

Zurich sets new ambitious targets for 2020-2022 as it deepens its focus on innovating to meet customer needs

- Next three years to build on successes of 2017-2019, in which Zurich is set to exceed all financial targets
- New targets for 2020-2022:
 - Business Operating Profit after tax return on equity (BOPAT ROE) in excess of 14% and increasing
 - Compound organic growth in earnings per share of at least 5% per annum
 - Cumulative cash remittances in excess of USD 11.5 billion
 - Zurich Economic Capital Model (Z-ECM) ratio in range 100%-120%
- Group to introduce new performance metrics for customer growth and brand consideration
- Unchanged dividend policy based on sustainable earnings growth targeting a payout of around 75%
- Group reiterates ambition to be one of most responsible and impactful businesses in the world

Zurich, November 14, 2019 – Zurich Insurance Group (Zurich) has outlined ambitious new financial targets for 2020-2022, during which it will enrich its retail offering and focus on increasing the customer base, while further improving the quality of its commercial portfolio.

Zurich's objectives for the next three years will be presented to investors at an Investor Day in London today.

Group Chief Executive Officer Mario Greco said: "Our performance over the past three years shows that our strategy is working. Our rapid progress is reflected in a total shareholder return of 96% since the start of 2016. We have made Zurich simpler, more agile and efficient, and strengthened the foundations for our long-term success."



“We have deepened our customer focus and employee engagement by listening to their needs through regular tailored surveys. We have empowered employees to drive change and given our younger generation a stronger voice in shaping our culture and innovative programs such as our Zurich Innovation Championship for startups. Employee satisfaction has jumped over the past three years.”

“We remain committed to supporting our customers, employees and communities in facing the challenges of a fast-changing world such as climate change and cyber risks. We want the next generation to thrive. Sustainability is not just a story we tell, it is a principle that informs everything we do.”

“We will build on our achievements to further transform insurance, using technology to meet changing needs and create rewarding experiences. I’m confident that our strong management team and engaged employees will allow us to deliver innovative and personalized services for our customers and further attractive returns for shareholders.”

Ambitious new financial targets and unchanged, attractive dividend policy

Zurich has announced a range of ambitious targets for the 2020-2022 period. Selective growth and targeted capital allocation together with further improvements in productivity will allow Zurich to target a business operating profit after tax return on equity in excess of 14% and increasing over the 2020-2022 period. This is expected to lead to compound organic growth in earnings per share of at least 5% per annum over the period. The Group is set to deliver continued high levels of cash remittances, which are expected to be in excess of USD 11.5 billion over the three years, while retaining its strong capital position with an unchanged target Z-ECM ratio of 100%-120%.

This will continue to support Zurich’s attractive dividend policy, which is unchanged. It targets a pay-out ratio of around 75% of net income attributable to shareholders, reflecting sustainable earnings development, and a minimum target of the prior year level.



Expanding Zurich's long-term leadership position

The insurance sector is undergoing a dramatic transformation and Zurich is preparing for a future of truly service-focused insurance. After having simplified its operations, the Group will shift its focus and investments to applications and products that will enhance the customer experience.

Customers increasingly live within connected ecosystems, regularly interacting with providers with whom they share values and qualities. The Group strategy aims to leverage these relationships and increase engagement with customers to elevate Zurich as a trusted brand. Among Zurich's new offerings are smart services for business and home protection, health and well-being programs, and travel insurance that keeps customers out of harm's way.

Data insights are increasingly helping Zurich identify customer needs and prevent incidents, expanding the traditional protection offered by insurance. For 150 years customers have trusted Zurich to do the right thing, and Zurich is honoring this trust with a clear commitment to protect customers' personal data. The Group has pledged to never sell personal data, nor share it without being fully transparent.

Zurich's data pledge is part of the Group's ambition to be one of the most responsible and impactful businesses in the world. This ambition saw Zurich become the first insurance company to commit to the UN Global Compact's Business Ambition for 1.5°C Pledge. The Group is already helping avoid five million tons of CO₂ emissions annually through dedicated impact investments. It aims to use 100% renewable power in all global operations by 2022.

At the Investor Day, the objectives for some of the company's key businesses will also be presented

In **Commercial**, Zurich will build on its leading global position and its progress of the past few years, during which it significantly changed the commercial portfolio, improved profitability and reduced volatility against a challenging market backdrop. It



will further improve the quality of the portfolio and take advantage of improved market conditions to selectively grow the business. The Group will increase investment in underwriting capabilities and strengthen its risk selection. Additional focus will be given to scaling up industry-specific solutions, services and selected specialty products such as Accident & Health to fully capitalize on Zurich's market position and to deepen its penetration of mid-market customers. In addition, the Group will roll out technology aimed at delivering superior insights to claims and underwriting teams.

In **Retail**, Zurich will build on customer and product insights gained over recent years to deepen its relationship with existing customers and build out new customer segments, with the aim to become their preferred insurance provider. This includes the roll out of innovative and more flexible product offerings to also meet the needs of the Millennial and Gen Z age groups. The needs of small- and medium-sized enterprises will be met by rolling out more standardized and simplified products through existing distribution channels and the continued expansion of the Group's strategic collaboration with CoverWallet, the online platform for SME insurance, in Europe. The Group will continue to invest in advanced data and analytics, customer insights and digital tools to support its distribution partners and continue to build out its partnership distribution strategy, which provides access to around 200 million customers today.

Farmers is a key part of Zurich's business and has performed strongly over recent years. The Farmers Exchanges¹, which are owned by their policyholders, will continue their focus on improving customer experience and satisfaction; strengthening agent productivity; and growing in the life and business insurance segments. A priority of the Farmers Exchanges¹ remains the successful expansion into the Eastern United States and the development of new and innovative products.

¹ Zurich Insurance Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc., a wholly owned subsidiary of the Group, provides certain non-claims administrative, management, and ancillary services to the Farmers Exchanges as its attorney-in-fact and receives fees for its services.



Further information

All presentations from the investor day will be available from 07:15 CET on [Zurich's website](#).

There will be a media conference call in English starting at 08:45 CET with an introduction by Group Chief Executive Officer Mario Greco followed by a question and answer session, including also Group Chief Financial Officer George Quinn.

Dial-in numbers

- Europe +41 58 310 50 00
- UK +44 207 107 0613
- USA +1 631 570 5613

The Investor Day will commence at 10:30 CET and contains presentations covering the overall Group Strategy, Customer Focus, the Group's Retail and SME strategy, Commercial Insurance as well as Operations and Finance. The event will be live-streamed on [Zurich's website](#). Media may listen in.

Zurich Insurance Group (Zurich) is a leading multi-line insurer that serves its customers in global and local markets. With about 54,000 employees, it provides a wide range of property and casualty, and life insurance products and services in more than 210 countries and territories. Zurich's customers include individuals, small businesses, and mid-sized and large companies, as well as multinational corporations. The Group is headquartered in Zurich, Switzerland, where it was founded in 1872. The holding company, Zurich Insurance Group Ltd (ZURN), is listed on the SIX Swiss Exchange and has a level I American Depositary Receipt (ZURVY) program, which is traded over-the-counter on OTCQX. Further information about Zurich is available at www.zurich.com



Contact

Zurich Insurance Group Ltd
Austrasse 46, 8045 Zurich, Switzerland

www.zurich.com

SIX Swiss Exchange/SMI: ZURN, Valor: 001107539

Media Relations

Malcolm Shearmur, Riccardo Moretto

Phone +41 44 625 21 00

Twitter @Zurich

media@zurich.com

Investor Relations and Rating Agency Management

Richard Burden, Francesco Bonsante, Samuel Han, Michèle Matlock, Gianni Vitale

Phone +41 44 625 22 99, fax +41 44 625 02 99

investor.relations@zurich.com

Disclaimer and cautionary statement

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; and (viii) 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. 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 Farmers Exchanges and in that capacity provide certain non-claims administrative, management, 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.

Persons requiring advice should consult an independent adviser.

This communication does not constitute an offer or an invitation for the sale or purchase of securities in any jurisdiction.

THIS COMMUNICATION DOES NOT CONTAIN AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES; SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR EXEMPTION FROM REGISTRATION, AND ANY PUBLIC OFFERING OF SECURITIES TO BE MADE IN THE UNITED STATES WILL BE MADE BY MEANS OF A PROSPECTUS THAT MAY BE OBTAINED FROM THE ISSUER AND THAT WILL CONTAIN DETAILED INFORMATION ABOUT THE COMPANY AND MANAGEMENT, AS WELL AS FINANCIAL STATEMENTS.