONS BOP (USDm)



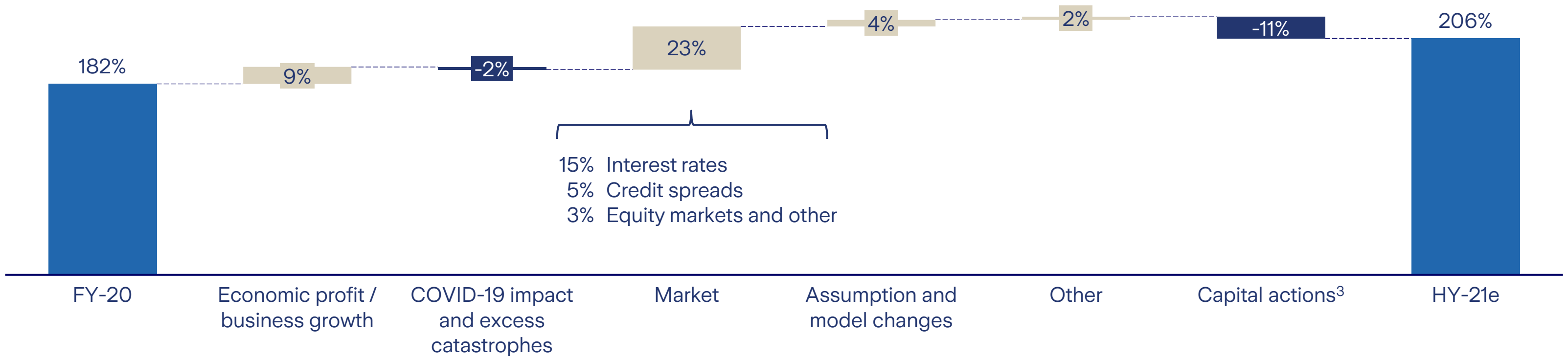
NON-CORE BUSINESSES BOP (USDm)



[1] Includes Zurich Global Employee Benefit Solutions, new ventures, and initiatives.

Strong underlying capital generation combined with favorable markets lead to increased SST; Market sensitivities reduced[1]

SST ratio (%)[1]

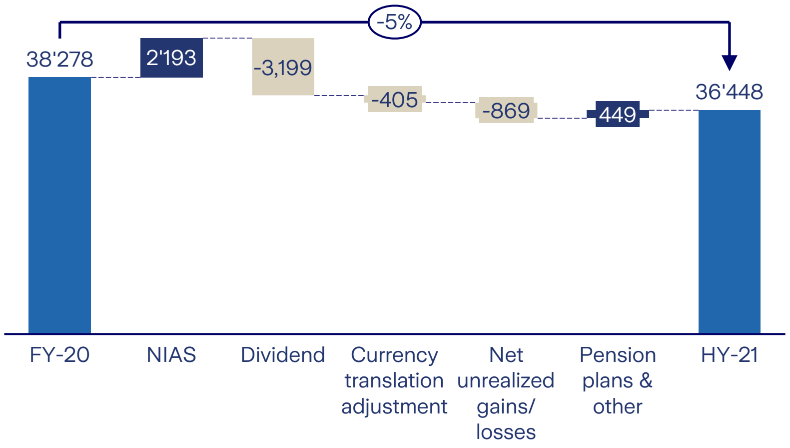


	FY-20	Economic profit / business growth	COVID-19 impact and excess catastrophes	Market	Assumption and model changes	Other	Capital actions[3]	HY-21e
AFR (USDbn)[2]	51.9	2.7	-0.4	1.8	-0.1	0.2	-2.8	53.4
TC incl. MVM (USDbn)[2]	31.1	0.3	-	-2.2	-0.4	-0.1	0.0	28.7

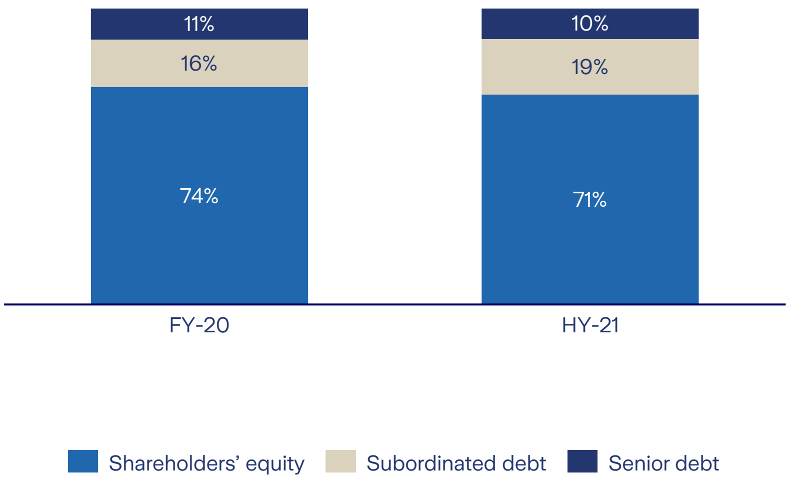
1 For sensitivities, see slide 37.
2 On Swiss Solvency Test (SST) see footnote on page 3. SST ratio is defined as: (AFR – MVM) / (TC – MVM). AFR = Available financial resources; TC = Target capital; MVM = Market value margin (HY-21e: USD 5.5bn).
3 Capital actions include dividend payment, debt issuances and repayments, and M&A.

Decline in shareholders' equity driven by dividend payment and lower unrealized gains

SHAREHOLDERS' EQUITY (USDm)



CAPITAL STRUCTURE (%)[1]



1 Based on IFRS balance sheet.

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Certain statements in this document are forward-looking statements, including, but not limited to, statements that are predictions of or indicate future events, trends, plans or objectives of Zurich Insurance Group Ltd or the Zurich Insurance Group (the Group). Forward-looking statements include statements regarding the Group's targeted profit, return on equity targets, expenses, pricing conditions, dividend policy and underwriting and claims results, as well as statements regarding the Group's understanding of general economic, financial and insurance market conditions and expected developments. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and plans and objectives of Zurich Insurance Group Ltd or the Group to differ materially from those expressed or implied in the forward-looking statements (or from past results). Factors such as (i) general economic conditions and competitive factors, particularly in key markets; (ii) the risk of a global economic downturn, in the financial services industries in particular; (iii) performance of financial markets; (iv) levels of interest rates and currency exchange rates; (v) frequency, severity and development of insured claims events; (vi) mortality and morbidity experience; (vii) policy renewal and lapse rates; (viii) increased litigation activity and regulatory actions; and (ix) changes in laws and regulations and in the policies of regulators may have a direct bearing on the results of operations of Zurich Insurance Group Ltd and its Group and on whether the targets will be achieved. Specifically in relation with the COVID-19 related statements, such statements were made on the basis of circumstances prevailing at a certain time and on the basis of specific terms and conditions (in particular applicable exclusions) of insurance policies as written and interpreted by the Group and may be subject to regulatory, legislative, governmental and litigation-related developments affecting the extent of potential losses covered by a member of the Group or potentially exposing the Group to additional losses if terms or conditions are retroactively amended by way of legislative or regulatory action. Zurich Insurance Group Ltd undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

All references to "Farmers Exchanges" mean Farmers Insurance Exchange, Fire Insurance Exchange, Truck Insurance Exchange and their subsidiaries and affiliates. The three Exchanges are California domiciled inter-insurance exchanges owned by their policyholders with governance oversight by their Boards of Governors. Farmers Group, Inc. and its subsidiaries are appointed as the attorneys-in-fact for the three Exchanges and in that capacity provide certain non-claims services and ancillary services to the Farmers Exchanges. Neither Farmers Group, Inc., nor its parent companies, Zurich Insurance Company Ltd and Zurich Insurance Group Ltd, have any ownership interest in the Farmers Exchanges. Financial information about the Farmers Exchanges is proprietary to the Farmers Exchanges, but is provided to support an understanding of the performance of Farmers Group, Inc. and Farmers Reinsurance Company.

It should be noted that past performance is not a guide to future performance. Please also note that interim results are not necessarily indicative of full year results.

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Appendix

We are focused on continuing to reward our shareholders

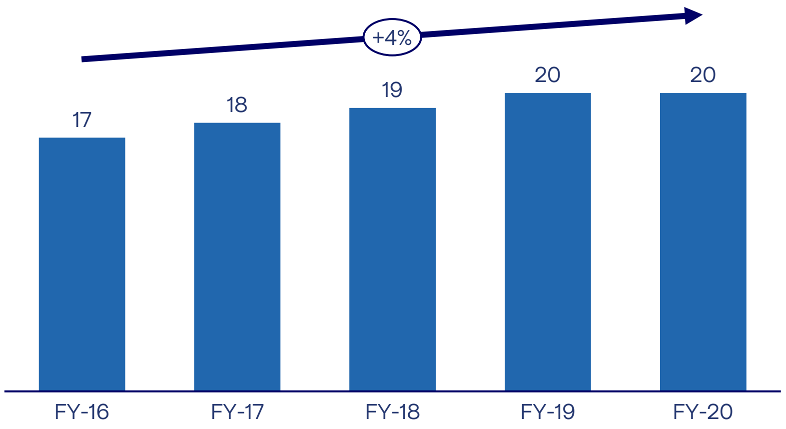
DIVIDEND POLICY[1]

NIAS[2] payout ratio of ~75%

Dividend increases based on sustainable earnings growth

Minimum target of prior year level

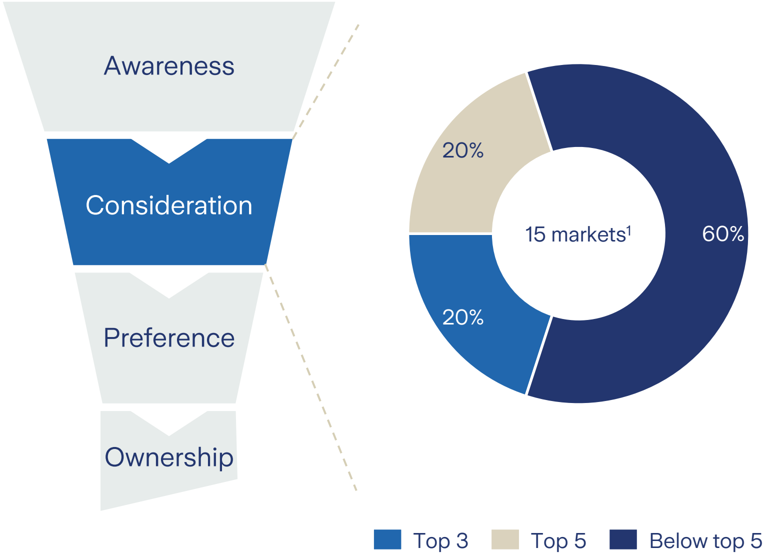
DIVIDEND PER SHARE (CHF)



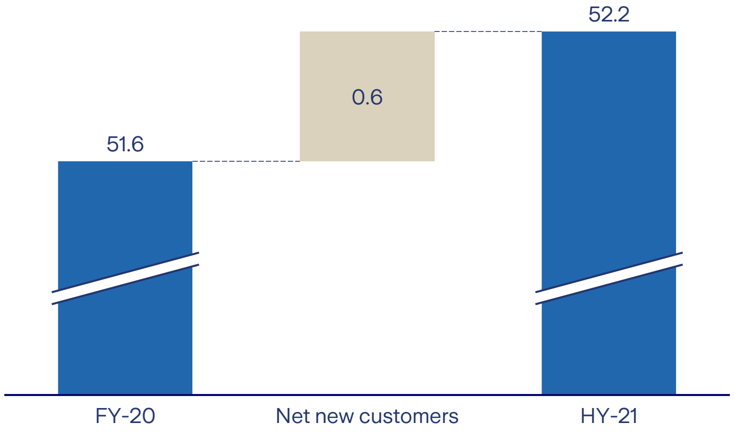
1 The dividend is subject to the approval by the shareholders at the Annual General Meeting.
2 Net income attributable to shareholders.

Update on brand consideration and net new customers

BRAND CONSIDERATION



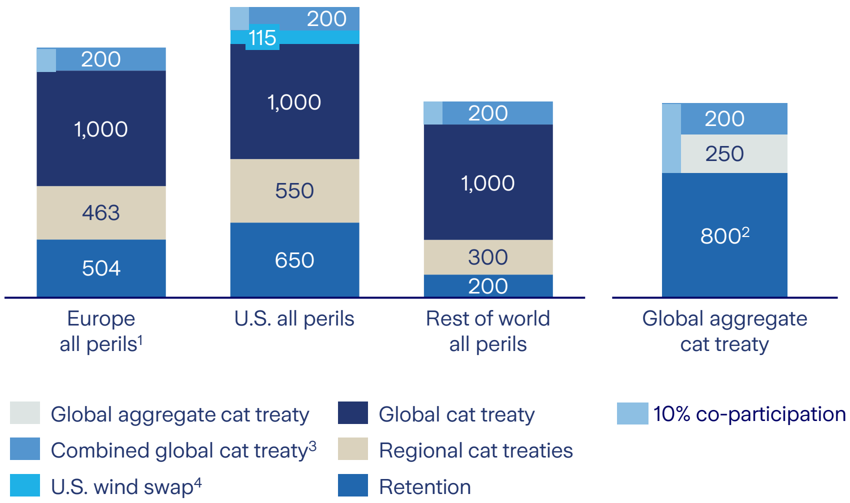
NET NEW CUSTOMERS (m customers)[2]



[1] Retail markets in scope: Argentina, Australia, Austria, Brazil, Germany, Hong Kong, Ireland, Italy, Japan, Malaysia, Mexico, Portugal, Spain, Switzerland, UK.
[2] Based on 8 retail markets accounting for ~70% of FY-20 P&C retail GWP and ~65% of Life APE (Australia, Brazil, Germany, Japan, Italy, Santander JV, Spain, Switzerland).

Balance sheet and large loss volatility well managed through reinsurance

GROUP CATASTROPHE REINSURANCE PROTECTION (USDm)



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 July 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.
4 Only relevant for U.S. windstorms.

Life BOP up 44%, benefiting from higher loadings and fees driven by higher sales and average assets under management

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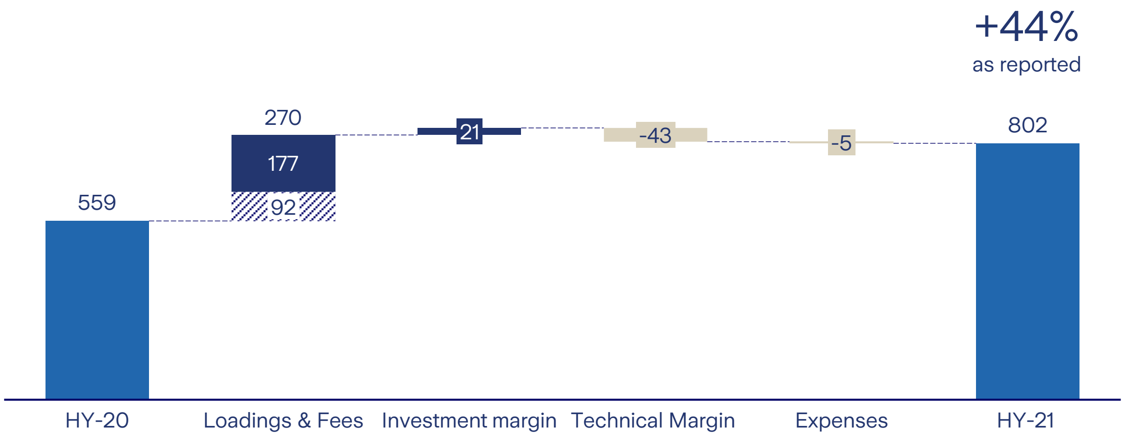
BOP (USDm)



HY-21	1,951	335	416	-1,901
HY-20	1,682	314	459	-1,896
Δ%[1]	16%	7%	-9%	-0%

Unit-linked fund based fees

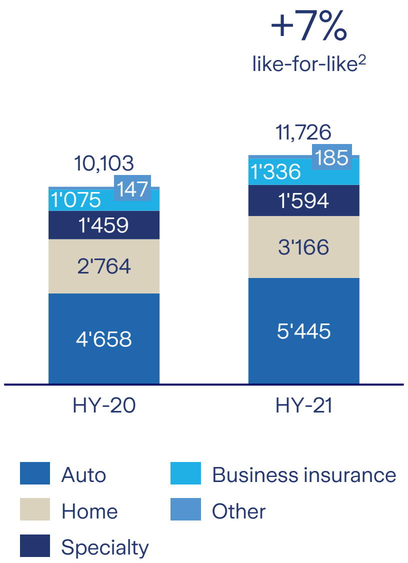
KEY DRIVERS

- Higher sales and average AUM balances on unit-linked business driving loadings and fees
- Ex-COVID improved technical margins in part driven by Asia Pacific pricing and portfolio management
- Positive market development across the main markets improved investment margin
- Careful management of cost base leading to revenue growth falling to bottom line

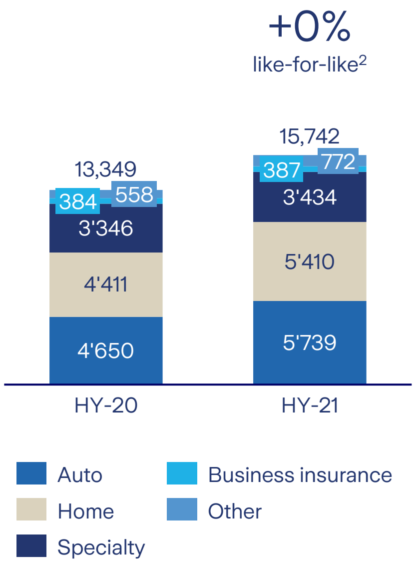
[1] Negative numbers represent an adverse variance

All lines of businesses contributed to premium growth at the Farmers Exchanges

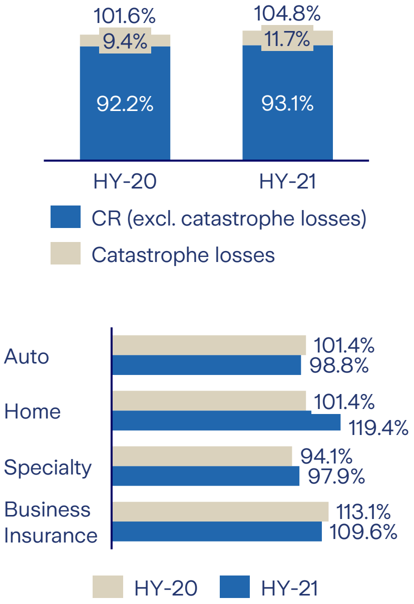
GROSS WRITTEN PREMIUM (USDm)



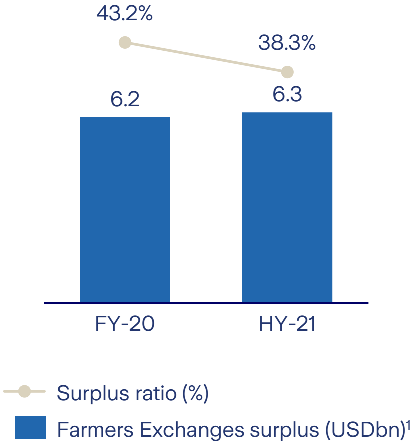
POLICIES-IN-FORCE (000's)



COMBINED RATIO (%)[3]



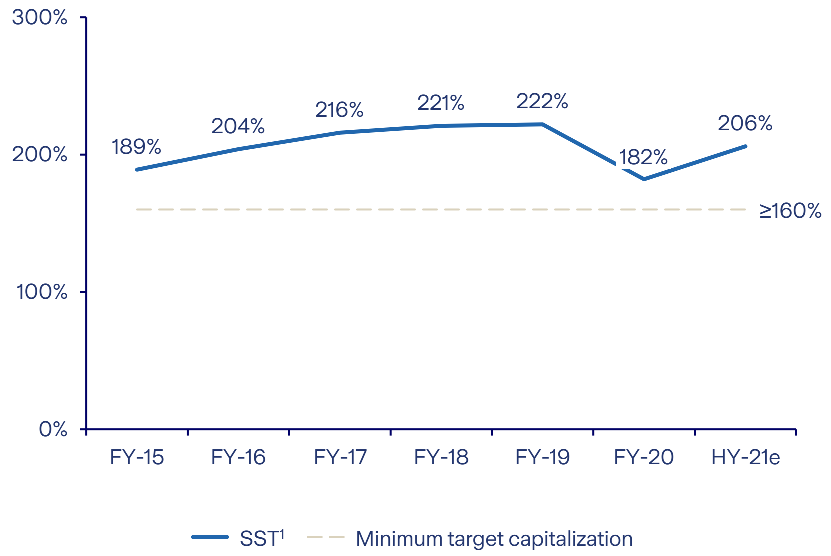
SURPLUS



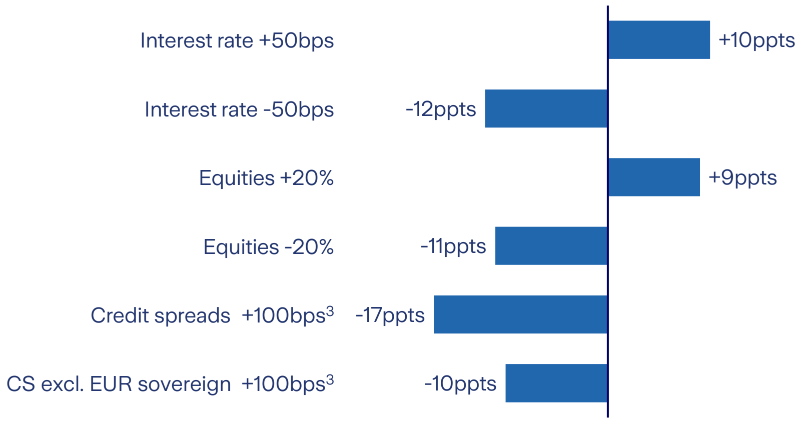
1 For all references to Farmers Exchanges see the disclaimer and cautionary statement.
2 In local currency and after adjusting for closed acquisitions and disposals.
3 Combined ratio before quota share reinsurance.

Very strong capital position; resilient balance sheet with reduced market sensitivities

GROUP SWISS SOLVENCY TEST (%)[1]



Q1-21 SST SENSITIVITIES IMPACT (ppts)[2]



1 On Swiss Solvency Test (SST) see footnote on page 3.
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 part of the yield curve.
3 Credit Spreads (CS) include mortgages. CS sensitivities include changes to the volatility adjustment applied to interest rates curves.

Well diversified capital base by business segment

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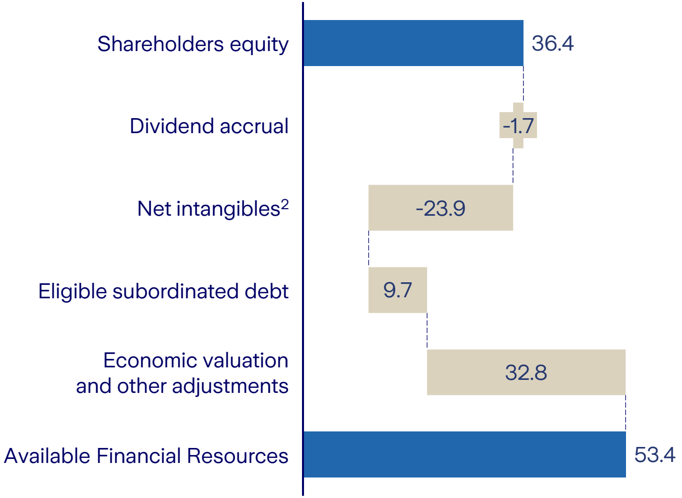
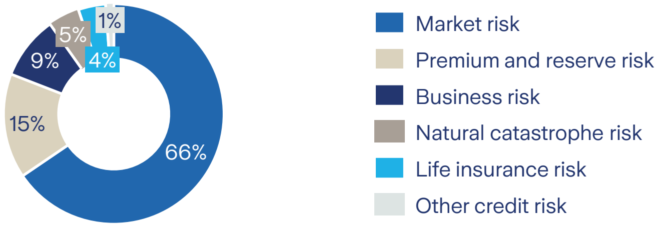
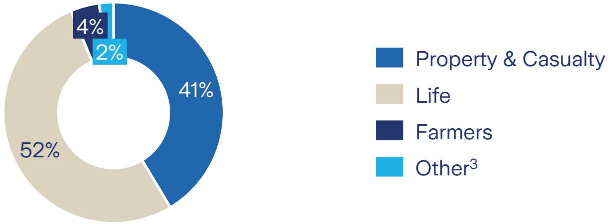
HY-21 AVAILABLE FINANCIAL RESOURCES (USDbn)



HY-21 RISK CAPITAL SPLIT (%)[1]





1 Split is based on the contribution to the aggregated risk, excluding market value margin and other effects on target capital.
2 Net intangibles incl. intangible assets and liabilities, gross of non-controlling interests.
3 Includes Group Functions & Operations and Non-Core Businesses.

Low average debt cost and balanced maturity profile

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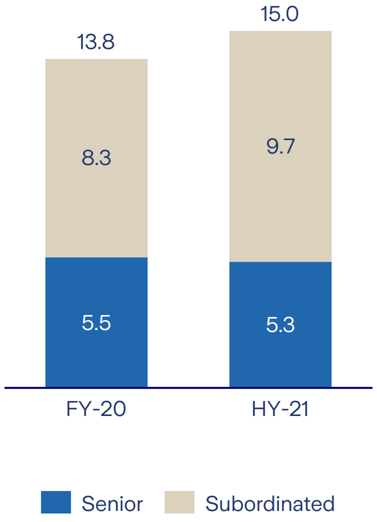
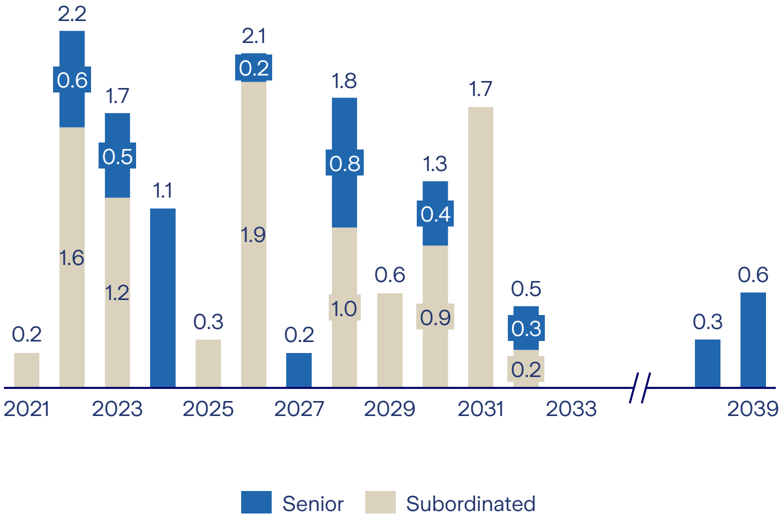
DEBT (USDbn) AND AVERAGE DEBT COST (%)



Average debt cost (%)	FY-20	FY-21e
Subordinated	4.2%	4.1%
Senior	1.5%	1.6%
Total	3.1%	3.2%

BALANCED REFINANCING NEEDS (USDbn)[1]



[1] Maturity profile based on first call date for subordinated debt and maturity date for senior debt and excludes the senior debt position of CHF 250m matured in July 2021.

Calculation of adjusted P&C combined ratio and like-for-like growth

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P&C COMBINED RATIO (%)

KPI	HY-21 combined ratio	COVID-19 impact[1]	HY-21 combined ratio excl. COVID-19[1]
AY loss ratio (excl. catastrophes)	58.3%	-1.2%	59.5%
Catastrophes	6.7%	0.1%	6.6%
PYD	-2.5%	0.0%	-2.5%
Loss ratio	62.6%	-1.0%	63.6%
Expense ratio	31.3%	0.1%	31.1%
Combined ratio	93.9%	-0.9%	94.8%

LIKE-FOR-LIKE GROWTH

KPI	HY-20 (USDm)			HY-21 (USDm)				L-F-L[3] (%)
	Rep	M&A	Adj	Rep	FX	M&A[2]	Adj[2]	
P&C GWP	18,937	-30	18,907	22,034	-776	-158	21,100	12%
Life GWP / deposits	13,008	-230	12,778	14,603	-799	-59	13,744	8%
Life net inflows	2,088	-80	2,007	2,111	17	-20	2,108	5%
Life APE	1,673	-25	1,648	1'911	-79	0	1,832	11%
Life NBV	348	-3	345	500	-26	0	474	37%
FMS BOP	662	0	0	728	0	-32	696	5%

1 COVID-19 claims, frequency benefits, premium refunds, and Cover-More operating loss included in underwriting result.
2 In constant rates.
3 Like-for-like.

Commentary

Page 3: Key messages (1/2)

The Group's disciplined approach to both underwriting and costs led to a strong recovery in business operating profit to pre-COVID levels despite the ongoing impact of the pandemic and a high level of first half natural catastrophes. Business operating profit (BOP) increased 60% compared to the prior year, driven by strong underlying results, reduced impact from COVID-19 and favorable FX movements, which more than compensated for a higher level of weather and natural catastrophe events. Adjusting for COVID-19, BOP increased by 17%.

Improved customer metrics supported growth in the first half of the year. The Group continued to execute on its customer focused strategy, with this leading to a further increase in Net Promoter Scores in all but one of the Group's major retail markets. As a consequence of this strategy net new customers increased by approximately six hundred thousand to just over fifty-two million, supporting strong growth in retail property and casualty business (P&C) and improved life sales.

The Group's P&C business is well placed for continued success. The reshaping of the Group's portfolio over previous years together with continued disciplined underwriting have positioned the Group well to benefit from the current upswing in the pricing cycle. Gross written premiums increased 12% on a like-for-like basis, adjusting for FX movements, acquisitions, and disposals, with growth across both retail and commercial lines. The Group's combined ratio improved to 93.9%, the lowest level in over 20 years, despite around 3 percentage points of natural catastrophe losses in excess of normal levels, which were only partially offset by frequency benefits related to COVID-19 and favorable prior year development. The main driver of the improvement was a three-percentage point improvement in the accident year combined ratio ex-CAT and COVID-19. The Group's commercial insurance business continued to benefit from strong rate increases through the first half year, with these remaining significantly ahead of loss cost inflation.

Page 3: Key messages (2/2)

The Group's Life business continued to execute on its strategy of focusing on protection and capital light savings business. This strategy supported improved margins and a strong first half performance, with Life BOP of USD 802m up 44% versus the prior year despite an overall higher impact from COVID-19. On a like-for-like, basis business operating profit grew 31% driven by improved profitability particularly in Asia Pacific. The quality and resilience of the life performance remained high, with 88% of life revenues on a sources-of-earnings-basis coming from loadings, fees, and technical margins, while 90% of annual premium equivalent (APE) sales were from protection and capital light savings products. Life APE sales production continued to recover from the pandemic with 11% growth on a like-for-like basis and 37% growth in new business value on the same basis.

Growth accelerated at Farmers Exchanges. Improved agency performance and customer metrics supported growth at the Farmers Exchanges, with growth of gross written premiums up 7% on a like-for-like basis and 16% including the acquired MetLife U.S. P&C business.

Business operating profit at the Zurich owned Farmers businesses was stable. Growth at Farmers Management Services was 10% including 5 points from the first-time inclusion of the acquired MetLife U.S. P&C business. This was offset by a decline in business operating profit at both Farmers Life and Farmers Re due to higher mortality related to COVID-19 and the impact of winter storms that impacted the southern United States, combined with higher catastrophe losses and adverse prior year development at Farmers Re.

The Group's SST capital ratio improved by 24ppts over the first half to a very strong 206%, well above the Group's target level of 160% or above.

Page 4: Key highlights – Execution of Group strategy drives strong performance across all businesses; HY-21 BOP at pre-pandemic levels

Group profitability rebounded strongly in the first half of the year achieving pre-pandemic levels despite higher natural catastrophe losses and continued COVID-19 related impacts.

Normalizing the level of natural catastrophes and adjusting for the impact of COVID-19 in HY-21, Group BOP would have been 18% higher than in the first half of 2019, with the increase driven by strong underlying improvement in both P&C and Life.

In the first half year, P&C gross written premiums were 19% above the level of the first half of 2019. Life APE was back at a similar level in the first half year to that of 2019, adjusting for disposals and reclassifications, while gross written premiums of the Farmers Exchanges were 3% higher after adjusting for the acquired MetLife U.S. P&C business.

The strength of the results across all business lines demonstrates the success of the Group's strategy and positions the Group well for continued growth and to achieve the Group's 2022 targets.

Page 5: Key highlights – Improvement in customer satisfaction drives higher retention and new business increasing customer numbers and revenues

Through the first half of the year, the Group maintained its priorities of protecting employees through the pandemic while supporting customers and the communities in which it operates; and executing on the Group's customer focused strategy.

As a result of this strategy, the Group has continued to see further improvements in the net promoter scores of almost all of its main retail businesses with the one exception of Spain which saw a slight reduction over the first half.

As previously indicated, management believes that the net promoter score is a lead indicator of growth for retail insurance. In the first half of 2021 the Group saw positive growth in net new customers to approximately six hundred thousand, equivalent to customer growth of just over 1 percent in the first half, while P&C retail gross written premiums grew by 8 percent on a like-for-like basis excluding FX, acquisitions and disposals.

As indicated at the 2019 Investor Day, the Group has also published an update on brand consideration, available on page 33 of the appendix.

Page 6: Key highlights – Reshaped commercial P&C portfolio delivering strong growth, with rate increases in excess of loss cost inflation

The Group's leading commercial insurance business, which represents 68% of the Group's P&C gross written premiums, saw top-line growth accelerate in the first half of the year. The reshaping of the Group's commercial insurance portfolio over 2016-2019 positioned the Group well to take advantage of the current improvement in global commercial lines pricing.

Gross written premiums increased 13% on a like-for-like basis adjusted for currency movements and acquisitions and disposals, with the North American crop insurance business contributing about 4 percentage points to growth due to higher agricultural commodity prices. Excluding the crop business, growth was driven by strong rate increases and higher volumes of new business.

Rate increases remained strong in all regions and well ahead of claims inflation. In the first half of the year rate increases were led by North America, with an increase of 14% which remained stable over the first and second quarters. Europe, Middle East, and Africa (EMEA) saw rate increases of 12% in the first half. In Asia Pacific and Latin America commercial insurance rates increased by 11% and 6%, respectively.

Aside from the broadening out of pricing, the market for commercial insurance has continued to see tightening of terms and conditions across much of the business.

Page 7: Key highlights – Strong Life result from continued execution of long-term strategy to focus on protection and capital light savings products

The Group's Life business delivered a strong performance during the first half with continued focus on the execution of its long-term strategy to grow protection and capital light savings products. New business production returned to growth with an increase in annual premium equivalent (APE) sales of 11% on a like-for-like basis, benefiting from strong sales growth through the independent financial adviser, broker, and agency channels, and the Group's bancassurance partners in Latin America and Spain. Growth was driven primarily by higher APE sales volumes in unit-linked and protection products, which together with corporate savings business, accounted for 90% of APE sales in the first half.

Business operating profit of USD 802 million was 44% above the prior year on a reported basis despite an overall higher impact from COVID-19 effects. On a like-for-like basis adjusting for currency movements, acquisitions and disposals, Life BOP improved by 31%, benefiting from the continued execution of the Group's strategy to focus on capital light products. This, together with portfolio improvement actions and favorable claim experiences, led to margin improvements, which were supported by profitable growth in Latin America and Europe and positive markets.

Page 8: Key highlights – Farmers Exchanges with more diversified and strengthened distribution post acquisition

The acquisition of the MetLife U.S. P&C business supports sustainable, diversified, and profitable growth. All sales channels now have access to all 50 states in the U.S. compared to 36 states for the exclusive agent and direct channels in the past. In the independent agent channel Farmers has increased its product offering by introducing standard auto and home products in addition to the very successful non-standard auto and specialty products. The newly acquired affinity and group marketing channels will also further increase lead generation.

The acquisition gave access to more than 3,800 employer and 250 affinity relationships resulting in access to 37 million eligible customers. Together with the diversified distribution and strengthened product offerings, Farmers is well positioned for further new business growth in the future.

Page 9: Key highlights – Well on track to meet 2022 targets

The first half of 2021 shows the Group to be on track to meet the 2020-2022 financial targets.

- The annualized BOPAT ROE in the first half of the year equated to 13.0% as reported. Adjusting for above normal levels of natural catastrophe losses and COVID-19 related items, the BOPAT ROE would have been around 2 percentage points higher, comfortably in excess of the Group's BOPAT ROE target of in excess of 14%.
- Cash remittances for 2021 are expected to be in excess of USD 4.0bn, with the cumulative cash remittances over 2020 to 2021 expected to be in-line with the run-rate to achieve the target for the 2020-2022 period of in excess of USD 11.5bn.
- The Group's target of at least 5% p.a. compound organic earnings per share growth is based on an annual view. Based on current earnings trends management remains confident of achieving this target by the end of 2022.
- As of 30 June, the Group's Swiss Solvency Test ratio was estimated at 206%, comfortably ahead of the Group's SST target capital ratio of 160% or above.

Page 10: Key highlights – Delivering our ambition to be one of the most responsible and impactful businesses in the world with more to come in H2-21

Throughout the first half of 2021 the Group continued to work towards its ambition to become one of the most responsible and impactful businesses in the world.

As part of this, the Group announced new interim science-based targets for CO_2 emissions in the first half of the year. These include a 50% reduction in gross CO_2 emissions from own operations from the 2019 baseline by 2025; a 30% reduction in the CO_2 equivalent per square meter for real estate investments by 2025 and a 25% reduction in the carbon intensity of listed equity and corporate bond investments by 2025.

The Group also became a founding member of the Net-Zero Insurance Alliance, which aims to define a methodology to measure CO_2 emissions from underwriting portfolios.

During the second half of the year, management expects to communicate a range of further sustainability commitments related to its own operations.

Page 12: Group – Business operating profit

Overall Group business operating profit increased strongly in the first half of the year, with BOP growing 60%. Growth came from a strong underlying performance together with a reduced impact from the COVID-19 pandemic which more than offset higher weather and natural catastrophe losses.

Business operating profit in EMEA improved 71% in the first half of 2021 due to underlying improvement particularly in commercial insurance and reduced effects from the COVID-19 pandemic. Zurich North America saw growth of 19% as a result of improved profitability in commercial insurance, favorable prior year development and reduced COVID-19 claims which more than compensated higher natural catastrophe losses, while Farmers was stable year over year. The Group's Asia Pacific business grew 257% in the first half driven by stronger profitability in the Australian life business and improved profitability in property and casualty business despite continued weakness at Cover-More, the Group's global travel insurance business. Earnings in Latin America declined by 24% largely due to adverse currency movements and higher mortality claims linked to the pandemic.

By business, P&C earnings increased 108% reflecting a combination of underlying underwriting improvement, increased prior year development and a net favorable impact from COVID-19 rather than a net negative in the prior year, which together served to offset higher natural catastrophe losses. The BOP of the Group's Life business saw a 44% increase compared to the first half of 2020 driven by an improved underlying performance, while the impact of COVID-19 was slightly above the prior year level. Farmers' results were stable overall compared to the first half of 2020 with higher results at Farmers Management Services offsetting a weaker result at Farmers Life and Farmers Re. Costs related to Group Functions and Operations were higher in the first half of 2021 mainly due to increased debt expenses.

Page 13: Group – NIAS

Net income attributable to shareholders (NIAS) increased by 86% in the first half year, driven by the growth in BOP and higher net realized gains on equities and real estate, which more than offset slightly higher charges for other items.

The effective tax rate was in-line with normal expectations at 25% compared to 27.5% in prior year. The improvement was driven by a more favorable business and geographic mix of earnings.

Page 14: Group – Outlook

P&C: The Group expects further hardening of pricing over the remainder of 2021 with price increases expected to remain ahead of loss cost inflation in the second half year. Combined with targeted growth across the business, net earned premium growth is expected to be around 10% for the full year.

Following the elevated level of natural catastrophe losses in the first half of the year, the Group expects overall nat-cat losses to be around 5 percentage points for the full year after allowing for an initial assessment of recent European flooding and an assumption of normal levels of natural catastrophe and weather losses over the remainder of the year.

Continued low reinvestment rates are expected to lead to further erosion of P&C investment income excluding fair value gains on hedge-funds, with the decline in 2021 expected to be in the region of USD 100m for the full year.

The P&C net non-technical loss, which also includes parts of Cover-More's earnings, is expected to see only limited improvement from the 2020 level, with the overall net non-technical loss expected to be in the range of USD 250-300m.

Life: Mortality related to COVID-19 is expected to remain elevated over the second half of the year, particularly in Latin America, with an improvement expected within the Group's European and North American operations (including Farmers Life). Subject to market developments, Life BOP excluding Farmers is expected to see high single digit growth for the full year 2021.

Farmers: Gross written premium development at the Farmers Exchanges before the inclusion of the MetLife U.S. P&C business is expected to be in the mid-single digits, while on the same basis the Managed Gross Earned Premium margin of Farmers Management Services (FMS) is expected to remain around 7%. The acquired MetLife U.S. P&C business is expected to add USD 80-90m to the Farmers results for the full year.

Charges for Group Functions and Operations are expected to be in the range of USD 800-850m for the full year, with this expected to remain in a similar range in future years.

Restructuring charges: For 2021, restructuring charges and other costs recognized outside of BOP are expected to be around USD 300m including restructuring charges related to the acquisition of MetLife's U.S. P&C business as outlined at the time of the announcement of the acquisition.

Tax: Based on current global tax rates, the Group effective tax rate for 2021 is expected to be around 25%.

Page 15: P&C – Top-line

Gross written premiums in Property & Casualty for the first half of 2021 rose 12% compared to the previous year on a like-for-like basis, after adjusting for currency movements and closed acquisitions and disposals. In U.S. dollar terms, gross written premiums rose 16%.

Growth was supported by higher premium rates, driven by increases in commercial insurance across all regions. The Group's leading North American crop insurance business contributed about 3 percentage points to the overall P&C gross written premium growth as a result of higher prices for agricultural commodities.

Net earned premiums in the first half rose 7% on a like-for-like basis and 12% in U.S. dollars benefiting from the earn through of growth in gross written premiums.

In EMEA, gross written premiums increased 6% on a like-for-like basis, driven by both retail and commercial insurance. In retail, growth was driven by improved retention and higher new business, which benefited from more relaxed COVID-19 restrictions compared to the previous year. Commercial insurance saw gross written premiums grow year on year in all markets, most notably in Switzerland and the UK, supported by rate increases.

North America grew 16% on a like-for-like basis compared to the previous year, with crop insurance contributing about 6 percentage points to growth as a result of higher prices for agricultural commodities. Growth benefited from rate increases of 14% which remained stable over the first and second quarters, and higher new business.

In Asia Pacific, gross written premiums rose 10% on a like-for-like basis compared to the previous year, driven by growth in retail business in Japan, Malaysia and Australia, which benefited from a partial recovery of travel insurance, as well as growth in commercial insurance.

In Latin America, gross written premiums rose 19% on a like-for-like basis, with a strong rebound in all major businesses compared to a relatively low level in the previous year which reflected a higher impact of COVID-19 related restrictions.

Page 16: P&C – BOP components

HY-21 P&C BOP was USD 1,559m, 108% higher than in the previous year. The increase was driven by underlying improvement as well as a benefit from lower claims frequency due to COVID-19 lockdowns compared to the unfavorable impact in the previous year from COVID-19 claims and associated financial market developments.

In the first half, lower claims frequency associated with COVID-19 restrictions more than offset the impact of COVID-19 related claims, operating losses in Cover-More, the Group's specialist travel and assistance provider, and voluntary actions to support customers. This resulted in a favorable impact of USD 109m, compared to a USD 484m adverse impact in HY-20.

The first half saw a relatively elevated level of natural catastrophe and weather-related claims, mainly driven by winter storm Uri in the U.S. and a series of hailstorms affecting central Europe in June. Overall catastrophe losses excluding COVID-19 were USD 438m above normal levels based on an assumed 3.5 percentage points of catastrophes within the loss ratio, and USD 413m above prior year levels.

Investment income was USD 64m below prior year levels driven by the earn through of lower yields, with reductions primarily in North America.

The Group's hedge fund portfolio had a favorable performance in the first half of the year, leading to realized capital gains of USD 62m, USD 20m higher than in the previous year.

The net non-technical loss of USD 150m was USD 23m better than in the previous year, mainly reflecting higher non-recurring charges in the previous year. The result also included USD 18m of non-technical losses in Cover-More, compared to 22m in HY-20, with a further loss of USD 15m recognized within the underwriting result.

Page 17: P&C – Combined ratio details

The combined ratio of 93.9% in the first half was 6 percentage points better than in the prior year period. This was driven by a 3 percentage points improvement, as reflected in the accident year combined ratio excluding catastrophes and COVID-19, as well as more favorable prior year development and 0.9 percentage points of favorable impact of COVID-19 compared to an adverse impact of 3.5 percentage points in HY-20, while the impact of catastrophes and weather-related losses was 2.5 percentage points higher than in the previous year.

The accident year loss ratio excluding catastrophes improved by 0.2 percentage points to 58.3%, reflecting 1.8 percentage points of underlying improvement driven by the earn through of rate increases, partially offset by a lower contribution from COVID-19 frequency benefits net of premium rebates and voluntary actions, which declined from 2.8% of NEP in HY-20 to 1.2% of NEP in HY-21.

Catastrophes and weather-related losses for the first half totaled 6.7% overall, or 6.6% excluding COVID-19 claims, compared to a catastrophe loss ratio of 10.1% in HY-20, or 4.1% excluding COVID-19 claims.

Prior year development of 2.5% was slightly above the indicated 1-2% range. All regions had favorable development, most notably North America driven mainly by workers compensation. Despite the higher prior year development, overall Group reserve strength increased over the first half.

The expense ratio of 31.3% in the first half was 1.5 percentage points lower than in the previous year, mainly driven by a reduction of the other underwriting expense ratio reflecting continued expense discipline and top-line growth. COVID-19 did not have a material impact in the first half of the year, while the previous year was affected by the volume impact of premium refunds.

Page 18: P&C – Combined ratio by segment and customer unit

In EMEA, the accident year combined ratio ex-catastrophes improved by 1.9 percentage points after removing the impact of COVID-19 related frequency benefits net of premium rebates and voluntary actions to support customers during the pandemic.

In North America, the accident year combined ratio ex-catastrophes, excluding the above mentioned COVID-19 impacts, improved by 1.3 percentage points to 87.3% driven by a lower loss ratio benefiting from the earn through of rate increases, while the expense ratio increased as a result of mix shift and a reduction in the property quota share reinsurance treaty.

The Asia Pacific accident year combined ratio ex-catastrophes and excluding COVID-19 improved by 2.2 percentage points driven mainly by a reduction of other underwriting expenses.

In Latin America, the accident year combined ratio ex-catastrophes and excluding COVID-19 was 96.7%, 2.4 percentage points better than in the previous year, with the improvement driven by the expense ratio, reflecting business mix shifts and a reduction of other underwriting expenses.

Commercial insurance continued to deliver strong underlying performance, with the accident year combined ratio excluding catastrophes and COVID-19 impacts improving by 2.6 percentage points benefiting from the earn through of rate increases.

For the retail and SME business, the accident year combined ratio excluding catastrophes and COVID-19 was 93.3%, 0.8 percentage points better than in the previous year, driven by a lower expense ratio due to mix shifts and lower other underwriting expenses.

Page 19: P&C – Investment result

Investment income was USD 64m below prior year mainly due to lower investment yields. Realized capital gains of USD 62m were USD 20m above the 2020 result driven by a more favorable hedge funds performance.

The book yield for debt securities reduced by 0.1ppts to 2.4% from the beginning of the year while reinvestment rates on debt securities increased by about the same amount to 1.7%. The gap between book yield and reinvestment rate for debt securities decreased from 0.9ppts to 0.7ppts throughout the year mainly as a result of recovering yields in the U.S.

Page 20: Life – Business operating profit

The Group's Life business delivered a BOP of USD 802m, 44% ahead of the prior year despite a slightly higher impact from COVID-19 of USD 137m. Excluding COVID-19 effects, Life BOP grew 38% driven by the Group's continued focus on protection and capital light saving products. This, together with portfolio management actions and favorable claims experience, led to margin improvements in Asia Pacific and Europe, which were supported by favorable growth in Latin America and Europe and positive markets. Other drivers were positive one-off benefits of around USD 50m related to a unit-linked loss reserve review in the UK and a favorable reserve release in Switzerland.

Asia Pacific contributed a BOP of USD 172m, up 136m versus the prior year excluding COVID-19 effects. The performance improved significantly due to re-pricing and portfolio improvement actions in Australia.

In EMEA, Life BOP increased by 12% to USD 564m adjusted for COVID-19, with the main contributors being the UK, Italy and Switzerland. The UK benefited from the unit-linked loss reserve review highlighted previously, while Italy delivered strong and profitable growth in unit-linked products. Switzerland's BOP improved as a result of growth in higher-margin individual life business together with a positive claims experience largely related to the favorable reserve release.

In Latin America, BOP decreased 37% on a reported basis, mainly due to elevated mortality claims in Zurich Santander, Brazil and Mexico. Excluding COVID-19 effects, BOP grew 29%, driven by profitable sales through Zurich Santander.

In North America, which is reported under Other and excludes Farmers Life, BOP increased by USD 14m due to better claims experience and the sale of the group life business.

Page 21: Life – Premiums, net inflows and assets under management

In the Group's Life business, gross written premiums and deposits were up 12% during the first half compared to the prior year on a reported basis, and 8% higher on a like-for-like basis, adjusting for currency movements, acquisitions, and disposals. All regions saw growth on a like-for-like basis.

Net inflows of USD 2.1bn were 1% higher than in the prior year. On a like-for-like basis net inflows increased by 5%, mainly benefiting from growth in EMEA, APAC and North America.

Assets under management (AuM) increased by around half a point, driven by favorable market developments and a positive net inflow contribution of close to 1% with offsetting impacts from currency movements.

Page 22: Life – New business and new business mix

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During the first half, Life new business annual premium equivalent (APE) sales returned to growth with an 11% increase on a like-for-like basis. The growth in sales reflects favorable growth momentum in unit-linked business and protection products in EMEA and Latin America. On a reported basis APE was 14% higher.

In EMEA, APE sales increased by 14% on a like-for-like basis, compared with the same period in 2020. This was mainly driven by strong growth of unit-linked business in Ireland and Italy and favorable APE sales of protection products in Spain, the UK and Switzerland. These factors were partially offset by the reduction in corporate savings business in Switzerland due to the COVID-19-related economic slowdown and competitive market conditions, as well as by lower sales of traditional life products in Germany.

APE sales in Latin America increased 11% on a like-for-like basis, reflecting higher sales volumes of individual protection products at Zurich Santander and strong growth of unit-linked business in Chile and Brazil. These were partially offset by the non-renewal of a large corporate life and protection account in Chile.

In North America, APE sales increased 4% on a like-for-like basis, excluding the group life business which was sold in the prior year. In Asia Pacific, lower sales in Australia, Japan and Indonesia led to a decline of 11% on a like-for-like basis. The decline in Australia followed repricing actions to improve margins.

The new business margin increased to an attractive level at 30.5% as reported and on a like-for-like basis. New business value (NBV) went up 37% on a like-for-like basis, driven by a more favorable sales mix and higher volumes in EMEA and Latin America. On a reported basis NBV improved by 44%.

The Group continues to focus on protection, unit-linked and corporate savings business, with these products accounting for 90% of APE sales. Protection business contributed 75% of the total NBV.

Page 23: Life – Investment result

The Life investment result, which is gross of policyholder sharing, increased by 28% to USD 1.7bn, driven by higher realized capital gains and favorable FX movements during the first half compared with the prior year.

Page 24: Farmers Exchanges – Overview

Key customer metrics remained strong on account of the Farmers Exchanges' customer focused strategy, with a further increase in Net Promoter Score, while retention was stable compared with the prior year.

The Farmers Exchanges continued to strengthen their agency channel and invest in direct capabilities. As a result of these actions, the exclusive agency force grew by ~2% compared to the prior year, while overall productivity increased. Strengthened sales capabilities across all channels led to higher new business sales.

Gross written premiums at the Farmers Exchanges increased 16%. Excluding the contribution of the MetLife U.S. P&C transaction which closed at the beginning of April 2021, gross written premiums increased 7%.

Page 25: FMS – Overview

Farmers Management Services (FMS) BOP increased 10% compared to the prior year and 5% on a like-for-like basis after adjusting for the first-time inclusion of the acquired MetLife U.S. P&C business. This was mainly driven by growth in the premium base of the Farmers Exchanges.

The managed gross earned premium margin for the first half was 6.8% while the underlying business returned to the usual level of 7%.

As indicated at the time of the announcement of the MetLife U.S. P&C acquisition, the net margin on the acquired business was lower than for the existing Farmers business, reflecting a combination of higher initial expense levels and integration costs related to achieving expense synergies. As synergies are achieved, the margin on the acquired business is expected to steadily increase and to be broadly in-line with that of the existing Farmers business in 2023.

The result was also impacted by lower investment and other income resulting from decreasing investment yields, an unfavorable mark to market impact on a deferred compensation plan, and deal related costs related to the closing of the MetLife U.S. P&C acquisition.

Page 26: Farmers Life and Farmers Re – Overview

Farmers Life BOP of USD 60m was 43% lower than in the prior year. The result was mainly driven by higher mortality including USD 42m of claims related to COVID-19. Mortality experience saw a sharp deterioration over the latter months of 2020 which continued into the first quarter of 2021 before improving more recently.

Farmers Life new business APE was 8% higher than in the prior-year period driven by lower sales in 2020 from the impact of the pandemic. New business value increased 11% due to the higher sales volumes and favorable economic variances. As a result, the new business margin further increased by 4ppts to 151%.

Farmers Re BOP of USD -10m was USD 20m lower than in the prior year driven by elevated catastrophe losses and unfavorable prior year development related to older accident years when Farmers Re had a higher proportion of ceded business from the Farmers Exchanges under the all lines quota share.

Page 27: Group Functions and Operations & Non-Core Businesses – BOP

Group Functions and Operations reported a loss of USD 446m compared to USD 348m in the prior year period. This was mainly driven by an increase in charges related to Holdings and Financing due largely to financing and foregone investment income related to the acquisition of the MetLife U.S. P&C business, higher management fees charged out in 2020, and unfavorable currency movements.

The Group's Non-Core Businesses, which comprises run-off portfolios that are managed with the intention of proactively reducing risk and releasing capital, reported an operating profit of USD 21m. The result benefited from the absence of adverse developments in a legacy life portfolio linked to the COVID-19 outbreak in the prior year period.

Page 28: Group – Solvency

As of June 30, the Group's Swiss Solvency Test (SST) ratio calculated based on the Group's Internal Model as approved by the Swiss Financial Market Supervisory Authority FINMA was estimated at 206%, well above the Group's target for the SST to be of 160% or above.

During the first half, the Group's SST ratio increased by 24% percentage points. Operating capital generation net of incremental capital for growth equated to 9 points before around 2 points of negative impact of higher than normal levels of natural catastrophes and COVID-19. Market movements led to a 23 point increase in the ratio reflecting 15 points from higher yield curves and 8 points from credit spread tightening and favorable equity markets. Capital actions including the acquisition of the MetLife U.S. P&C business, the successful placement of the USD 1.75bn of subordinated debt and the accrual of the HY-21 dividend reduced the SST ratio by 11 points year to date. Favorable assumption and model updates had a positive impact on the SST ratio of 4 points.

Page 29: Group – Balance sheet and capital structure

Shareholders' equity declined by USD 1.8bn compared to year end 2020, mainly driven by the payment of the Group dividend of USD 3.2bn in the second quarter and a decrease of USD 0.9bn in net unrealized gains, which were only partially offset by net income attributable to shareholders of USD 2.2bn.

During the first half, the Group successfully placed USD 1.75bn of subordinated debt and called a hybrid debt instrument in the first quarter. At the balance sheet date, this, together with the decrease in shareholders' equity, had the effect of increasing the overall proportion of subordinated debt by 3 percentage points in the Group's capital structure.

For further information

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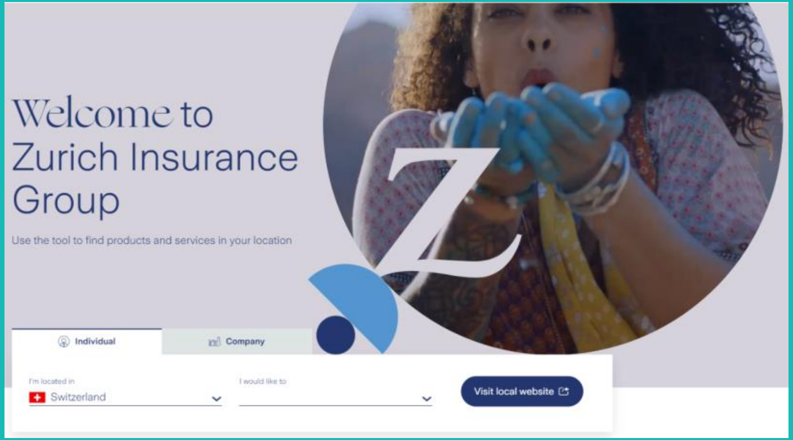

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UPCOMING EVENTS

- November 11, 2021, Update for the nine months ended September 30, 2021
- November 18, 2021, Investor Day, Zurich