



Building momentum

George Quinn, Group CFO
Deutsche Bank Global Financial Services Investor Conference
New York, May 29, 2018

Zurich Insurance Group



Key messages



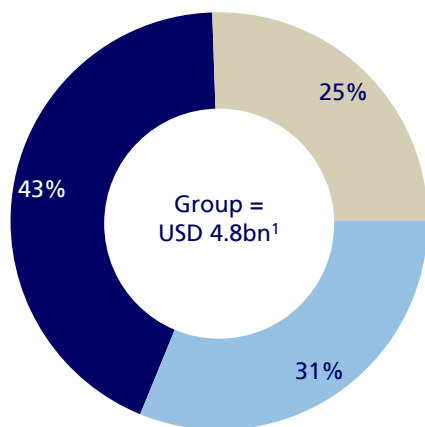
A strong global franchise	We have a uniquely diversified business with strong franchises and well balanced access to distribution backed by a strong balance sheet
Delivering on our targets	Well on track to deliver on our Group financial targets
Reducing volatility	Improvements in underwriting and reinsurance reducing the impact of natural catastrophes and quarterly large loss volatility
Capital management	Continued active capital management across the business to release trapped capital and enhance returns, while having a disciplined approach to investments
Shareholder focused	Our cash generative and capital efficient business model allow us to reward shareholders with an attractive dividend payout of 75%, while our strong balance sheet provides opportunities to further enhance returns over time

A well diversified business with high quality earnings



A TRULY COMPOSITE INSURER

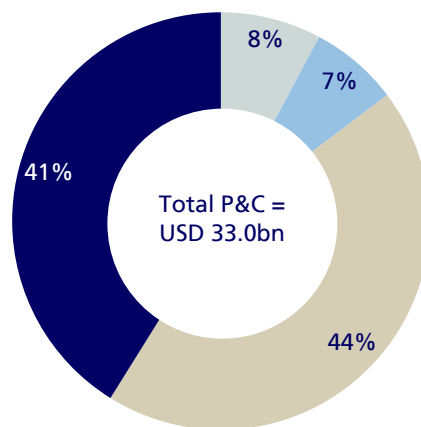
FY-17 Business Operating Profit by business (%)¹



■ Property & Casualty ■ Life ■ Farmers

BALANCED P&C FOOTPRINT

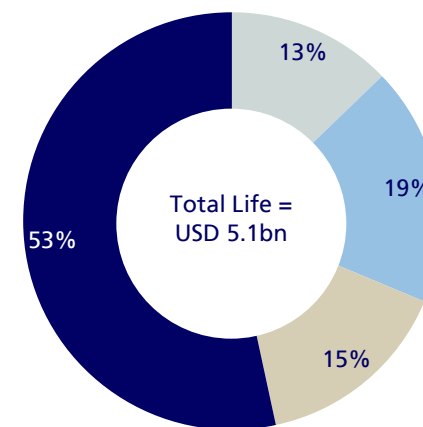
FY-17 P&C GWP by region (%)²



■ Latin America ■ North America
■ APAC ■ EMEA

HIGH QUALITY LIFE EARNINGS MIX

FY-17 Life gross margin breakdown (%)³



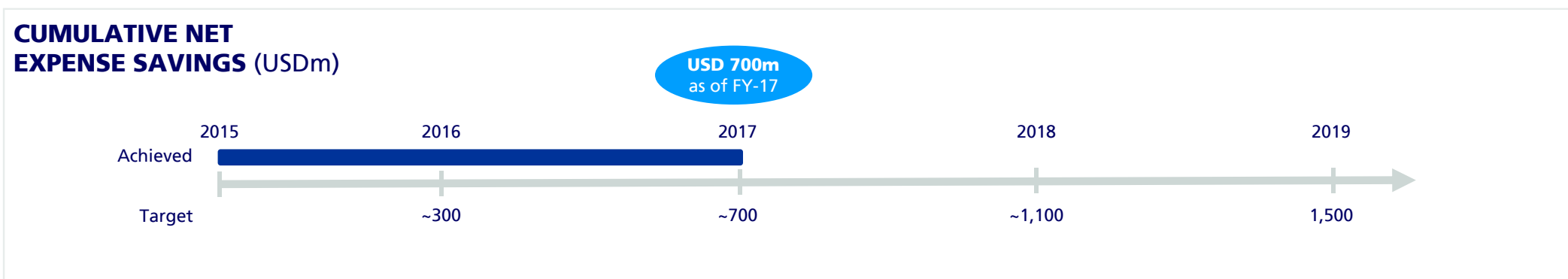
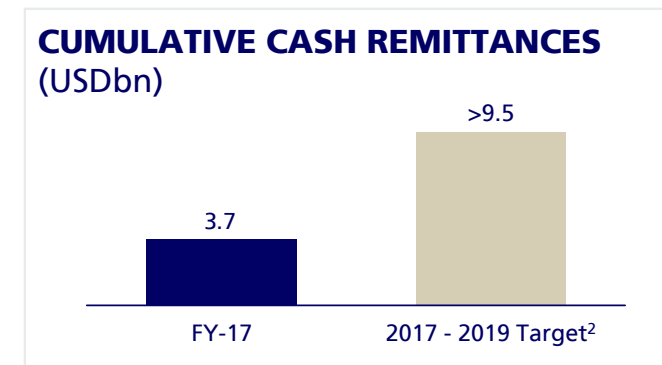
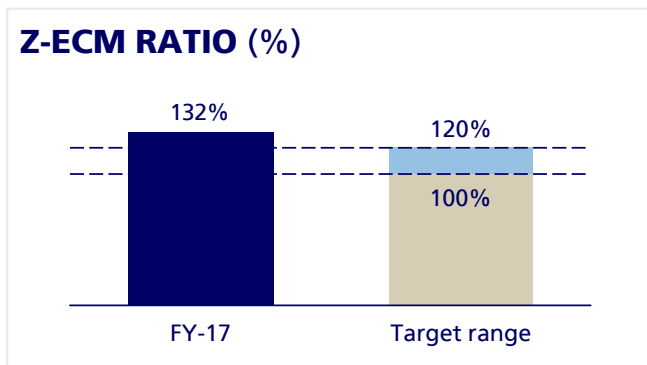
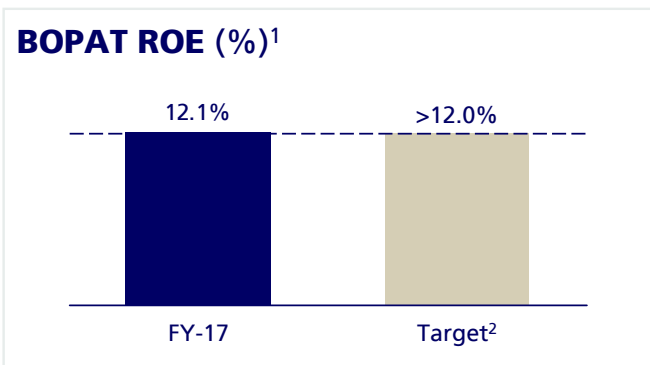
■ Investment margin ■ Unit Linked fees
■ Technical margin ■ Loadings

¹ Adjusted for the impact of the hurricanes Harvey, Irma and Maria, charges related to the Group's restructuring recognized through BOP and the change to the UK capital gains tax indexation relief (reported BOP of USD 3.8bn). 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.

On track to deliver our 2017-2019 targets



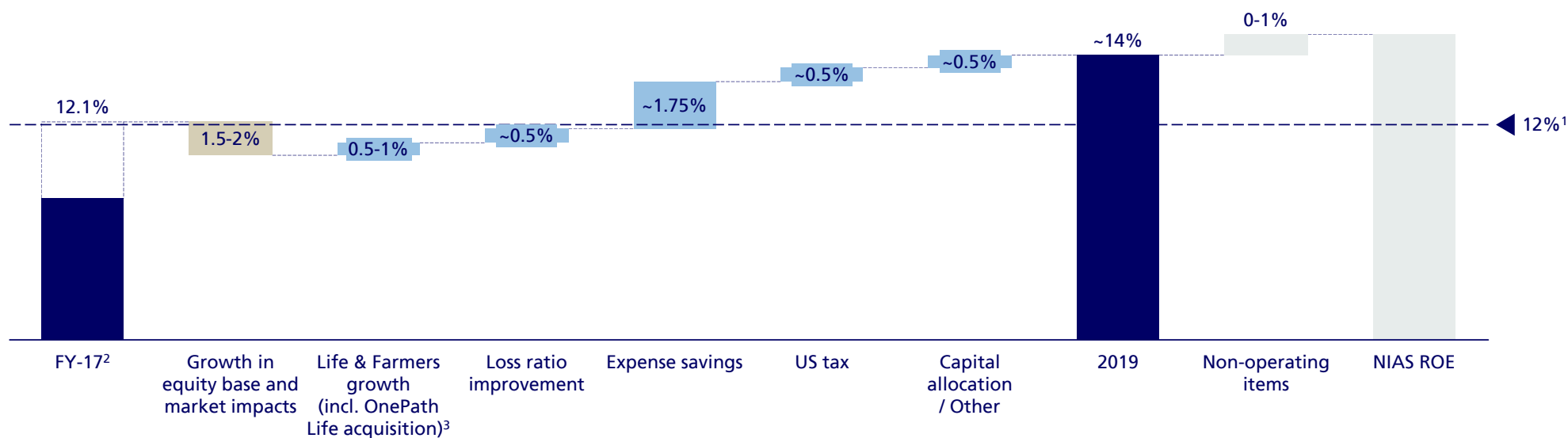
¹ Business Operating Profit after tax return on equity, excluding unrealized gains and losses. FY-17 adjusted for the impact of the hurricanes Harvey, Irma and Maria, charges related to the Group's restructuring recognized through BOP and the change to the UK capital gains tax indexation relief.

² Target unadjusted for OnePath Life acquisition which is expected to close in November 2018 (see news release of December 11, 2017).

Indicative ROE development enhanced by OnePath life acquisition, US tax reform and capital return



ILLUSTRATIVE BOPAT ROE DEVELOPMENT



¹ Target to be increased by ~50bps for OnePath Life acquisition which is expected to close in November 2018 (see news release of December 11, 2017).

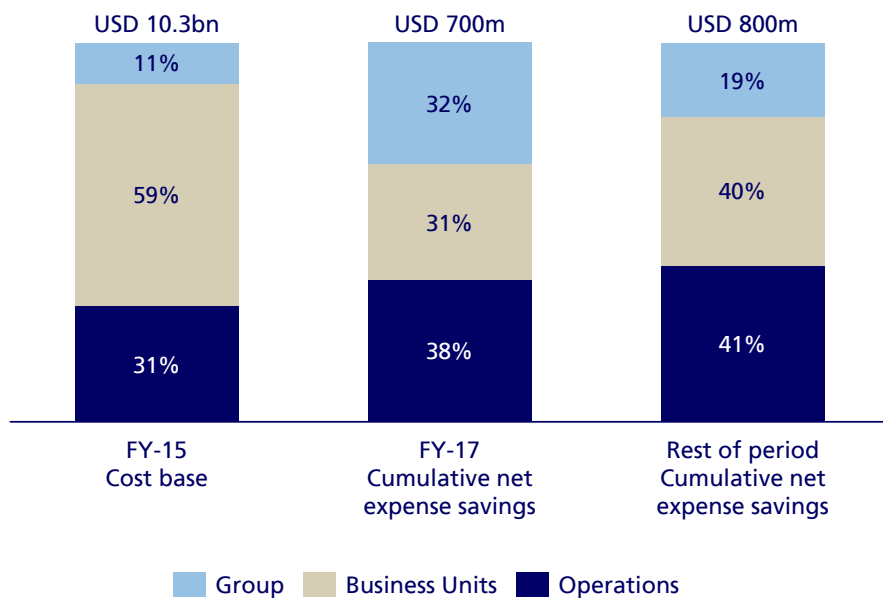
² FY-17 adjusted for the impact of the hurricanes Harvey, Irma and Maria, charges related to the Group's restructuring recognized through BOP and the change to the UK capital gains tax indexation relief.

³ Including expected impact of OnePath Life acquisition in Australia subject to regulatory approval.

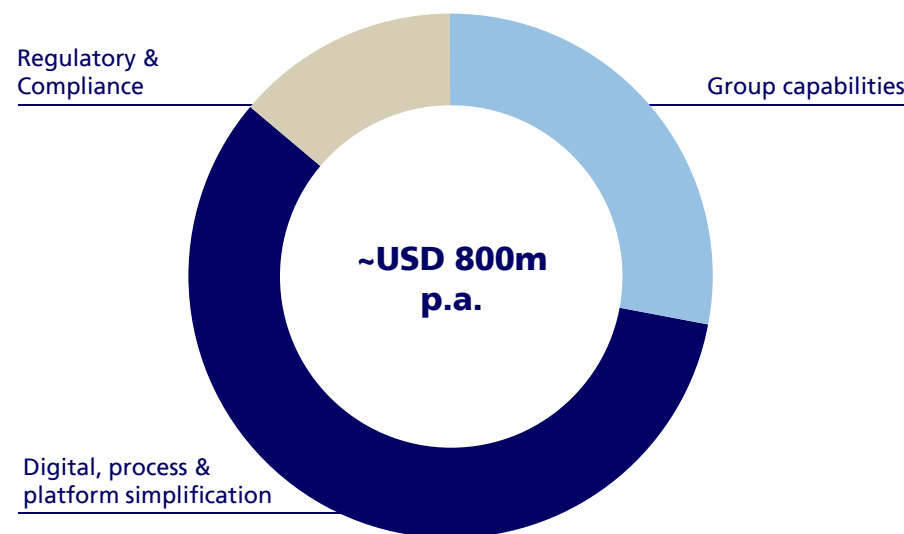
We are reducing costs while continuing to invest in capabilities



BREAKDOWN OF EXPENSE SAVINGS (%)



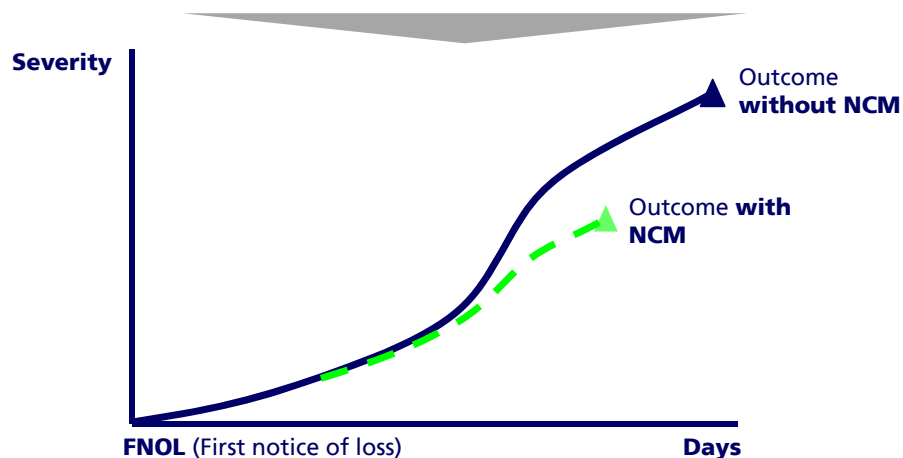
CAPABILITY INVESTMENTS



We are leveraging technology to further improve our underwriting performance and claims management

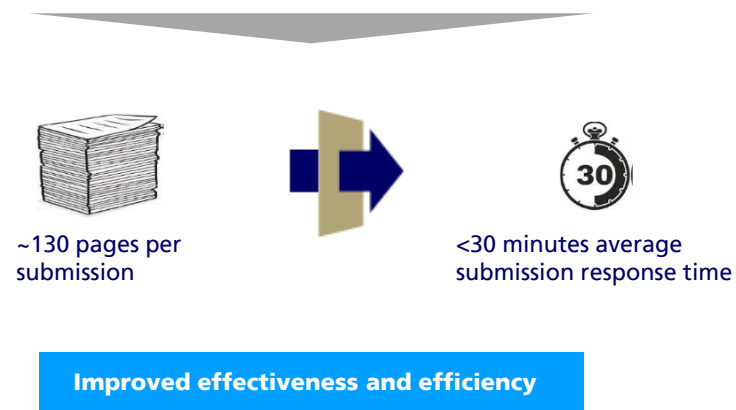
NURSE CASE MANAGER (NCM) MODEL

- NCM can be engaged to improve outcomes for workers, employers, and Zurich.
- Establish early referral model to NCMs to evaluate medical necessities, advise on mitigation, and optimize care plans.
- Model flags 2.5x more claims as early referral, reduces claim costs by 35%, and delivers resolutions for faster return to work authorizations.



NATURAL LANGUAGE PROCESSING (NLP)

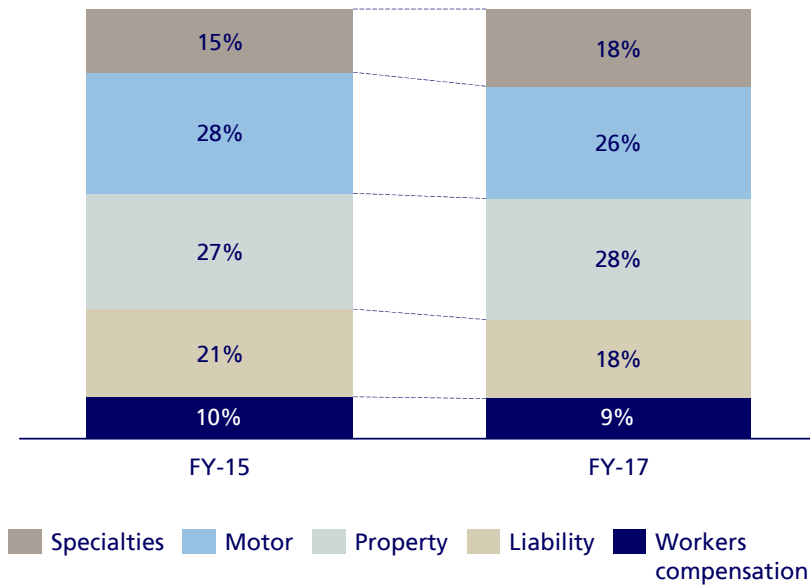
- NLP synthesizes claims demand packages for relevant information.
- NLP pilot in liability claims enabled effective review of demand package submissions.
- Building on the liability pilot, we have rolled out NLP capabilities to other areas (~37% of ZNA claims).



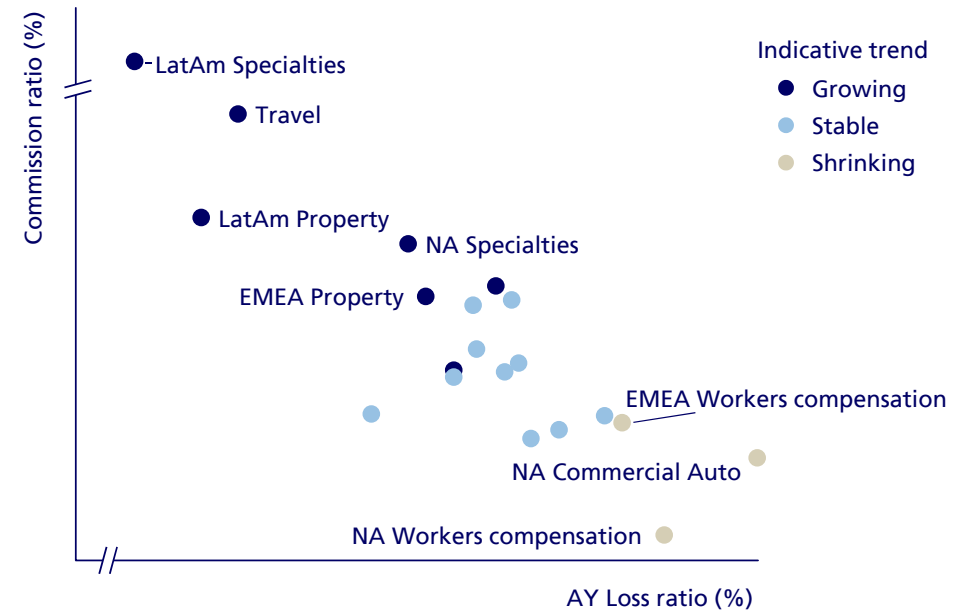
We are rebalancing our P&C portfolio to manage volatility and reduce long-term inflation risk



BUSINESS AND GEOGRAPHICAL MIX (% of NEP)



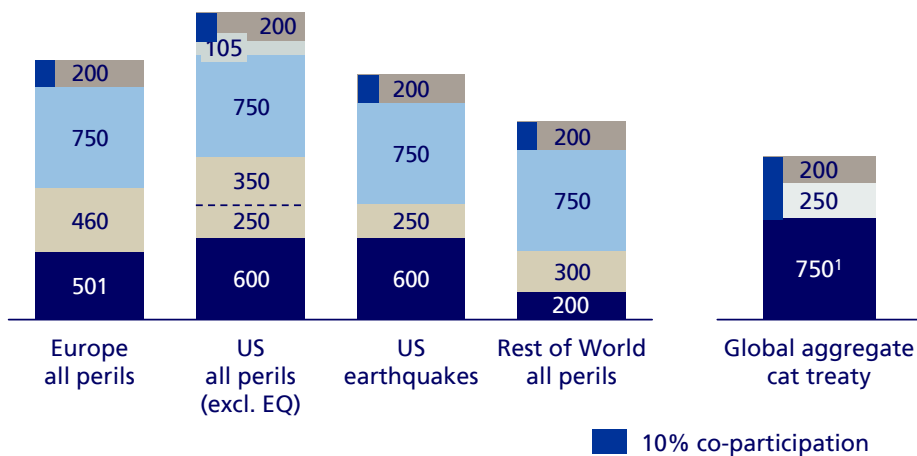
LOSS AND COMMISSION RATIO



We effectively reduced the Group's net retention and lowered large loss volatility

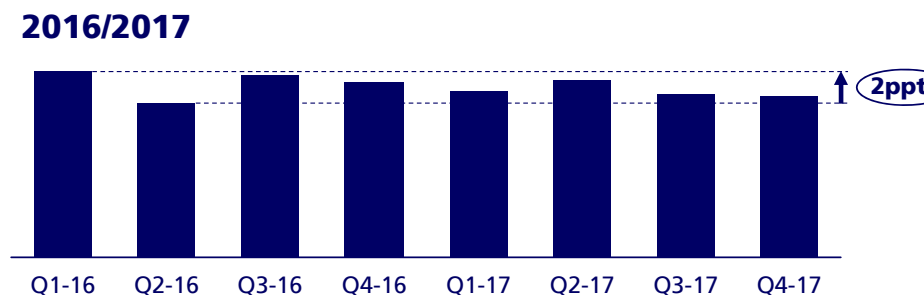
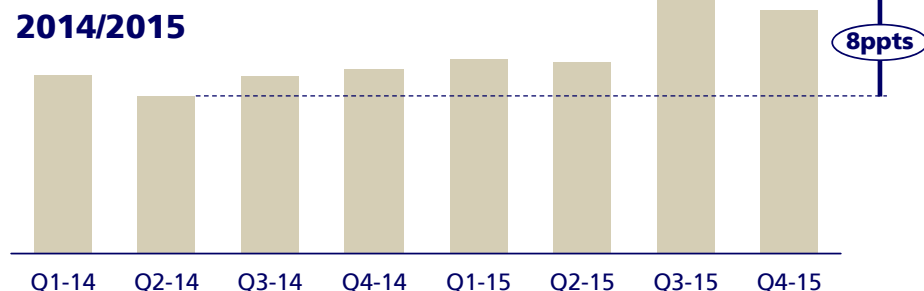


2017 GROUP CAT REINSURANCE PROTECTION (USDm)



Hurricane Harvey, Irma and Maria: Improved earnings by **USD 0.3bn** through reduction in attachment point vs 2015

LARGE LOSS VOLATILITY

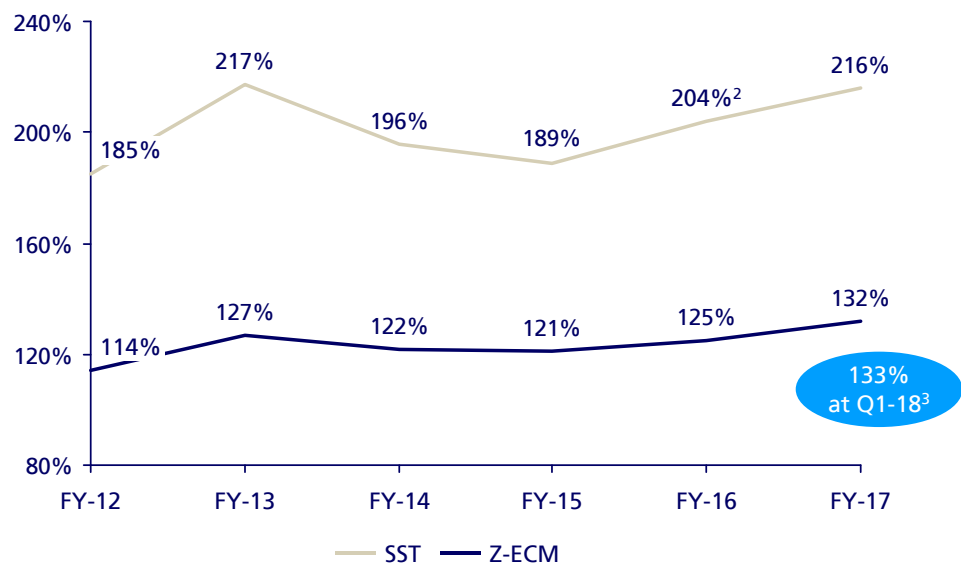


¹ Franchise deductible of USD 25m, i.e., losses greater than USD 25m count towards erosion of the retention (annual aggregate deductible).

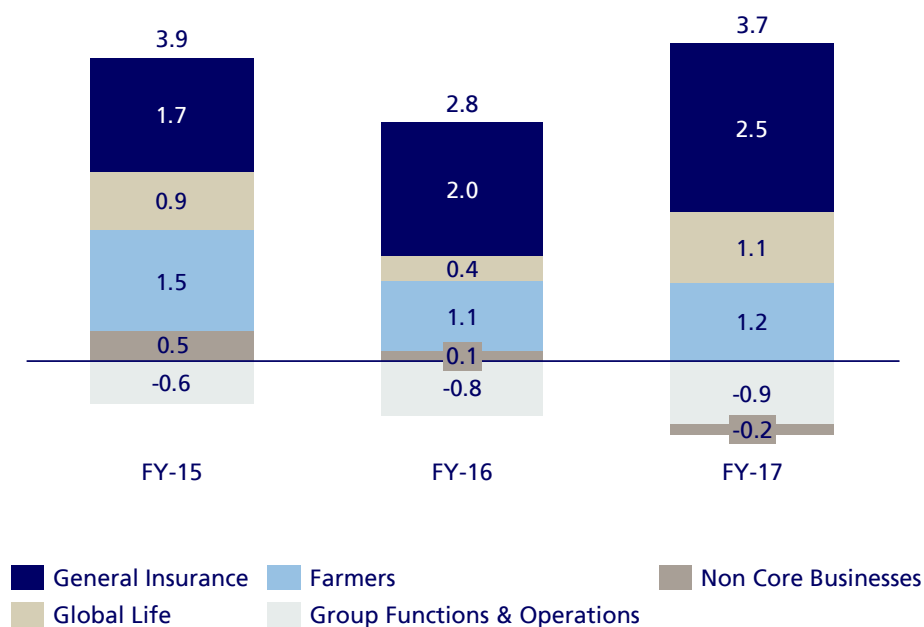
Very strong capital position and a high level of conversion of earnings to cash remittances supporting our attractive payout



Z-ECM AND SST RATIO¹ (%)



NET CASH REMITTANCES (USDbn)



¹ The Swiss Solvency Test (SST) ratio as of January 1, 2018 is calculated based on the Group's internal model, which is subject to the review and approval of the Group's regulator, the Swiss Financial Market Supervisory Authority (FINMA). The full year ratio is filed with FINMA and is subject to its approval.
² After restatement for model changes (FY-16 SST ratio of 227% before restatements).
³ Q1-18 Z-ECM reflects midpoint estimate with an error margin of +/- 5ppts.

Strengthened core businesses while extracting capital from non-core portfolios and returning ~USD 3.8bn to shareholders



MAIN RECENT DIVESTMENTS AND CAPITAL ACTIONS		MAIN RECENT ACQUISITIONS		Type of deal	Business	Strategic rationale		
						Skills	Distribution	Scale
2016	Sale of P&C business in Morocco	Lojas Romera	D.A. ²	P&C Retail - Warranty		✓		
	Sale of P&C business in South Africa	Fast Shop	D.A. ²	P&C Retail - Warranty		✓		
	Buy-back program for a variable annuity book	RCIS	M&A	P&C Retail & other - Crop			✓	
2017	Sale of P&C business in Middle East	MAA Takaful	M&A	Retail - Takaful	✓	✓		
	Sale of P&C business in Taiwan	Macquarie Life	M&A	Life Retail - Protection		✓		
	Reinsurance of a closed annuity book	Cover-More/ Halo	M&A	P&C Retail - Travel	✓			
	Reinsurance of an individual Life risk portfolio	Standard Chartered	D.A. ²	Life Retail		✓		
	Sale of workplace pensions and savings business	OnePath (ANZ Life)	M&A	Life Retail - Protection		✓		
Sale of a MedMal legacy portfolio	Bright Box	M&A	Connected cars	✓				
2018	Sale of a Singapore Life portfolio	QBE Latam	M&A	P&C			✓	
	Sale of Endsleigh	Travel Ace/ Universal Travel	M&A	P&C Retail - Travel			✓	
	Sale of NSW CTP ¹ run-off	EuroAmerica	M&A/P.T. ³	Life Retail			✓	

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¹ New South Wales Compulsory Third Party.
² Distribution agreement.
³ Portfolio transfer.

Our proposition to investors

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

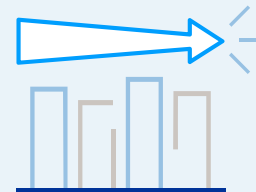
A balanced and diverse global business



Industry leading capital levels



Stable, consistent and conservatively managed balance sheet



Consistent growth with scope to enhance returns through capital re-deployment



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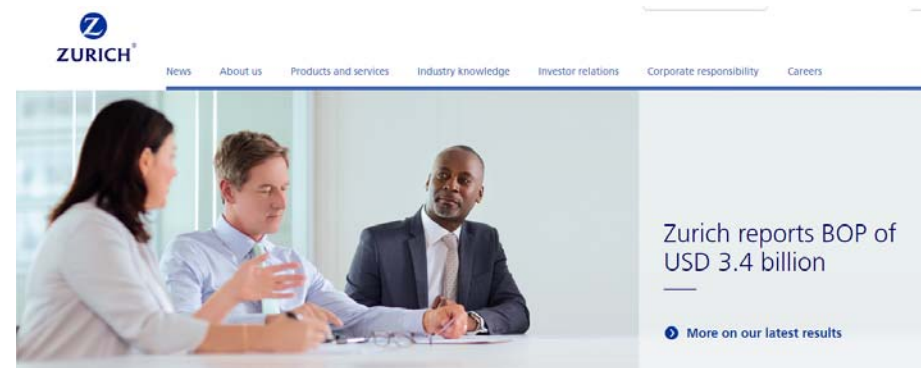
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- June 6, 2018, Goldman Sachs 22nd Annual European Financial Conference, Frankfurt
- August 9, 2018, Half year results 2018
- September 6-7, 2018, UBS Best of Switzerland Conference 2018, Opfikon-Glattbrugg
- September 25-26, 2018, Bank of America Merrill Lynch Conference 2018, London
- November 8, Update for the nine months ended September 30, 2018
- December 5, 2018, Investor Day 2018

