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## Key messages

<table>
<thead>
<tr>
<th>Group</th>
<th>Globally diversified insurance group with earnings growth and significant expense reduction potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunity</td>
<td>Strengthen position as a global composite insurer and develop more focused retail proposition</td>
</tr>
<tr>
<td>Shareholder focus</td>
<td>Deliver sustainable earnings growth which will support an increase in the return of capital to shareholders over time</td>
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<tr>
<td>Execution</td>
<td>Focus the organization on delivery and execution and continue to invest for the future</td>
</tr>
<tr>
<td>Capital</td>
<td>Maintain strong capitalization</td>
</tr>
</tbody>
</table>
Thoughts after the first eight months on the job

**Strengths**

- Very diverse and balanced portfolio of products and services with global reach
- Powerful, internationally recognized brand
- Customer focus
- Successful track record in distribution partnerships
- Strong capital base
- Low-risk investment portfolio
- Strong employee skills

**Opportunities**

- Reduce Group expense base
- Simplify Group structure
- Improve accountability throughout the organization
- Reinvigorate technical excellence
- Bring more focus to the business
- Better position retail presence
- Continue Farmers profitable growth
**ZURICH’S POSITION**

We are truly global and diversified.

### GEOGRAPHIC SPLIT OF P&C GWP (2015)

<table>
<thead>
<tr>
<th>Region</th>
<th>RoW</th>
<th>APAC</th>
<th>LatAm</th>
<th>North America</th>
<th>Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>ZURICH</td>
<td>42%</td>
<td>78%</td>
<td>72%</td>
<td>81%</td>
<td>94%</td>
</tr>
<tr>
<td>Allianz</td>
<td>7%</td>
<td>9%</td>
<td>5%</td>
<td>6%</td>
<td>1%</td>
</tr>
<tr>
<td>Farmers</td>
<td>0%</td>
<td>28%</td>
<td>6%</td>
<td>7%</td>
<td>25%</td>
</tr>
<tr>
<td>Global Life</td>
<td>10%</td>
<td>7%</td>
<td>66%</td>
<td>92%</td>
<td></td>
</tr>
<tr>
<td>Farmers Exchanges</td>
<td>0%</td>
<td>7%</td>
<td>25%</td>
<td>7%</td>
<td></td>
</tr>
</tbody>
</table>

### GROUP BOP SPLIT (2013-2015)

- **General Insurance**: 45%
- **Global Life**: 30%
- **Farmers**: 26%

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1. Values include some estimates and adjustments for comparability. Zurich does not include Farmers Exchanges.
2. Excludes Other Operating Businesses and Non Core Businesses.
We have clear opportunities to improve

**Strengths**
- Very diverse and balanced portfolio of products and services with global reach
- Powerful, internationally recognized brand
- Customer focus
- Successful track record in distribution partnerships
- Strong capital base
- Low-risk investment portfolio
- Strong employee skills

**Opportunities**
- Reduce Group expense base
- Simplify Group structure
- Improve accountability throughout the organization
- Reinvigorate technical excellence
- Bring more focus to the business
- Better position retail presence
- Continue Farmers profitable growth
The first results are encouraging

**GI LOSS RATIO (%)**

- FY-14: 66.4%, -1.1%
- FY-15: 65.2%, 2.3%
- 9m-16: 67.2%, 3.0%

**EXPENSE DEVELOPMENT (USDbn)**

<table>
<thead>
<tr>
<th></th>
<th>9m-15</th>
<th>9m-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tianjin loss</td>
<td>5.0</td>
<td>4.8</td>
</tr>
<tr>
<td>AY LR (ex. cat.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PYD</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**GROUP BOPAT ROE (%)**

- FY-14: 11.1%
- FY-15: 6.4%
- 9m-16: 11.9%

---

1. Catastrophes include major and mid-sized catastrophes including significant weather related events.
2. Accident year loss ratio (AY LR) excludes prior year reserve development (PYD).
3. Restated at constant FX and adjusted for RCIS acquisition; excludes Farmers.
Our financial targets underline our aim to be an efficient, leading insurer.

**ZURICH’S 2017-2019 FINANCIAL TARGETS**

- **BOPAT ROE**\(^1\) in excess of 12% and increasing, despite a higher equity base
- **USD 1.5bn in net savings by 2019 compared to the 2015 baseline**
- **Cash remittances in excess of USD 9.5bn over 2017-2019 period**
- **Z-ECM target ratio unchanged at 100-120%**

---

\(^1\) Business Operating Profit after tax return on equity, excluding unrealized gains and losses.
Operations drives customer outcomes and value delivery to shareholders

**EFFICIENCY AND OPERATIONAL EXCELLENCE**

- Increased efficiency through process improvement, automation and scale solutions
- Higher agility through complexity reduction

**TECHNICAL EXCELLENCE**

- Better risk selection and pricing
- Faster reaction to market changes
- Optimized claims settlement costs

**CUSTOMER EXPERIENCE**

- Smoother customer journeys
- More customer-centric proposition development to match evolving needs

**FOCUS FOR TODAY**
We are focused on continuing to reward our shareholders

ZURICH’S DIVIDEND POLICY

NIAS payout ratio of approx. 75%

Dividend increases based on sustainable earnings growth

Target minimum CHF 17 per share dividend

CUMULATIVE DIVIDENDS PAID (FOR YEAR ENDING, USDbn)

>50% of market capitalization paid out since 2008

1 The dividend is subject to approval by the shareholders at the Annual General Meeting.
Key messages

Group
Globally diversified insurance group with earnings growth and significant expense reduction potential

Opportunity
Strengthen position as a global composite insurer and develop more focused retail proposition

Shareholder focus
Deliver sustainable earnings growth which will support an increase in the return of capital to shareholders over time

Execution
Focus the organization on delivery and execution and continue to invest for the future

Capital
Maintain strong capitalization
Annex
Our expense and underwriting initiatives offset higher equity base and market pressures

ILLUSTRATIVE BOPAT ROE DEVELOPMENT

Indicative P&C CR 95 - 96%

- Higher equity base
- Lower investment income from asset allocation
- Decline in yields
- Life & Farmers earnings growth
- Market pressures
- Technical excellence
- Expense savings
- Capital allocation / Other
- 2019 Non-operating items

November 17, 2016
For further information

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November 17, 2016
CALENDAR

- February 9, 2017, Annual Results 2016
- March 29, 2017, Annual General Meeting 2017
- May 11, 2017, Results for the three months ended March 31, 2017
- August 10, 2017, Half year results 2017