

Check against delivery.



Annual General Meeting – Wednesday, April 3, 2019
Speech by Mario Greco, Group Chief Executive Officer

Ladies and Gentlemen, good afternoon.

Welcome to Zurich's 2019 Annual General Meeting. Thank you for joining us today.

As you heard from the Chairman, we performed pretty well in 2018 and we are now in a strong position.

First of all, we are proud to be a Swiss company with a global footprint:

- We have over 200 locations and agencies in Switzerland.
- Every year, we do business with over 5,600 Swiss suppliers. We purchase 850 million Swiss Francs of goods and services from them.
- And we employ over 6,500 people here – directly and indirectly – including our agency workforce.
- We serve 1.4 million Swiss customers who trust us to protect them every day.

And most importantly, we bring value to people's lives.

As an example, I'd like to introduce you to Vito. Vito is a Zurich Switzerland customer who had a very specific need. When we met his expectations, we made a unique impact on him.

Actually, I think Vito is here. Vito, can you stand up please?

Thank you Vito for your amazing gesture and being with us today.



Ladies and Gentlemen, for the rest of my remarks, I want to give you some insights into how and why we are making progress.

Let me start with our financial performance.

We are on track to achieving – and in some cases exceeding – all of our three year financial targets for 2017-2019.

- We are ahead of our targeted 12% BOPAT ROE.
- We are on schedule for net expense savings of 1.5 billion US dollars.
- We have a strong capital position, above our Z-ECM target range of 100 to 120%.
- And we have deep liquidity, on track to exceed our cash remittance targets in excess of 9.5 billion US dollars over the period.

2018 was not an easy year. There were many natural catastrophes and a difficult financial market environment. To continue meeting our targets, we had to draw fully on the resilience, the technical excellence and the capabilities for which Zurich is known.

- Our Property & Casualty business improved its combined ratio. And increased profitability by 35 percent, ahead of many of our peers.
- Our Life business achieved a 23 percent increase in profitability.
- The Farmers Exchanges, which are owned by their policyholders, grew all their business lines.
- And these excellent performances drove a 20 percent increase in Business Operating Profit to 4.6 billion US dollars.

With this performance, Ladies and Gentlemen, Zurich is able to deliver even better returns for you – our shareholders. Strong results, and confidence they will be sustained, means we are recommending a 19 Swiss franc dividend.



That means Zurich delivers one of the highest dividends – in our industry and amongst Swiss companies.

It also means Zurich has one of the highest Total Shareholder Returns amongst our industry peers. In fact, it was 80 percent since March 2016.

Finally, robust returns and strong investor confidence meant that this year we became the most valuable Swiss financial firm by market capitalization.

Ladies and Gentlemen, what's driving this strong financial performance is a deeper progress. A greater understanding of what our customers expect from us. And anticipating those expectations in new and engaging ways.

The first step we took was to measure customer satisfaction, and improve by listening.

We have introduced Net Promoter Scores across the organization. This lets us learn from millions of customer interactions. To reinforce this, we call the customers back to 'close the loop'. All employees are taking part – even up to Executive levels.

Listening and acting on concerns helps us to understand the drastic changes in the opportunities and wishes of our customers:

- Customers are using technology to take control of the relationship with insurers. This is changing the nature of our industry.
- Customers are simplifying their lives through ecosystems – networks of companies, goods and services with shared values and qualities.
- Their purchasing decisions increasingly come down to trust, experience and value.

Ladies and Gentlemen, we are transforming Zurich to meet these needs and expectations.

This transformation builds on our strength as a uniquely global insurer. We understand the complex and diverse nature of globalization, and manage it like no other in our industry.



On one hand, we are achieving targeted growth and scale in selected markets. We use our reach as a global insurer but act as a local company. We speak the local language and provide customers with channels they know.

Take Indonesia. We recently announced the acquisition of a major national insurer, Adira. We also entered into a distribution agreement with Bank Danamon. This makes Zurich the largest foreign P&C insurer in one of the fastest growing countries in the world. It combines well established Indonesian brands with Zurich's international expertise, underwriting and risk management service capabilities.

In the US, Farmers Exchanges serve customers in all 50 states. In many ways, they capture what we're striving towards:

- They have transformed from insuring farmers' vehicles 90 years ago. They now serve more than 10 million US households with more than 19 million policies.
- They have a deep connection to customers. Customers trust that they will deliver for them, even in disasters like last year's Californian wildfires.
- And they constantly innovate to better serve customers. They recently launched Toggle. This is an online insurance for renters. It uses technology to adapt and evolve as the customer's life changes.

Ladies and Gentlemen, at the same time as building local scale, Zurich is expanding our global service offerings in key ecosystems.

Take travel services. We all travel and need this kind of help. We essentially globalized our Cover-More travel assistance business. And we are delivering services in other ecosystems too: like smart homes, mobility and cybersecurity.

This combination of local scale and global services provides Zurich with agility. And that is how we are providing value to people.



Ladies and Gentlemen, we are progressing steadily and confidently.

But to continue to succeed, we must maintain the focus on two further areas: our employees and our sustainability.

First our people, our employees.

Their commitment is remarkable and they often go to extremes for customers. Like the underwriter driving 200 kilometers to a construction site in the Arctic Circle. The North American Risk Engineer who climbs into industrial boilers to check they are safe. Or the claims adjuster in Mexico who rides her Zurich motorbike through hazardous conditions to help customers in motor accidents.

And now, our people have a renewed sense of purpose. One that's more agile, collaborative and proactive.

An example is our flagship employee initiative – Make the Difference. Here, some of Zurich's brightest talents are creating new value for colleagues and customers alike.

We need our employees' talent, skills and engagement. That's why we're building a culture which attracts, retains and develops them.

On Diversity and Inclusion, I'm very pleased to see external benchmarks from organizations like Bloomberg, Forbes, Stonewall and EDGE recognize Zurich. We are growing in status as an employer of choice.

And Ladies and Gentlemen, across the organization, we are instilling a shared, dynamic approach to leadership. One that will help us navigate today's fast-changing world and deliver consistent and uniform levels of customer service.

Ladies and Gentlemen, our performance is delivering sustained value for you – our shareholders.

But to truly live the meaning of 'sustainability' in today's world, we must also create value for all our stakeholders.



That means helping customers, employees and our communities address some of their deepest challenges.

Challenges like the future of work. Technology is bringing changes. We can't promise a 'job for life' to all our employees. But we can help them to build the skills to face their future with confidence.

This commitment extends to Swiss society. In 2018:

- We educated children on computer coding and financial literacy.
- We provided more than 250 apprentices with a step on the career ladder.
- We worked with students at institutions like ETH and the University of Zurich, challenging them to help us solve real-world insurance issues.
- And all over the world, we supported communities to access skills through our Z Zurich Foundation.

Taken together, this focus will help businesses of all sizes secure the digital skills they need.

Another focus is climate change. Again, Zurich wants to create value for all our stakeholders:

- We are working with customers to build their resilience. And to facilitate their transition to the low carbon economy.
- Our impact investments aim to avoid 5 million tons of CO2 and improve the lives of 5 million people each year.
- Our award-winning Flood Resilience Alliance has recently been renewed. It supports 110 low income communities around the world.
- And our new offices in Zurich are being built to the leading environmental standards, supporting the City's '2000 Watt Society' goals.

Our children and grandchildren expect us to better protect them against these challenges. They are marching in their hundreds of thousands with remarkable young leaders like Greta Thunberg. We must listen and respond to their voices with real urgency. This is not just the responsibility of political leaders. Businesses must also find solutions – individually and with others.

For Zurich, we must reimagine how we can make a difference to people – as a risk carrier, a risk advisor, an investor and an employer.

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Concluding remarks

In closing, Ladies and Gentlemen, I believe this company has made fundamental progress. We should all be proud of this.

- We are delivering strong, sustainable financial performance.
- We have made significant steps in Zurich's customer-led transformation.
- We are driven by the commitment and talent of our people.
- We are strengthening our value to society – in Switzerland and beyond.
- And we are continuing to justify your faith, your confidence and your trust in us.

Thank you very much and I look forward to what we will achieve in 2019 and beyond.