Well positioned for the next phase

Mario Greco, Group CEO
Goldman Sachs 23rd Annual European Financials Conference
Paris, June 5, 2019

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>
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</thead>
<tbody>
<tr>
<td>Delivering on our targets</td>
<td>We are well on track to meet or exceed our 2017-2019 targets</td>
</tr>
<tr>
<td>Improving profitability</td>
<td>Our strategy is delivering a growing and less volatile business that is well positioned for the future direction of the industry</td>
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<tr>
<td>Fit for the future</td>
<td>Our customer focus combined with improved efficiency and strong distribution capabilities positions us well to take advantage of future growth opportunities</td>
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<tr>
<td>Shareholder focused</td>
<td>Our cash generative and capital efficient business model supports an attractive dividend payout of approximately 75% of NIAS</td>
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</tbody>
</table>
A well diversified business with high quality sources of earnings

A TRULY COMPOSITE INSURER
FY-18 Business Operating Profit by business (%)\(^1\)

- Group = USD 4.6bn
- 39%
- 29%
- 31%
- Property & Casualty
- Life
- Farmers

BALANCED P&C FOOTPRINT
FY-18 P&C GWP by region (%)\(^2\)

- Total P&C = USD 33.5bn
- 42%
- 8%
- 8%
- Latin America
- North America
- APAC
- EMEA

HIGH QUALITY LIFE EARNINGS MIX
FY-18 Life gross margin breakdown (%)\(^3\)

- Total Life = USD 5.2bn
- 50%
- 10%
- 23%
- 17%
- Investment margin
- Technical margin
- Unit Linked fees
- Loadings

\(^1\) The split by business excludes Group Functions & Operations and Non-Core Businesses.
\(^2\) The split by region excludes Group Reinsurance and Eliminations.
\(^3\) Excluding Farmers Life.
Delivering on our 2017-2019 targets

**BOPAT ROE (%)**
- FY-17: 9.2%
- FY-18: 12.1%
- Target: >12.0%

**Z-ECM RATIO (%)**
- Q1-19e: 125%
- Target range: 120%

**CUMULATIVE CASH REMITTANCES (USDbn)**
- FY-17 & FY-18: 7.5
- 2017 - 2019 Target: >9.5

**CUMULATIVE NET EXPENSE SAVINGS (USDm)**

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1. Business Operating Profit after tax return on equity, excluding unrealized gains and losses. Adjusted for the impact of excessive natural catastrophes, charges related to the Group’s restructuring recognized through BOP and the FY-17 change to the UK capital gains tax indexation relief.
2. Q1-19 Z-ECM reflects midpoint estimate with an error margin of +/- 5ppts.
Building for future growth with improved customer focus

GENERATING PERSONALIZED INSIGHTS WITH ZURICH CUSTOMER ACTIVE MANAGEMENT (ZCAM)

Examples from one data sample

- 72% of customers with family and house insurance also purchase Motor
- Customers with an SUV have the **highest propensity** to buy life policies for their families
- 26% of customers with own accident insurance also buy family insurance

IMPROVING CUSTOMER SATISFACTION

NPS (FY-18 vs. FY-17, ppts)

- ▲ +3
- ▲ +5
- ▲ +12
- ▲ +3
- ▲ +15
- ▲ +7

DELIVERING INNOVATIVE CUSTOMER SOLUTIONS

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1 Through Farmers Exchanges. 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.
We continue to grow our access to customers through new bank and non-bank partners

ACCESS TO OVER 66 MILLION CUSTOMERS IN 201 COUNTRIES THROUGH OVER 70 BANK AGREEMENTS

WE CONTINUE TO BUILD ON OUR SUCCESS WITH NON-BANK PARTNERS

1 Selected bancassurance agreements. Australia subject to regulatory approvals, expected during first half of 2019.
Zurich embeds environmental, social and governance issues in all aspects of the business

**OUR RATINGS**

- **MSCI**
  - 2018 Constituent
  - MSCI ESG Leaders Indexes
  - ‘AA’ rating

- **Dow Jones Sustainability Indices**
  - In Collaboration with RobecoSAM
  - Outperformed 93% of other companies in peer group

- **SUSTAINALYTICS**
  - Recognized as leader amongst insurance companies

- **FTSE4Good**
  - Absolute score of 4.0 (out of 5.0)

**OUR LONG TERM COMMITMENT**

- The Global Compact
- PRI (Principles for Responsible Investment)
- UNEP Finance Initiative
- PSI (Principles for Sustainable Insurance)

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1 As of March 2019.
Our P&C strategy is working with profitability improved and volatility reduced

### P&C BUSINESS MIX (% NEP)

- **FY-15**: 15% Specialties, 27% Liability, 28% Property, 21% Motor
- **FY-18**: 20% Specialties, 29% Liability, 26% Property, 16% Motor

### AY COMBINED RATIO EXCLUDING CATASTROPHES (%)

- FY-15: 100.0%
- FY-16: 97.3%
- FY-17: 96.5%
- FY-18: 96.1%

#### Cat¹
- FY-15: 3.5%
- FY-16: 2.6%
- FY-17: 5.8%
- FY-18: 4.0%

#### PYD¹
- FY-15: 0.1%
- FY-16: -1.8%
- FY-17: -1.4%
- FY-18: -2.3%

### LARGE LOSS VOLATILITY (ppts)²

- **8ppts**: Q1-14, Q2-14, Q3-14, Q4-14, Q1-15, Q2-15, Q3-15, Q4-15
- **2ppts**: Q1-16, Q2-16, Q3-16, Q4-16, Q1-17, Q2-17, Q3-17, Q4-17, Q1-18, Q2-18, Q3-18, Q4-18

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¹ Accident year combined ratio excludes prior year reserve development (PYD). Catastrophes (Cat) include major and mid-sized catastrophes including significant weather-related events.

² Volatility is measured as difference between lowest and highest ratio for the indicated period.
Our Commercial P&C strategy is delivering differentiated results to peers and provides further opportunities to grow earnings.

CHANGE IN P&C COMMERCIAL AY COMBINED RATIO EX CAT (FY-18 vs. FY-17, ppts)

- Peer 2: 2.6
- Peer 1: 2.0
- Peer 3: -0.3
- Peer 4: -0.6
- Zurich: -1.3

P&C COMMERCIAL AY COMBINED RATIO EX CAT (FY-18, %)

- Peer 1: 101.8%
- Peer 2: 100.1%
- Zurich: 99.5%
- Peer 3: 93.2%
- Peer 4: 88.3%

Opportunity

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1 Peers: Travelers (Business Insurance + Bond & Specialty), Chubb (Commercial P&C), AIG (Commercial Lines), Swiss Re (Corporate Solutions) as reported. Source: Company reports.
We have a leading market position in Life protection which is delivering growth of low volatility earnings

FY-18 LIFE NBV BY PRODUCT (%)

<table>
<thead>
<tr>
<th>Category</th>
<th>FY-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings &amp; annuity</td>
<td>0%</td>
</tr>
<tr>
<td>Corporate pensions and savings</td>
<td>17%</td>
</tr>
<tr>
<td>Unit-linked</td>
<td>8%</td>
</tr>
<tr>
<td>Protection</td>
<td>75%</td>
</tr>
</tbody>
</table>

PROTECTION MARKET SHARE (%)

<table>
<thead>
<tr>
<th>Country</th>
<th>FY-17</th>
<th>FY-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ireland</td>
<td>17%</td>
<td>20%</td>
</tr>
<tr>
<td>Australia</td>
<td>8%</td>
<td>10%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>Brazil</td>
<td>2%</td>
<td>1%</td>
</tr>
</tbody>
</table>

LIFE BOP (USDm)

<table>
<thead>
<tr>
<th>Region</th>
<th>FY-16</th>
<th>FY-17</th>
<th>FY-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latin America</td>
<td>85</td>
<td>76</td>
<td>249</td>
</tr>
<tr>
<td>North America</td>
<td>296</td>
<td>132</td>
<td>296</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>1,010</td>
<td>1,258</td>
<td>1,554</td>
</tr>
<tr>
<td>EMEA</td>
<td>1,130</td>
<td>1,258</td>
<td>1,554</td>
</tr>
</tbody>
</table>

1 FY-17 or most recently available period. Based on GWP, Ireland based on new business, Australia and Ireland market shares refer to Individual Protection. Source: ABI, FEU, ICEA, Susep, SVV, Swiss Re.
2 Pro-forma of Zurich and OnePath Life, deal not yet completed.
Farmers is an attractive, low volatility, fee based business with opportunities to grow

FARMERS EXCHANGES\(^1\) EASTERN EXPANSION

- Established state
- Eastern expansion state
- Eastern expansion state + Commercial rideshare

<table>
<thead>
<tr>
<th>State</th>
<th>FY-17</th>
<th>FY-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>NY</td>
<td>785</td>
<td>1,046</td>
</tr>
<tr>
<td>NC</td>
<td>896</td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) See footnote 1 on slide 5.
\(^2\) GWP in the eastern expansion states, excluding discontinued operations.

AGENCY MODEL

- Capitalized agents (% of new appointments)

CUSTOMER RELATIONSHIPS

- New business households purchasing a second product in first 30 days (%)

INNOVATION
Very strong capital, with a high level of conversion of earnings to cash supporting our attractive dividend payout

**Z-ECM AND SST RATIO\(^1\) (%)**

- FY-12: 114%
- FY-13: 122%
- FY-14: 125%
- FY-15: 125%
- FY-16: 127%
- FY-17: 121%
- FY-18: 124%

**NET CASH REMITTANCES (% of NIAS & USD\(\text{bn}\))**

- FY-16: 2.8%
  - Property & Casualty: 2.0%
  - Farmers: 0.4%
  - Group Functions & Operations: -0.1%
  - Life: -0.1%
- FY-17: 2.5%
  - Property & Casualty: 2.5%
  - Farmers: 1.1%
  - Group Functions & Operations: -0.9%
  - Life: -0.9%
- FY-18: 3.7%
  - Property & Casualty: 1.5%
  - Farmers: 1.5%
  - Group Functions & Operations: 1.4%
  - Life: 0.2%

1. The Swiss Solvency Test (SST) ratio is calculated based on the Group’s internal model, as agreed with the Swiss Financial Market Supervisory Authority (FINMA). The ratio as of January 1, 2019, has been filed with FINMA and is subject to review by FINMA.
2. After restatement for model changes (FY-16 SST ratio of 227% before restatements).
3. Q1-19 Z-ECM reflects midpoint changes with an error margin of +/- 5ppts.
Our proposition to investors

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

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

June 5, 2019
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- August 8, Half year results 2019
- September 24-25, Bank of America Merrill Lynch Conference 2019, London
- November 7, Update for the nine months ended September 30, 2019
- November 14, Investor Day 2019