

Zurich to achieve market leadership in Argentina through acquiring QBE operations in Latin America

Investor presentation
February 25, 2018

Zurich Insurance Group



Unique opportunity to achieve leadership in Argentina on attractive financial terms

Leadership in Argentina

- Transaction creates the leading insurer¹ in the profitable and growing Argentine market
- Zurich to become #3 in P&C and #1¹ overall with ~8% market share
- Acquired business complements existing operations and brings additional capabilities particularly in SME commercial and retail as well as incremental distribution

Regional presence strengthened

- Further strengthens the Group's overall position in Latin America
- Significant geographical overlap with Zurich's key countries providing scope for synergies
- A leading position (#3) in Ecuador with ~9% market share in P&C
- Incremental scale, capabilities and access to distribution in Brazil, Colombia and Mexico

Attractive financials

- Highly attractive financial profile with sizeable synergies
- Aggregate consideration of USD 409m² expected to be financed from internal resources
- ROI expected to comfortably exceed Group's 10% hurdle rate within first full year³

¹ Based on data from the Superintendencia de Seguros de la Nación.

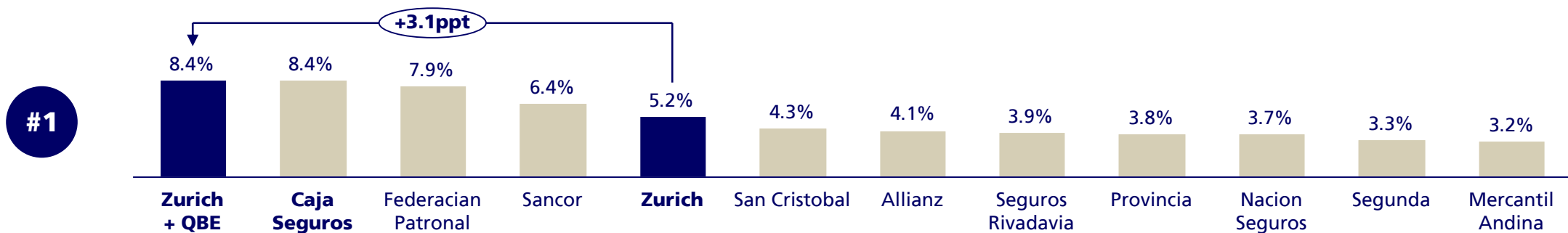
² Subject to closing adjustments.

³ Completion expected by year end 2018.

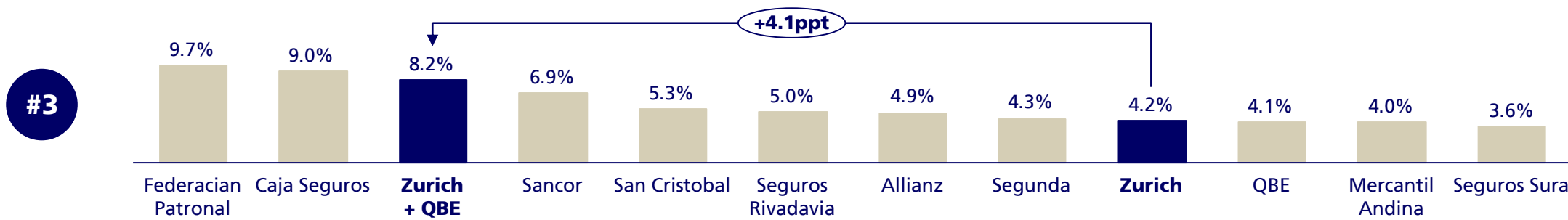
Leading position in Argentina overall and in P&C



P&C AND LIFE COMBINED MARKET SHARES (%)¹








P&C MARKET SHARES (%)¹



¹ Source: Superintendencia de Seguros de la Nación, 12m closing in June 2017. Data excludes workers compensation business not reported within the figures. Data for Zurich includes Zurich Santander.

Strengthening of other Latin American operations and opportunities to deliver additional scale efficiency

DEAL PERIMETER

Country		QBE P&C GWP ¹ (USDm)	Zurich P&C GWP ¹ (USDm)	Comment
Argentina		394	419	Market leadership achieved giving significant scale efficiencies. Strengthened product and distribution particularly in mid-market commercial and direct.
Brazil		113	1,203	Incremental distribution through affinities and partnerships. Some re-underwriting of acquired portfolio expected.
Colombia		119	24	Increased overall scale, re-underwriting of acquired portfolio expected to reduce volumes of acquired business.
Ecuador		108	-	Entrance into the Ecuador market with a leading position, #3 in P&C.
Mexico		56	650	QBE business/capabilities in commercial to be integrated into Zurich, re-underwriting of acquired portfolio expected to reduce volume.

¹ FY-17 GWP.

Zurich becomes the 4th largest insurance company in Latin America with ~4.6%¹ market share

LATAM MARKET 2016¹



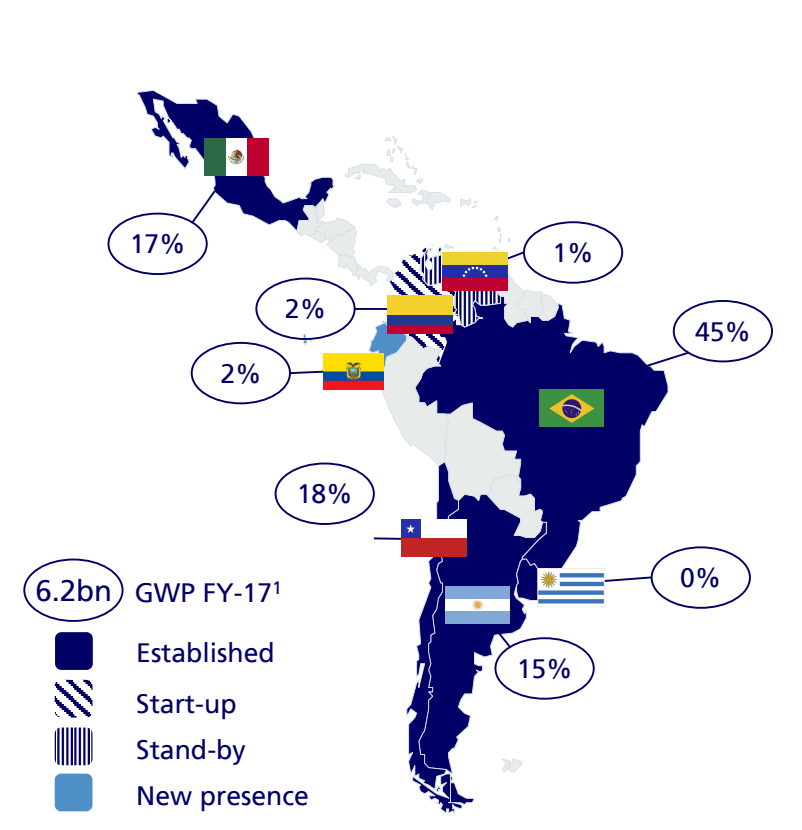
- Latin America insurance market wrote USD 145bn in premiums in 2016, 1.2% higher than previous year
- ~55% of total premiums are P&C while ~45% are Life
- No international competitor leads in Latin America
- Low market concentration with the top 25 insurance groups representing 63.7% of the total market
- There has been little consolidation in the industry recently
- Top 5 insurance companies have presence in Brazil, which represents 50% of Latin America market

Source: Local regulator statistics, using 2016 average FX; Zurich data includes Zurich Santander JV at 100%.

¹ Pro-forma for the acquisition of the QBE operations in Argentina, Ecuador, Brazil, Colombia and Mexico.

Our broad but focused footprint provides a balanced portfolio of countries at different levels of maturity

PRO-FORMA FOOTPRINT



ZURICH MARKET POSITION AND COUNTRIES HIGHLIGHTS

BRAZIL #4		Bank distribution served through Zurich Santander JV Focus on achieving cost efficiencies to fund growth
MEXICO #10		Expansion through agent network and bank distribution through Zurich Santander JV Strong focus on Commercial Insurance mid and large segments
CHILE #4		Strong Life portfolio with solid and consistent profits Mix of distinct customer segments, products and dedicated distribution channels
ARGENTINA #1		Leading overall insurer with strong life portfolio with solid and consistent profitability, scaled P&C business with broad product offering and strong access to distribution
VENEZUELA #12		Integrated with Colombia with a unified CEO Continue serving our Commercial accounts with a downsized organization
URUGUAY #8		Customer served through Zurich Santander JV Growth fueled by sales network expansion and mobile apps for sales executives
COLOMBIA #25		Greenfield operation both nimble and efficient Grow via Commercial and Affinities given profitability and market opportunity
ECUADOR #3		New market for the group, balanced book of motor and non-motor

¹ USD; P&C and Life combined, including Zurich Santander JV. Pro-forma for the acquisition of QBE operations in Argentina, Ecuador, Brazil, Colombia and Mexico.

For further information



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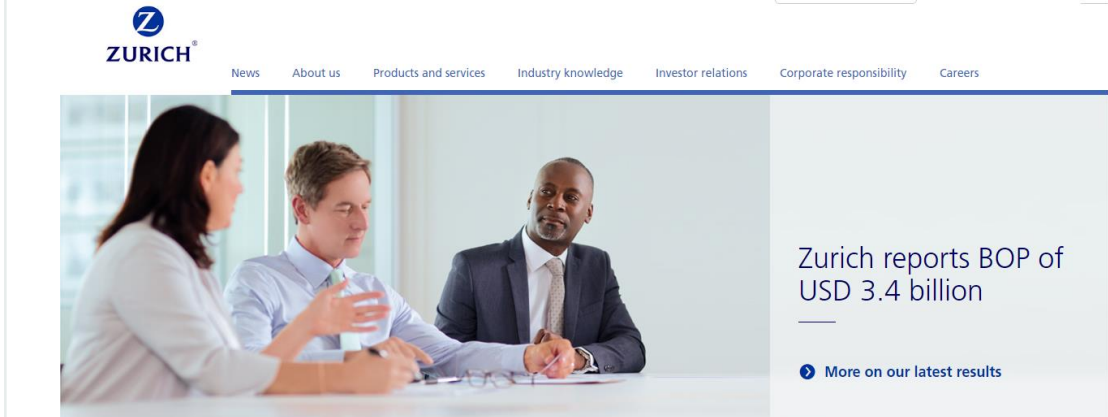
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- March 20-21, 2018, Morgan Stanley European Financials Conference 2018, London
- April 4, 2018, Annual General Meeting 2018
- April 9-10, 2018, HSBC West Coast Financials Conference 2018, San Francisco
- May 9, 2018, Interim Management Statement for the three months ended March 31, 2018
- May 29-30, 2018, DB Global Financials Conference 2018, New York
- June 8, 2018, Goldman Sachs 21st Annual European Financial Conference, Frankfurt
- August 9, 2018, Half year results 2018

