Zurich Insurance Group – “Building franchise value in an uncertain world”

Martin Senn
Chief Executive Officer
BoAML – 17th Annual Banking & Insurance CEO Conference
London, September 25, 2012
Key Messages

- Proven track record
- Clear strategy
- Consistent execution

Disciplined global insurer consistently delivering high profitability
Zurich has outperformed in a challenging environment

TSR out-performance 2007 – to date

in percentage points

© Zurich Insurance Company Ltd

1 Total Shareholder Return; source: Thomson Reuters Datastream, 21 September 2012
Strong track record for Zurich

- **Cash Flow from segments**: USD 4.3 bn (As of December 31, 2011)
- **Dividend**: CHF 17 (Dividend paid in April 2012)
- **Market Capitalization**: USD 38 bn (As of September 21, 2012)
- **Shareholders’ Equity**: USD 32.4 bn (As of June 30, 2012)
- **NIAS ROE**: 13.8% (As of June 30, 2012)
- **BOPAT ROE**: 12.1% (As of June 30, 2012)

**BV/share CAGR**

- +5% in CHF
- +9% in USD


---

1. Before dividend distribution
2. Net Income Attributable to Shareholders Return On Equity
3. Business Operating Profit After Tax Return on Equity
Key Messages

- Proven track record
- Clear strategy
- Consistent execution
Focused strategy delivers franchise value

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Results</th>
</tr>
</thead>
</table>
| High diversification from a truly global insurance portfolio | • Global footprint and focused on insurance  
• Limited concentration risk |
| Focus on profitability with targeted growth | • Profitable business with continuous underlying improvements  
• Diversified growth |
| Economic and risk-based approach to capital deployment | • Sustainable and attractive dividend policy  
• Strong capital within our AA target range  
• Disciplined M&A transactions |

“Our Group strategy has the clear goal to deliver sustainable, profitable growth in value for our shareholders”
We remain committed to our strategic targets

General Insurance (GI)
Improve Combined Ratio by 3 - 4 pts relative to global competitors and hold market position

Global Life
Rank Top 5 of European-based global peers by New Business Value

Farmers
Maintain top tier market share growth in U.S. Personal Lines

BOPAT-ROE of 16% strategic ambition
Delivering attractive Total Shareholder Return

Source: Published company financials, internal analyses
Key Messages

- Proven track record
- Clear strategy
- Consistent execution
Successful growth in target markets and resilience in mature markets

North America
- GI: +6%
- GL: +23%
- Farmers Exchanges: +4%

Europe
- GI: -2%
- GL: +0%

ME / Africa
- GI GWP USD 0.4bn
- GL: +10%
- GL: -20%

Latin America
- GI GWP USD 1.1bn
- APE USD 0.2bn
- GI: +64%
- GL: +21%

Asia Pacific
- GI GWP USD 1.4bn
- APE USD 0.2bn
- GI: +10%

For the six months to June 30, 2012

1 Includes ME & Africa, excludes the recent acquisition in Malaysia. 2 Includes Santander. 3 Excludes Santander.
4 Zurich Insurance Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc., a wholly owned subsidiary of the Group, provides non-claims management services to the Farmers Exchanges and receives fees for its services.
Note: GI figures include Global Corporate. All growth percentages are in local currency.
General Insurance – Underlying loss ratio improving consistently

Underlying loss ratio$^1$

<table>
<thead>
<tr>
<th>Year</th>
<th>Loss Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>65.5%</td>
</tr>
<tr>
<td>2008</td>
<td>67.8%</td>
</tr>
<tr>
<td>2009</td>
<td>67.4%</td>
</tr>
<tr>
<td>2010</td>
<td>66.3%</td>
</tr>
<tr>
<td>2011</td>
<td>64.3%</td>
</tr>
<tr>
<td>H1 2012</td>
<td>61.6%</td>
</tr>
</tbody>
</table>

$^1$ Reported loss ratio excluding prior year development, major CAT and large claims
Global Life – Business mix focused on low sensitivity to interest rates

2012 HY NBV Product Mix

Areas of proposition focus

**Protection**
- High returns and short payback
- RBC diversification benefits

**Unit-linked**
- Core savings and investment proposition
- Packaged with Protection to enhance value and margins

**Corporate Life & Pensions**
- Structural opportunity driven by macro environment
- Focus on Defined Contribution program administration and corporate risk propositions
- Leverages Zurich’s global customer relationships

1 Includes Corporate Protection methodology change
Farmers’ unique structure created reliable & steady earnings growth

Farmers Exchanges
GWP growth¹

in %

Farmers Management Services
Business Operating Profit

in USD millions

>6% CAGR since 1990

¹ Excludes pre-acquisition premiums and portfolio transfers in 2008 and 2009 related to the Zurich Small Business and 21st Century acquisitions
² Excludes 21st Century Agency Auto in run-off

Note: Zurich Insurance Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc., a wholly owned subsidiary of the Group, provides non-claims management services to the Farmers Exchanges and receives fees for its services.
Disciplined approach to capital drives value

Economic-based capital deployment

Disciplined investment philosophy

Selective M&A transactions

Asset allocation in %
(as of June 30, 2012)

Z-ECM Ratio (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Z-ECM Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan. 1 2008</td>
<td>126%</td>
</tr>
<tr>
<td>Jan. 1 2009</td>
<td>95%</td>
</tr>
<tr>
<td>Jan. 1 2010</td>
<td>136%</td>
</tr>
<tr>
<td>Jan. 1 2011</td>
<td>119%</td>
</tr>
<tr>
<td>Jan. 1 2012</td>
<td>103%</td>
</tr>
</tbody>
</table>

100% = AA target

Share of Group Investments in GIIPS government bonds: 5.2%

Fixed income: 85.9%
Cash, short term: 4.8%
Equities: 5.9%
Real Estate: 2.3%
Hedge Funds / Private Equity: 1.1%

Facilitated Farmers’ multi-channel approach
Accelerated footprint in Latin America
Conclusion

- Proven track record
- Clear strategy
- Consistent execution

Disciplined global insurer consistently delivering high profitability
Thank you for your attention!

Q & A
Certain statements in this document are forward-looking statements, including, but not limited to, statements that are predications 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.

Farmers is a trade name and may refer to Farmers Group, Inc. or the Farmers Exchanges, as the case may be. Farmers Group, Inc., a management and holding company, along with its subsidiaries, is wholly owned by Zurich Insurance Group. The Farmers Exchanges are three reciprocal insurers, Farmers Insurance Exchange, Fire Insurance Exchange and Truck Insurance Exchange, including their subsidiaries and affiliates, owned by their policyholders, and managed by Farmers Group, Inc. and its subsidiaries.

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.