Building momentum

George Quinn, Group CFO
Bank of America Merrill Lynch 23rd Annual Financials CEO Conference
London, September 25, 2018

Zurich Insurance Group
**Key messages**

<table>
<thead>
<tr>
<th>A strong global franchise</th>
<th>We have a uniquely diversified business with strong franchises and well balanced access to distribution backed by a strong balance sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivering on our targets</td>
<td>Well on track to deliver on our Group financial targets</td>
</tr>
<tr>
<td>Reducing volatility</td>
<td>Reduced expenses together with a changing to business mix and effective use of reinsurance are improving both the level and variability of our P&amp;C performance</td>
</tr>
<tr>
<td>Capital management</td>
<td>We have a strong and conservatively managed balance sheet and continue to actively manage capital to further enhance returns</td>
</tr>
<tr>
<td>Shareholder focused</td>
<td>We have a cash generative and capital efficient business model allowing us to reward shareholders with an attractive and growing dividend</td>
</tr>
</tbody>
</table>
Well on track to achieve all 2017-2019 targets

BOPAT ROE (%)\(^1\)

- FY-17: 12.1%
- HY-18: 12.3%
- Target\(^2\): >12.0%

Z-ECM RATIO (%)

- HY-18\(^3\): 134%
- Target range: 100%

CUMULATIVE CASH REMITTANCES (USD\(\text{bn}\))

- FY-17 & FY-18e: 3.7
- 2017 - 2019 Target: >9.5

CUMULATIVE NET EXPENSE SAVINGS (USD\text{m})

Achieved:
- 2015: ~USD 0m
- 2016: ~-300
- 2017: ~-700
- 2018: ~-1,100
- 2019: 1,500

Target:
- ~300
- ~700
- ~1,100
- 1,500

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1 Business Operating Profit after tax return on equity, excluding unrealized gains and losses. FY-17 adjusted for the impact of the hurricanes Harvey, Irma and Maria, charges related to the Group’s restructuring recognized through BOP and the change to the UK capital gains tax indexation relief.

2 BOPAT ROE target to be increased by ~50bps for OnePath Life acquisition on completion of transaction (as announced on December 11, 2017).

3 HY-18 Z-ECM reflects midpoint estimate with an error margin of +/- 5ppts.
Indicative ROE development enhanced by OnePath life acquisition, US tax reform and capital return

1 Target to be increased by ~50bps for OnePath Life acquisition which is expected to close in November 2018 (see news release of December 11, 2017).
2 FY-17 adjusted for the impact of the hurricanes Harvey, Irma and Maria, charges related to the Group’s restructuring recognized through BOP and the change to the UK capital gains tax indexation relief.
3 Including expected impact of OnePath Life acquisition in Australia subject to regulatory approval.
Cost reduction and P&C portfolio rebalancing support further improvement in the combined ratio

**BREAKDOWN OF EXPENSE SAVINGS (%)**

<table>
<thead>
<tr>
<th></th>
<th>FY-15 Cost base</th>
<th>HY-18 Cumulative net expense savings</th>
<th>Rest of period Cumulative net expense savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD 10.3bn</td>
<td>31%</td>
<td>39%</td>
<td>41%</td>
</tr>
<tr>
<td>USD 900m</td>
<td>59%</td>
<td>36%</td>
<td>41%</td>
</tr>
<tr>
<td>USD 600m</td>
<td>11%</td>
<td>25%</td>
<td>17%</td>
</tr>
</tbody>
</table>

**BUSINESS MIX (%) of NEP**

<table>
<thead>
<tr>
<th></th>
<th>FY-15</th>
<th>HY-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group</td>
<td>15%</td>
<td>20%</td>
</tr>
<tr>
<td>Business Units</td>
<td>28%</td>
<td>27%</td>
</tr>
<tr>
<td>Operations</td>
<td>27%</td>
<td>27%</td>
</tr>
<tr>
<td>Specialties</td>
<td>21%</td>
<td>16%</td>
</tr>
<tr>
<td>Motor</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>Property</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>Liability</td>
<td>15%</td>
<td>16%</td>
</tr>
<tr>
<td>Workers</td>
<td>27%</td>
<td>27%</td>
</tr>
</tbody>
</table>

Group, Business Units, Operations, Specialties, Motor, Property, Liability, Workers, Compensation
The combined ratio is improving with reduced volatility

**COMBINED RATIO DEVELOPMENT (%)**

<table>
<thead>
<tr>
<th></th>
<th>FY-15</th>
<th>FY-16</th>
<th>FY-17</th>
<th>HY-16</th>
<th>HY-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combined</td>
<td>103.6%</td>
<td>98.1%</td>
<td>98.2%</td>
<td>99.5%</td>
<td>97.5%</td>
</tr>
<tr>
<td>Catastrophes</td>
<td>3.5%</td>
<td>14.0%</td>
<td>15.4%</td>
<td>15.7%</td>
<td>14.9%</td>
</tr>
<tr>
<td>Premium taxes</td>
<td>68.2%</td>
<td>65.7%</td>
<td>65.2%</td>
<td>64.8%</td>
<td>64.5%</td>
</tr>
<tr>
<td>Commission</td>
<td>0.1%</td>
<td>1.8%</td>
<td>4.0%</td>
<td>1.8%</td>
<td>2.5%</td>
</tr>
<tr>
<td>YL LR (excl. catastrophes)</td>
<td>14.1%</td>
<td>14.7%</td>
<td>14.9%</td>
<td>16.8%</td>
<td>14.3%</td>
</tr>
<tr>
<td>PYD</td>
<td>14.0%</td>
<td>14.6%</td>
<td>14.2%</td>
<td>14.9%</td>
<td>14.3%</td>
</tr>
<tr>
<td>Other underwriting expenses</td>
<td>2.6%</td>
<td>1.6%</td>
<td>1.6%</td>
<td>1.4%</td>
<td>1.3%</td>
</tr>
</tbody>
</table>

**LARGE LOSS VOLATILITY**

- **2014/2015**
  - Q1-14: 102.4%
  - Q2-14: 102.5%
  - Q3-14: 103.3%
  - Q4-14: 102.0%
  - Q1-15: 99.8%
  - Q2-15: 100.2%
  - Q3-15: 100.4%
  - Q4-15: 101.6%

- **2016/2017/2018**
  - Q1-16: 99.5%
  - Q2-16: 99.5%
  - Q3-16: 99.5%
  - Q4-16: 99.5%
  - Q1-17: 99.5%
  - Q2-17: 99.5%
  - Q3-17: 99.5%
  - Q4-17: 99.5%
  - Q1-18: 99.5%
  - Q2-18: 99.5%
Very strong capital position and a high level of conversion of earnings to cash remittances supporting our attractive payout

1 The Swiss Solvency Test (SST) ratio as of January 1, 2018 is calculated based on the Group’s internal model, which is subject to the review and approval of the Group’s regulator, the Swiss Financial Market Supervisory Authority (FINMA). The full year ratio is filed with FINMA and is subject to its approval.

2 After restatement for model changes (FY-16 SST ratio of 227% before restatements).
Strengthened core businesses while extracting capital from non-core portfolios and returning ~USD 3.8bn to shareholders

<table>
<thead>
<tr>
<th>MAIN DIVESTMENTS AND CAPITAL ACTIONS</th>
<th>MAIN ACQUISITIONS</th>
<th>TYPE OF DEAL</th>
<th>BUSINESS</th>
<th>STRATEGIC RATIONALE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of P&amp;C business in Middle East</td>
<td>Cover-More/ Halo</td>
<td>M&amp;A</td>
<td>P&amp;C Retail - Travel</td>
<td>✔️</td>
</tr>
<tr>
<td>Sale of P&amp;C business in Taiwan</td>
<td>Standard Chartered</td>
<td>D.A.²</td>
<td>Life Retail</td>
<td>✔️</td>
</tr>
<tr>
<td>Reinsurance of a closed annuity book</td>
<td>OnePath (ANZ Life)</td>
<td>M&amp;A</td>
<td>Life Retail - Protection</td>
<td>✔️</td>
</tr>
<tr>
<td>Reinsurance of an individual Life risk portfolio</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of workplace pensions and savings business</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of a MedMal legacy portfolio</td>
<td>Bright Box</td>
<td>M&amp;A</td>
<td>Connected cars</td>
<td>✔️</td>
</tr>
<tr>
<td>Sale of a Singapore Life portfolio</td>
<td>QBE Latam</td>
<td>M&amp;A</td>
<td>P&amp;C</td>
<td>✔️</td>
</tr>
<tr>
<td>Sale of Endsleigh</td>
<td>Travel Ace/ Universal Travel</td>
<td>M&amp;A</td>
<td>P&amp;C Retail - Travel</td>
<td>✔️</td>
</tr>
<tr>
<td>Sale of NSW CTP¹ run-off</td>
<td>EuroAmerica</td>
<td>M&amp;A/P.T.²</td>
<td>Life Retail</td>
<td>✔️</td>
</tr>
</tbody>
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1 New South Wales Compulsory Third Party motor liability.
2 D.A. = Distribution agreement. P.T. = Portfolio transfer.

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Our proposition to investors

HIGHLY CASH GENERATIVE BUSINESS MODEL SUPPORTING AN ATTRACTIVE AND GROWING DIVIDEND, UNDERLINED BY:

- A balanced and diverse global business
- Industry leading capital levels
- Stable, consistent and conservatively managed balance sheet
- Consistent growth with scope to enhance returns through capital re-deployment
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CALL US

Investor Relations
Richard Burden    +41 44 628 96 40
Francesco Bonsante    +41 44 628 00 68
Samuel Han    +41 44 625 32 57
Gianni Vitale    +41 44 625 48 26

Rating Agency Management
Michèle Matlock    +41 44 625 28 50

Events
Patricia Heina    +41 44 625 38 44

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