Investor Day – Well positioned for the future

Media presentation
November 15, 2017
London

Zurich Insurance Group
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Key messages

**Strong franchise and financials**
We have a uniquely diversified business with strong franchises and well balanced access to distribution backed by a strong balance sheet.

**Delivering on our targets**
The group’s ability to grow earnings and deliver on targets has been restored through improved efficiency, a focus on technical excellence and strengthening of core businesses.

**Positioned for industry change**
We are well positioned for industry change with a diverse and flexible business and we will actively lead industry transformation.

**Stepping up the pace**
We are accelerating the cultural change to become customer centered, through simplification of our business and investment in targeted innovation.

**Shareholder focused**
Our cash generative business model and strong balance sheet allow us to increase the return of capital to shareholders over time.
A strong and globally diversified group

A GLOBALLY DIVERSE BUSINESS

BOP by business (%)

- Farmers: 41%
- Life: 26%
- P&C: 32%

P&C GWP by segment (%)

- P&C GWP 9m-17
  - APAC: 7%
  - Europe: 7%
  - LatAm: 42%
  - North America: 44%

KEY STRENGTHS

- Powerful, international brand
- Clear customer focus
- Global customer relationships
- Distribution partnerships
- Strong technical capabilities
- Our people

1 Excludes Non-Core Businesses, Group Functions & Operations and Eliminations.
STRATEGIC UPDATE

On track to achieve our financial targets

**BOPAT ROE (%)**

- HY-17: 12.5%
- Target: >12.0%

**Z-ECM RATIO (%)**

- 9m-17: 136%
- Target range: 100%

**CUMULATIVE CASH REMITTANCES** (USDbn)

- Expected FY-17: 12.5%
- 2017 - 2019 Target: >9.5

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**CUMULATIVE NET EXPENSE SAVINGS** (USDm)

- Achieved:
  - 2015: ~USD 550m
  - 2016: ~300
  - 2017: ~700
  - 2018: ~1,100
  - 2019: 1,500

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1. Business Operating Profit after tax return on equity, excluding unrealized gains and losses. HY-17 excludes the impact from the change in the Ogden discount rate.

2. 9m-17 Z-ECM reflects midpoint estimate with an error margin of +/- 5pps.
We are focused on paying an attractive and growing dividend and managing our capital in a disciplined way

**ZURICH’S DIVIDEND POLICY**

- NIAS payout ratio of approximately 75%
- Dividend increases based on sustainable earnings growth
- Target minimum CHF 17 per share dividend

**STRONG CAPITAL WITH LOW INVESTMENT RISK (Z-ECM, %)**

<table>
<thead>
<tr>
<th>Year</th>
<th>127%</th>
<th>122%</th>
<th>121%</th>
<th>125%</th>
<th>136%</th>
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<td>FY-13</td>
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1 9m-17 Zurich Economic Capital Model (Z-ECM) reflects midpoint estimate with an error margin of +/- 5ppts.
The insurance industry is changing fast and profoundly, with customer needs quickly evolving.

**INSURANCE INDUSTRY**

- **Geopolitical uncertainty, low growth and yields**
- **Intense regulation**
- **Customer revolution**
- **Evolving distribution**
- **Innovation and technology**
- **New and growing risk pools**

**OPPORTUNITY**
Customer relationships will be key for long term success of insurance companies

**MANUFACTURER AND BALANCE SHEET PROVIDER**

- Capital is abundant and commoditized
- Constrained to small piece of value chain
- New challengers with new IT more efficient
- Disintermediation from customers
- Inability to react to new and evolving risks

**OWNER OF THE CUSTOMER RELATIONSHIP**

- Enhanced returns through value added services
- Own a greater proportion of value chain
- Greater resilience to new entrants
- No risk of disintermediation
- Ability to react to emerging customer needs

Low ROEs and eventual consolidation

Higher ROEs and market success
Annex
## Key messages

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<tr>
<th>Category</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Targets</strong></td>
<td>Well on track to deliver on our Group financial targets</td>
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<td><strong>Efficiency</strong></td>
<td>On track for ~USD 700m in expense savings by the end of 2017</td>
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<td><strong>Reduce volatility</strong></td>
<td>Improvements in underwriting and reinsurance reducing the impact of natural catastrophes and quarterly large loss volatility</td>
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<td><strong>Capital management</strong></td>
<td>Continued active capital management across the business to release trapped capital and enhance returns, while having a disciplined approach to investments</td>
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<td><strong>Dividend</strong></td>
<td>Focused on delivering an attractive and growing dividend</td>
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CALENDAR

- February 8, 2018, Annual results 2017
- April 4, 2018, Annual General Meeting 2018
- May 9, 2018, Update for the three months ended March 31, 2018
- August 9, 2018, Half year results 2018
- November 8, 2018, Update for the nine months ended September 30, 2018