Zurich Insurance Group

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Chief Financial Officer

Morgan Stanley – 2013 European Financials Conference
London, 20 March 2013
Key Messages

- Strong capital and cash flows support sustainable and attractive CHF 17 per share dividend
- Pricing and portfolio management discipline generate strong underlying profitability
- Accelerated top-line growth in target markets

Progressing on our strategy to deliver our 2013 targets
**Strong performance and track record across key metrics**

<table>
<thead>
<tr>
<th>Cash Flow from segments</th>
<th>Dividend</th>
<th>Economic Solvency Z-ECM(^1) Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>USD 4.0bn</strong></td>
<td><strong>USD 2.7bn</strong></td>
<td><strong>110%</strong></td>
</tr>
<tr>
<td>As of 31 December 2012</td>
<td>Dividend paid in April 2012</td>
<td>As of 1 July 2012</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Shareholders’ Equity</th>
<th>NIAS ROE(^3)</th>
<th>BOPAT ROE(^4)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>USD 34.5bn</strong></td>
<td><strong>11.8%</strong></td>
<td><strong>9.3%</strong></td>
</tr>
<tr>
<td>As of 31 December 2012</td>
<td>As of 31 December 2012</td>
<td>As of 31 December 2012</td>
</tr>
</tbody>
</table>

**BV/share\(^2\)**

- +15% in CHF
- +17% in USD

- BV/share CAGR\(^2\)
- +5% in CHF
- +9% in USD

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1. Zurich Economic Capital Model, SST Ratio at 178% (both as of 1 July 2012)
2. Before dividend distribution
3. Net Income Attributable to Shareholders Return On Equity
4. Business Operating Profit After Tax Return on Equity

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Outperforming sector on Total Shareholder Return and dividends

TSR out-performance 2008 – to date (in percentage points)

Dividends (in CHF)

Source: Datastream, as of 13 March 2013

1 Dividend represents gross dividend per registered share
**Focused strategy delivers value**

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>High diversification from a truly global insurance portfolio</td>
<td>• Global footprint and focused on insurance</td>
</tr>
<tr>
<td></td>
<td>• Limited concentration risk</td>
</tr>
<tr>
<td>Focus on profitability with targeted growth</td>
<td>• Profitable business with continuous underlying improvements</td>
</tr>
<tr>
<td></td>
<td>• Diversified growth</td>
</tr>
<tr>
<td>Economic and risk-based approach to capital deployment</td>
<td>• Sustainable and attractive dividend policy</td>
</tr>
<tr>
<td></td>
<td>• Strong capital within our AA target range</td>
</tr>
<tr>
<td></td>
<td>• Disciplined M&amp;A transactions</td>
</tr>
<tr>
<td>Strong cash flows supported by operational model</td>
<td>• Strong and reliable cash flow from Farmers</td>
</tr>
<tr>
<td></td>
<td>• Disciplined cash flow management</td>
</tr>
<tr>
<td></td>
<td>• Focus on cash flow from fee and protection business and Zurich Santander in Global Life</td>
</tr>
</tbody>
</table>

“Our Group strategy has the clear goal to deliver sustainable, profitable growth in value for our shareholders”
Share of our International Markets more than doubled

**2008 GWP & Policy fees**
**(including Life insurance deposits)**

- **USD 59bn**
  - Europe: 65%
  - North America: 25%
  - LatAm: 10%
  - APME: 7%

**Growth in GWP & Policy fees (incl. Life insurance deposits)**

- +12%

**2012 GWP & Policy fees**
**(including Life insurance deposits)**

- **USD 66bn**
  - Europe: 57%
  - North America: 22%
  - LatAm: 12%
  - APME: 9%

**BOP share Int. Markets**

- 2008: 5%
- 2012: 13%

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1. Including General Insurance and Global Life, as reported
2. Growth in GWP & Policy fees (incl. Life insurance deposits)
3. Including Asia Pacific and Middle East
4. In percentage of total General Insurance and Global Life BOP
Topline growth continuing while underlying performance improving

<table>
<thead>
<tr>
<th>General Insurance</th>
<th>Global Life</th>
<th>Farmers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Underlying Loss Ratio (in %)</strong></td>
<td><strong>NBV (in USD millions)</strong></td>
<td><strong>FMS(^2) BOP (in USD millions)</strong></td>
</tr>
<tr>
<td>-6.4pts</td>
<td>+44%</td>
<td>+20%</td>
</tr>
<tr>
<td><strong>GWP (in USD millions)</strong></td>
<td><strong>APE (in USD millions)</strong></td>
<td><strong>GEP(^1) (in USD millions)</strong></td>
</tr>
<tr>
<td>-4%</td>
<td>+46%</td>
<td>+13%</td>
</tr>
</tbody>
</table>

1 Gross earned premiums of Farmers Exchanges, which are managed but not owned by Farmers Group, Inc., a wholly owned subsidiary of the Group
2 Farmers Management Services
Disciplined approach to capital drives value

Economic-based capital deployment

Disciplined investment philosophy

Selective M&A transactions

Asset allocation (%)
(as of Dec 31, 2012)

- Fixed income
- Cash, short term
- Equities
- Real Estate
- Hedge Funds / Private Equity

Risk exposure (%)
(as of Dec 31, 2012)

- Equity risk
- Interest Rate risk
- Term structure risk
- Credit (spread) risk
- Liquidity risk

Facilitated Farmers’ multi-channel approach

Accelerated footprint in Latin America
Strong cash flow generation continued in 2012

Underlying profitability and disciplined growth generated USD 4bn of cash from the segments

USD bn, 2012 FY forecast

- USD 4.0bn of cash remitted from the business segments
- USD 0.4bn of cash consumed by Germany GI
- Dividend fully covered and liquidity increased
- 2012 cash flows largely derived from 2011 results which were heavily affected by CATS

1 Other Operating Businesses.
2 Including other one-off cash flows not considered in the segment cash remittances.
3 2011 dividend paid in April 2012.
Key Messages

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- Pricing and portfolio management discipline generate strong underlying profitability
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Progressing on our strategy to deliver our 2013 targets
Thank you for your attention!
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