



Investors' intro pack 2020

September 2020



Content



MAIN SECTIONS

(use symbols to navigate through the document)

-  Group overview, strategy and financial targets
-  Property & Casualty (P&C)
-  Life
-  Farmers
-  Investment and capital management
-  Sustainability

OTHER IMPORTANT INFORMATION

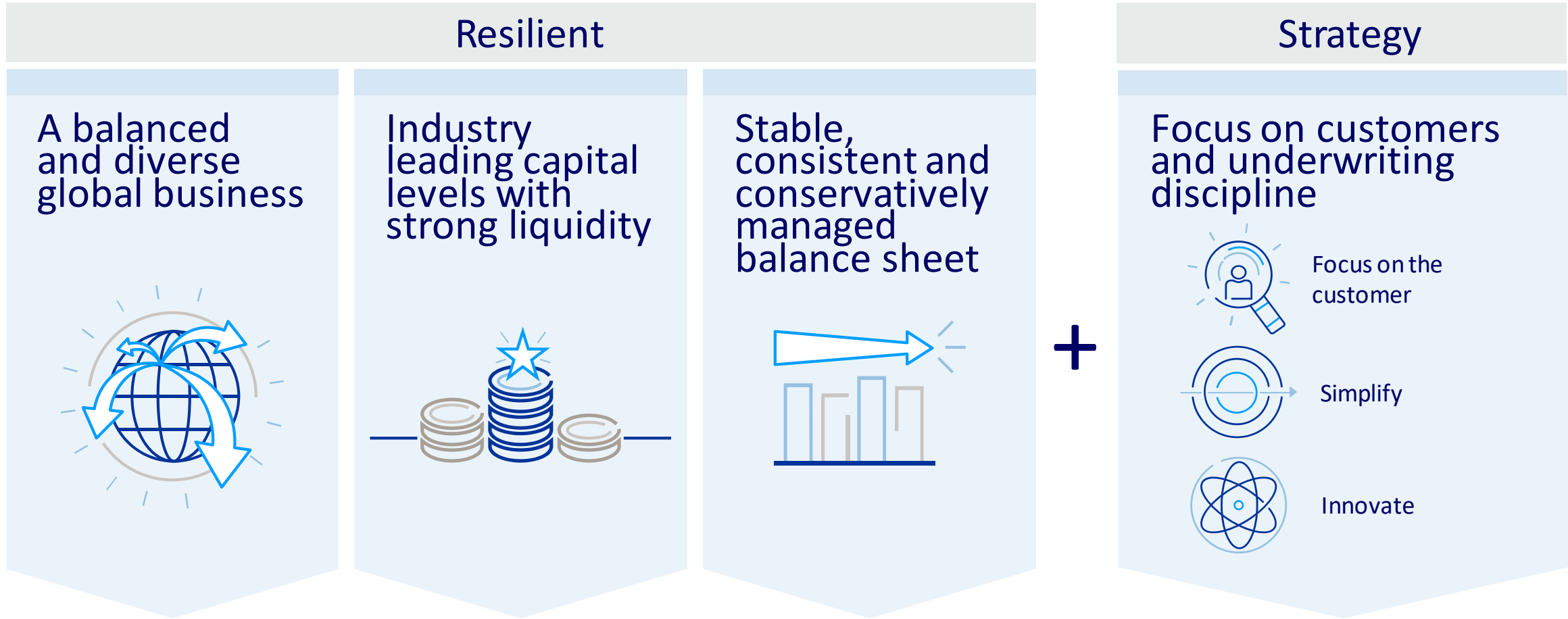
(use symbols to navigate through the document)

-  Disclaimer
-  Contacts

Other symbols

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Our proposition to investors

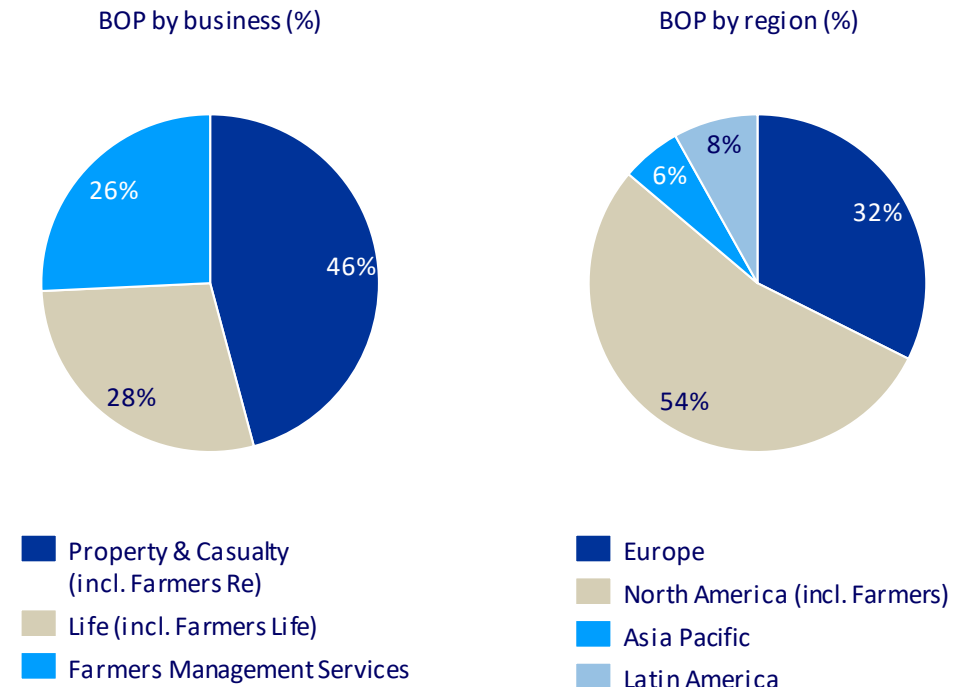


A truly global and highly diversified group

KEY FACTS¹

USD 52bn	Total revenues (excl. result on ULI investments)
USD 205bn	Total group investments (economic view)
USD 5.3bn	Business operating profit (BOP)
USD 4.1bn	Net income attributable to shareholders (NIAS)
222%	SST regulatory solvency ratio ²
129%	Zurich Economic Capital (Z-ECM) ratio
USD 35bn	Shareholders' equity
CHF 59bn	Market cap

A BALANCED GLOBAL BUSINESS³



¹ Values are for the full year 2019 unless otherwise noted. Investments, solvency ratios, shareholders' equity and market cap are as of December 31, 2019.

² The Swiss Solvency Test (SST) ratio as of January 1, 2020 has been calculated based on the Group's internal model, as agreed with FINMA. The full year ratio has to be filed with FINMA by end of April of each year and is subject to review by FINMA. Going forward the Group will apply standard yield curves as allowed by FINMA for the calculation of the SST.

³ Adjusted average BOP for FY-16 to FY-19. BOP split by business excludes Group Functions & Operations and Non-Core Businesses. BOP split by region excludes additionally Group Reinsurance.



Genuinely global franchise with distinct capabilities

Top 3
Global commercial insurer¹

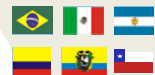
NORTH AMERICA

 #4 in commercial insurance
#2 in crop insurance



#7 in US personal lines
through Farmers Exchanges²

LATIN AMERICA



#3 insurance company overall

EMEA



#4 insurance company overall

ASIA PACIFIC



#5 in P&C, #3 in life



#9 in P&C



#11 in P&C, #9 in life



#5 in P&C³



#3 in P&C

#2 global travel insurer

Source: Axco, Company reports and presentations, local statistics (2019 or most recent available), Dowling & Partners, SNL Financial, Strategic Insight, Zurich internal data.

¹ Based on FY-19 NEP. Data includes only primary insurance and is on a more comparable basis. Zurich includes alternative markets in North America and municipal business in the UK and excludes SMEs.

² For all references to Farmers Exchanges see the disclaimer and cautionary statement.

³ Pro-forma for the acquisition of Adira Insurance, based on FY-18 data.

Strong capital position and cash generation



VERY STRONG FINANCIAL STRENGTH



AA- (very strong) / outlook 'positive'

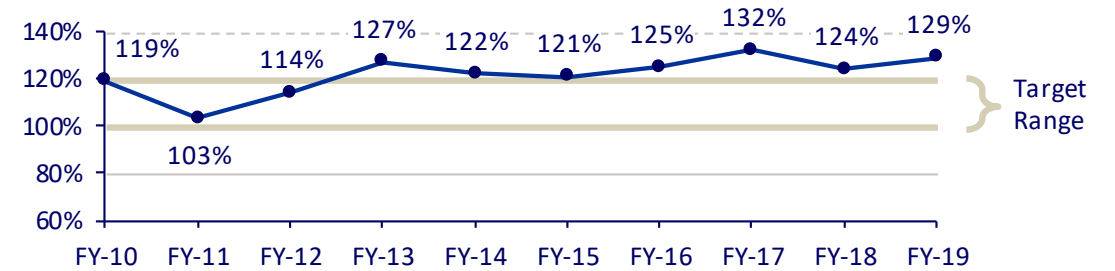


Aa3 (excellent) / outlook 'stable'

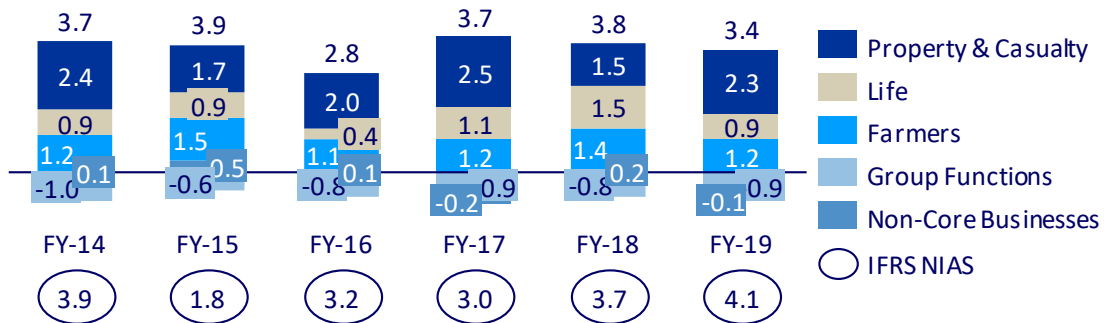


A+ (superior) / outlook 'stable'

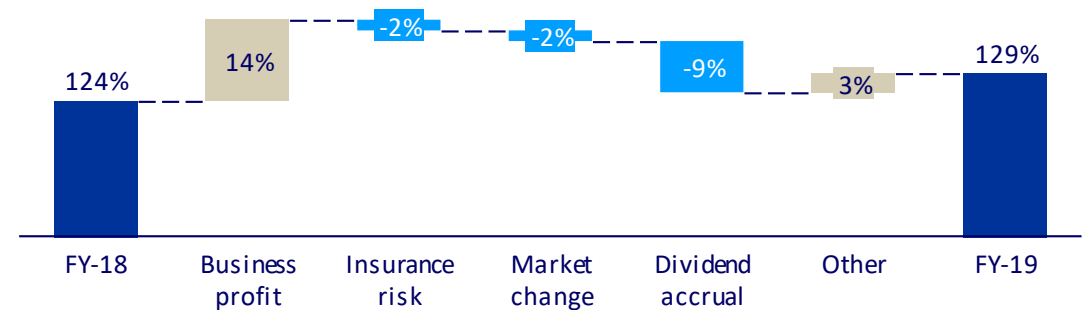
STRONG CAPITAL POSITION, Z-ECM (%)



HIGHLY CASH GENERATIVE, CASH REMITTANCE (USDbn)



Z-ECM RATIO DEVELOPMENT (%)



Our strategy and flexible operating model position us to take advantage of industry change

EXTERNAL ENVIRONMENT



Customer revolution



Geopolitical and economic uncertainty



Innovation and technology



Regulation

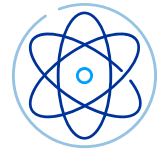
OUR STRATEGY



Focus on the customer

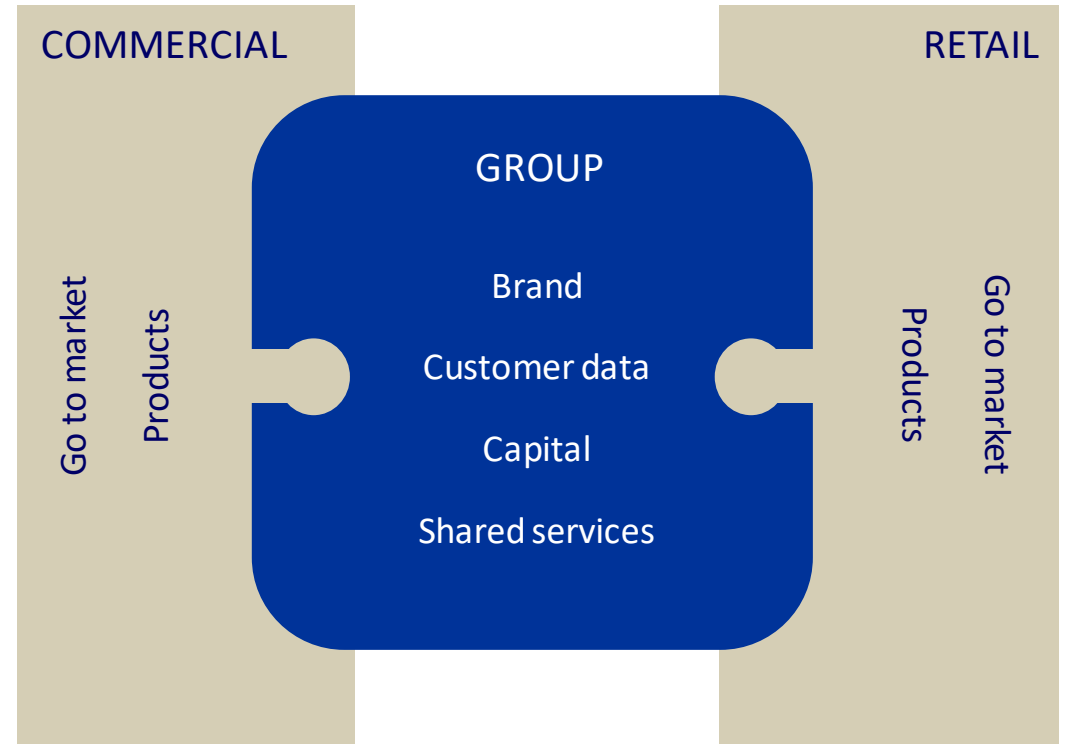


Simplify



Innovate

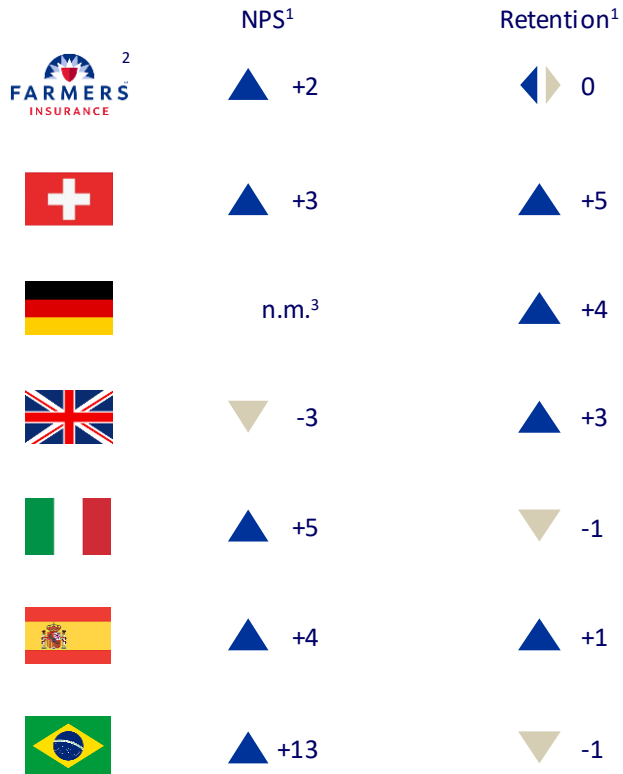
OUR OPERATING MODEL



Continued execution on all strategic priorities



STRENGTHENED CUSTOMER FOCUS



NEW DISTRIBUTION PARTNERSHIPS



REALLOCATION OF CAPITAL



INNOVATIVE PROPOSITIONS



SUPPORTING A BETTER SOCIETY



¹ FY-19 vs FY-18.
² For all references to Farmers Exchanges see the disclaimer and cautionary statement.
³ Comparison not meaningful as the program was partially suspended in 2018.



Simple execution, higher ambition

2016 – 2019 ACHIEVEMENTS

SIMPLIFIED AND FLEXIBLE ORGANIZATION

- ✓ Delayed structure
- ✓ Simplified IT landscape
- ✓ Simplified products and services

IMPROVED EFFICIENCY

- ✓ Over-delivered on USD 1.5bn savings program
- ✓ Reduced corporate center expenses

STRENGTHENED BUSINESS AND CULTURE

- ✓ Strengthened position of our key countries
- ✓ Improved the Commercial profitability
- ✓ Built culture of customer focus and innovation
- ✓ Reinvigorated growth with low earnings volatility

2020 – 2022 AMBITION

BOPAT ROE¹

>14%



Cumulative cash remittances

USD >11.5bn



Z-ECM

100-120%

Earnings per share growth²

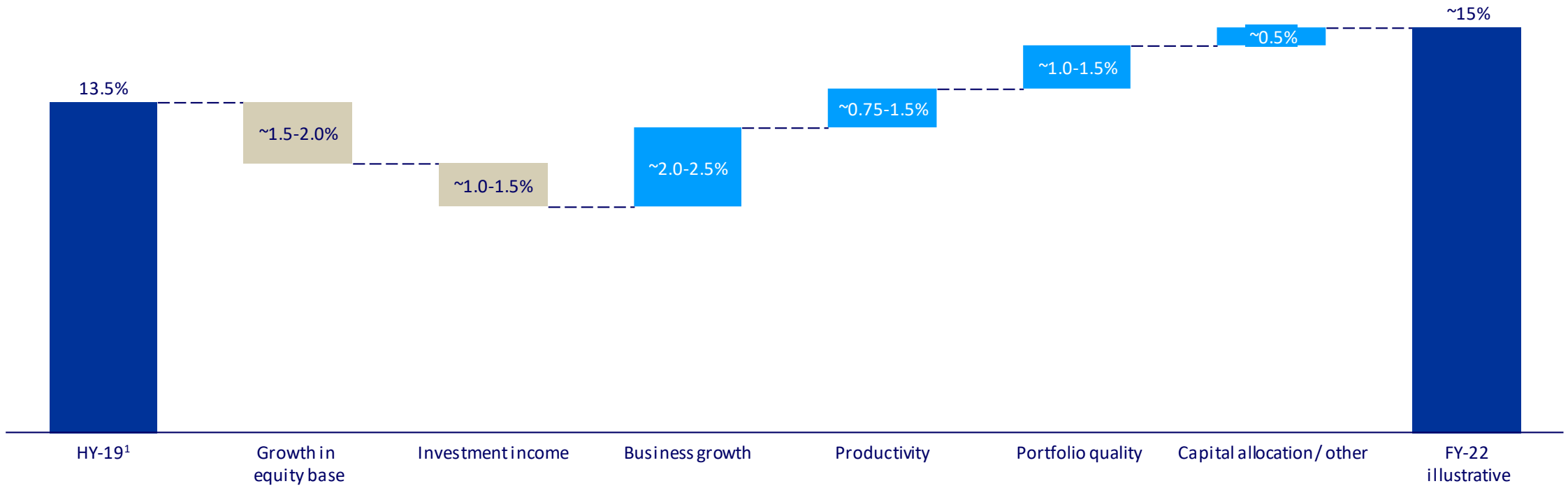
>5% p.a.

¹ Business Operating Profit after tax return on equity, excluding unrealized gains and losses.

² Before capital deployment.

We will use all levers to drive further ROE expansion

ILLUSTRATIVE BOPAT ROE DEVELOPMENT (%)



¹ HY-19 adjusted for timing of dividend payment and normalization of natural catastrophe losses and hedge fund performance.



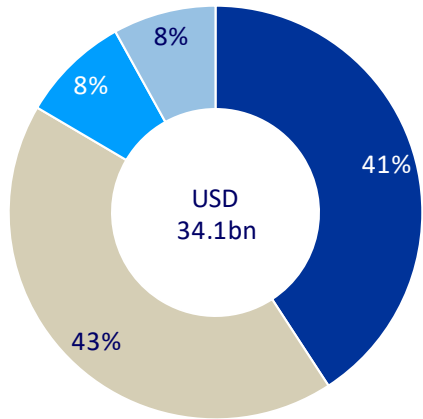
Property & Casualty



Leading commercial insurer, and one of the few genuinely global players

FOOTPRINT

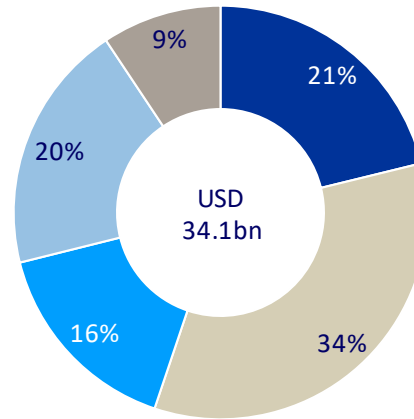
FY-19 Gross written premiums by region (%)¹



- EMEA
- APAC
- North America
- Latin America

BUSINESS MIX

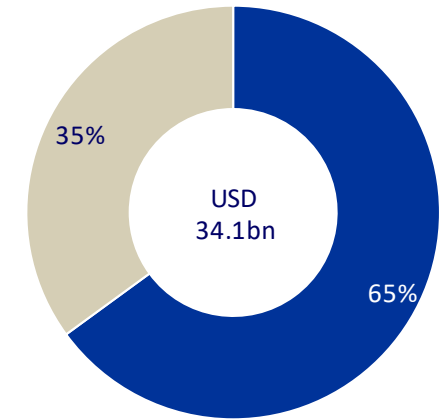
FY-19 Gross written premiums by line of business (%)



- Motor
- Liability
- Worker Injury
- Special lines

CUSTOMER UNITS

FY-19 Gross written premiums by customer unit (%)¹

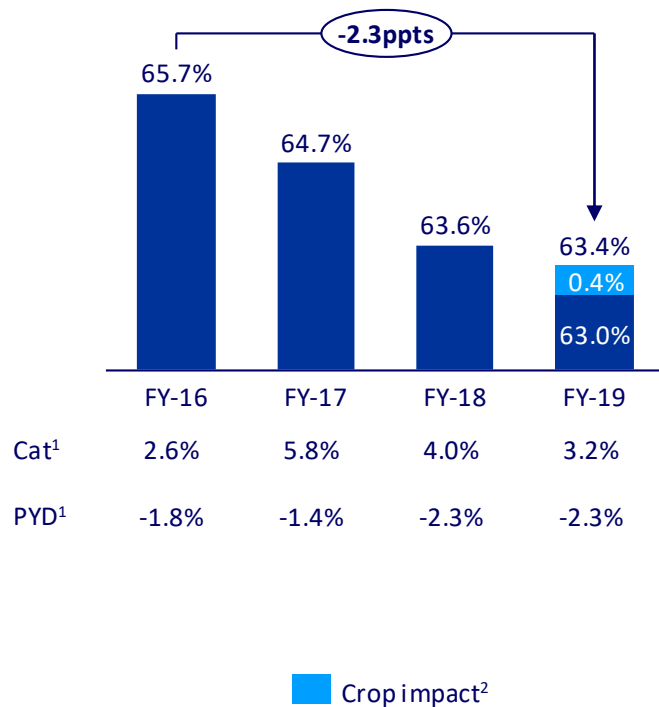


- Commercial insurance
- Retail and other insurance

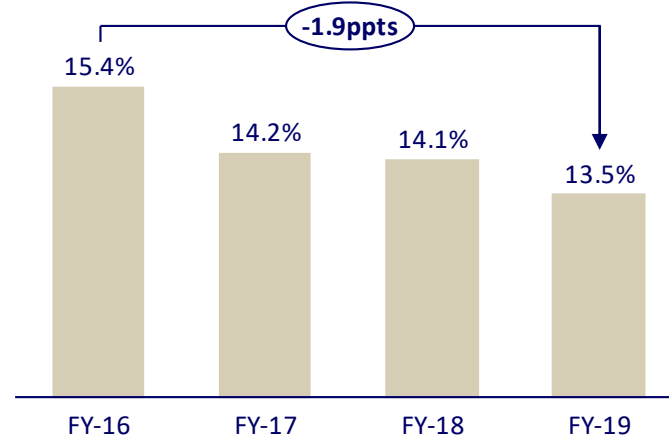
¹ The split excludes Group Reinsurance and EI iminations.

We show continuous improvement in the P&C combined ratio

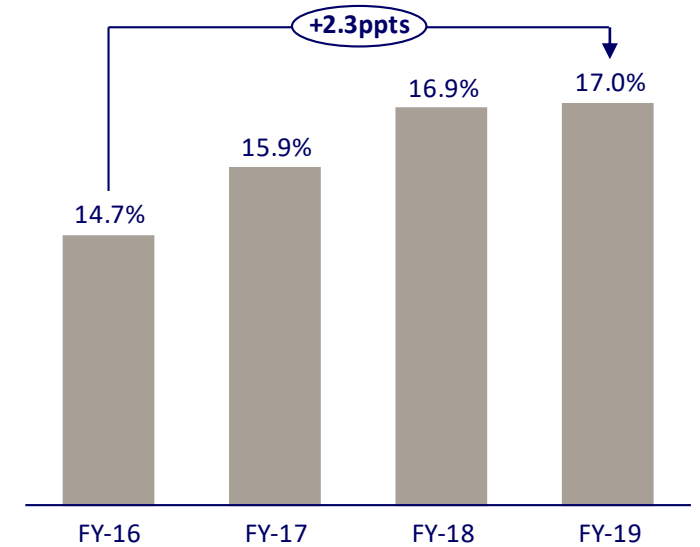
AY LOSS RATIO EXCLUDING CATASTROPHES (%)¹



OTHER UNDERWRITING EXPENSE (OUE) RATIO (%)²



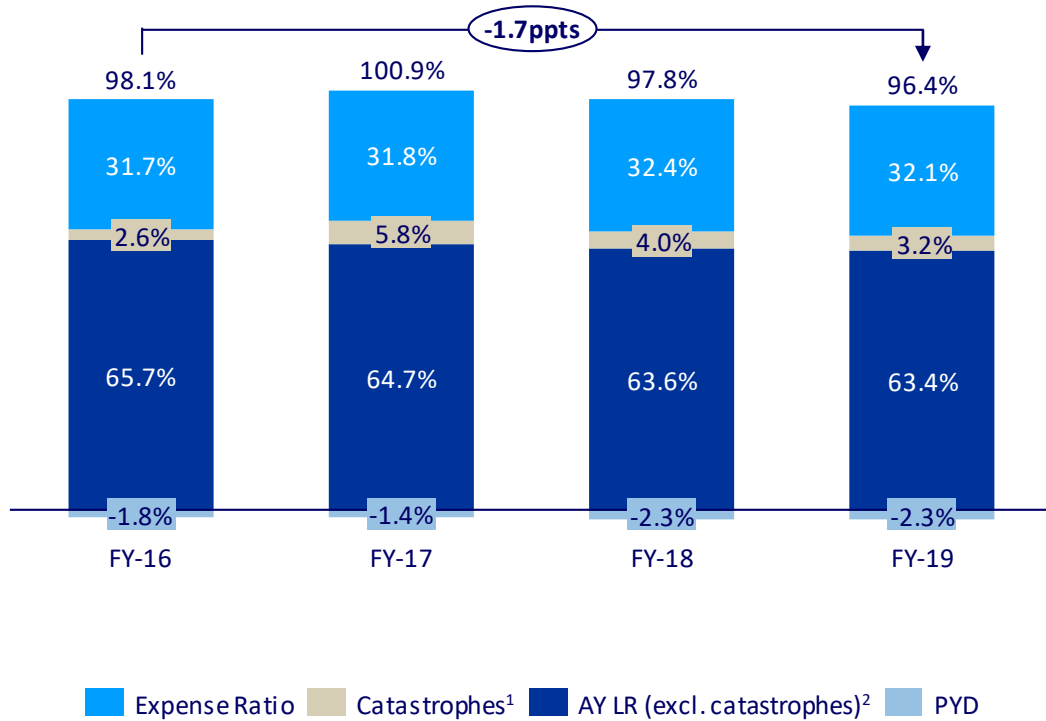
COMMISSION RATIO (%)²



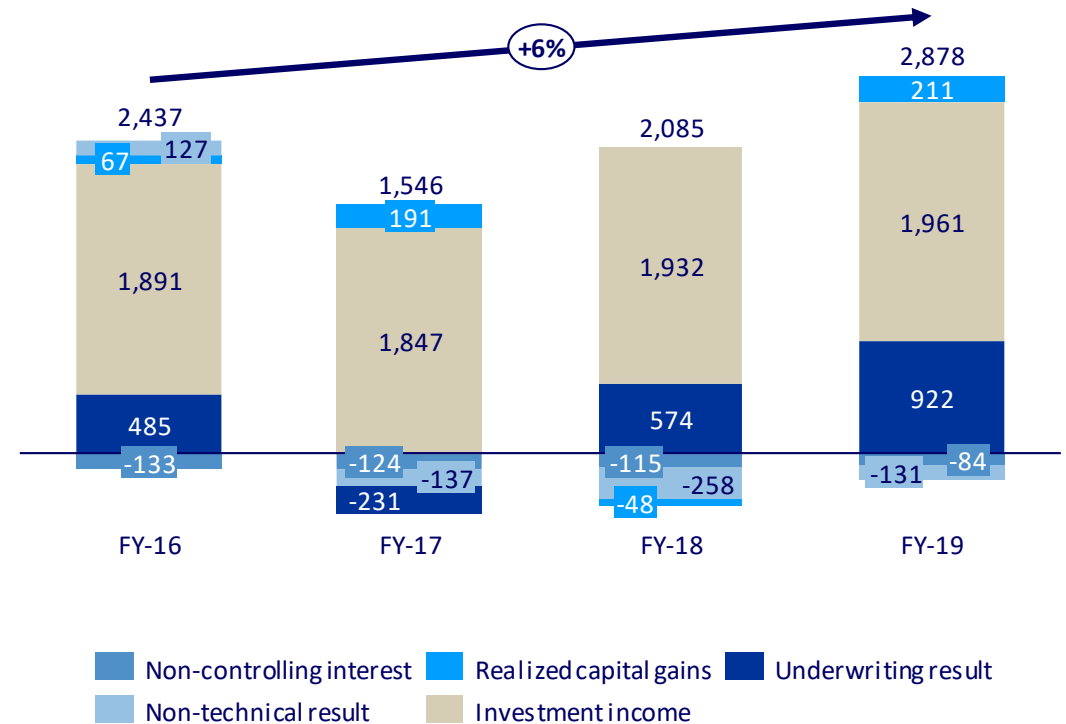
¹ Accident year loss ratio (AY LR) excludes prior year reserve development (PYD). Catastrophes (Cat) include major and mid-sized catastrophes including significant weather-related events.
² Crop impact reflects difference to a normalized combined ratio for the crop business in North America. Additionally, catastrophes loss ratio includes a 0.2 percentage points impact from the challenging year for the crop business.
³ Excludes premium tax and levies.

Combined ratio and BOP improved strongly

COMBINED RATIO (%)



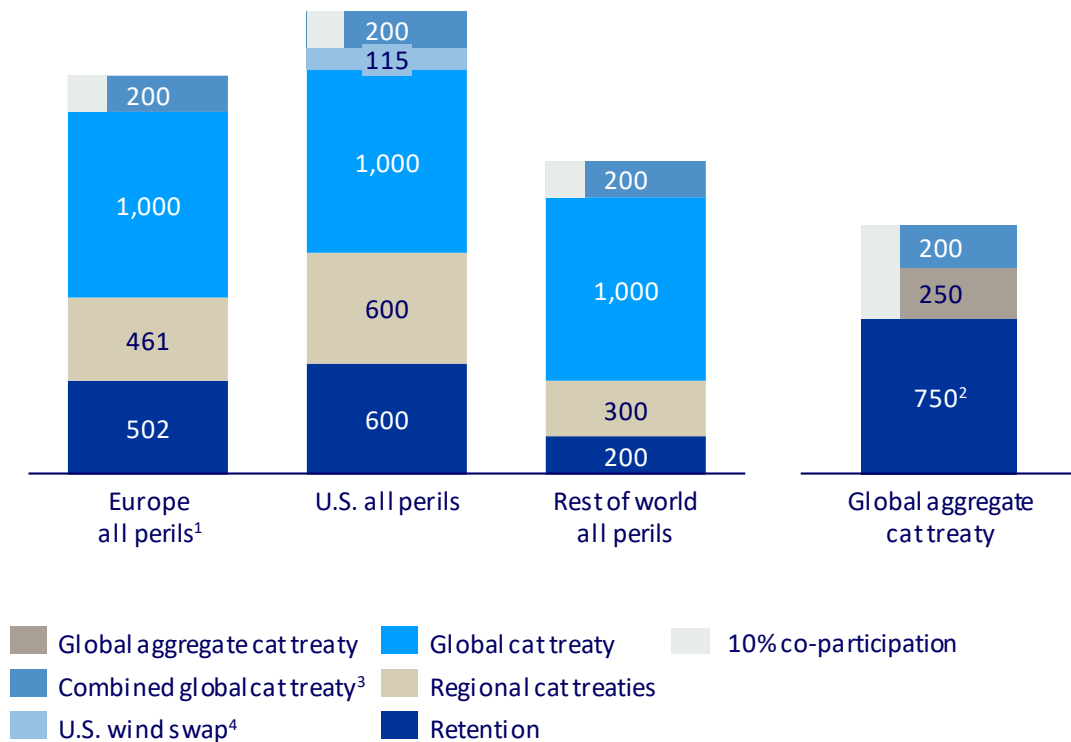
BUSINESS OPERATING PROFIT (USDm)



¹ Catastrophes include major and mid-sized catastrophes, including significant weather related events.
² Accident year loss ratio (AY LR) excludes prior year reserve development (PYD).

Balance sheet and large loss volatility well managed through reinsurance

GROUP CATASTROPHE REINSURANCE PROTECTION (USDm)



GLOBAL SURETY EXCESS OF LOSS

- Designed to manage earnings volatility
- North America: USD 350m coverage per customer in excess of USD 50m retention
- Other regions: USD 375m coverage per customer in excess of USD 25m retention
- Aggregate limit: USD 1,100m

MAIN ADDITIONAL TREATIES

- Global property per risk aggregate
- U.S. property quota share
- U.S. liability quota share

¹ Europe cat treaty calculated with EUR/USD exchange rate as of July 31, 2020.

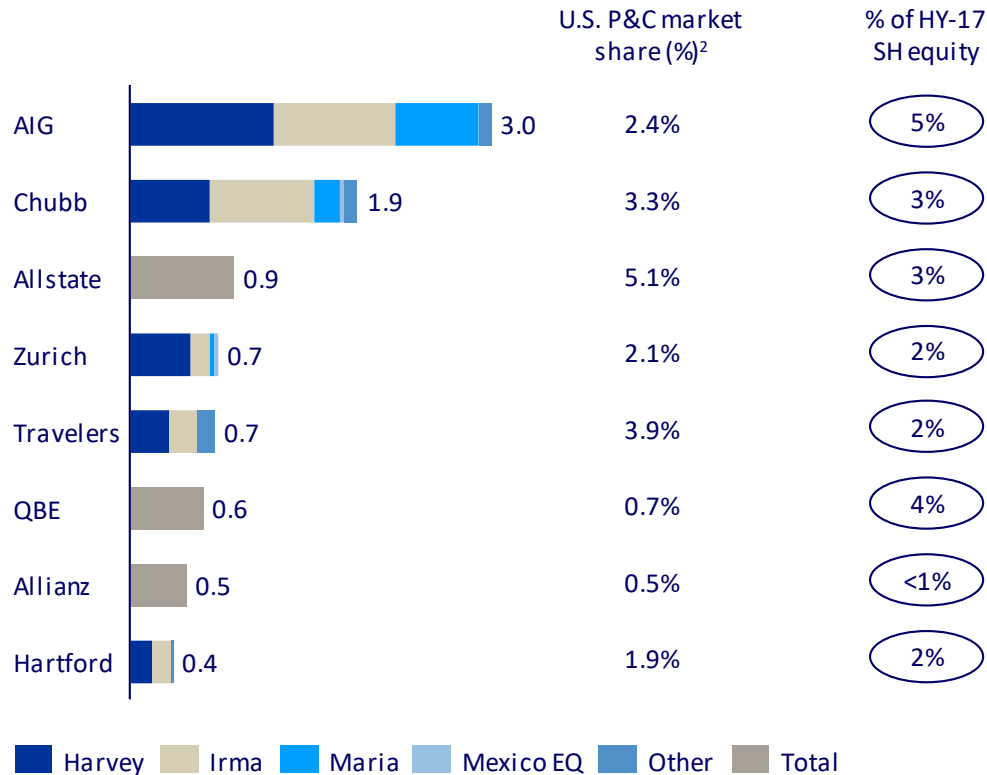
² Franchise deductible of USD 25m, i.e. losses greater than USD 25m count towards erosion of the retention (an annual aggregate deductible).

³ This USD 200m cover can be used only once, either for aggregated losses or for an individual occurrence or event.

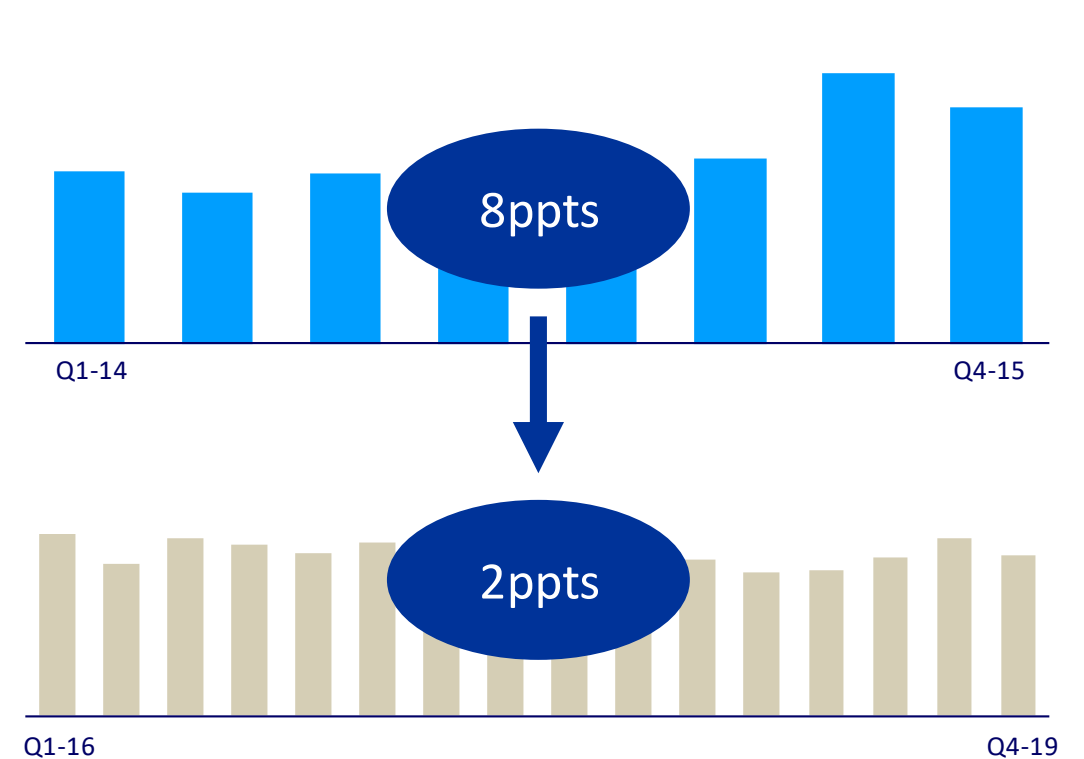
⁴ Only relevant for U.S. windstorm.

Our reinsurance has been effective in protecting earnings and reducing earnings volatility

Q3-17 NET IMPACT FROM SIGNIFICANT CAT (USDbn)¹



LOWER LARGE LOSS VOLATILITY (ppts)³



¹ Impacts are net of reinsurance and pre-tax. Source: Company reports, AM Best, IR analysis.
² Based on FY 2016 Direct Written Premiums (excluding accepted reinsurance), including Retail and Commercial business.
³ Volatility is measured as difference between lowest and highest ratio for the indicated period.

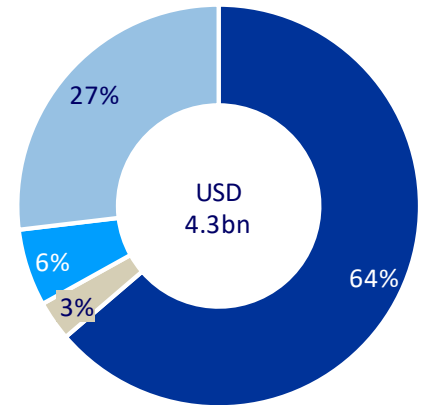
Life



Our life business is where others want to be; low risk and focused on protection and unit-linked business

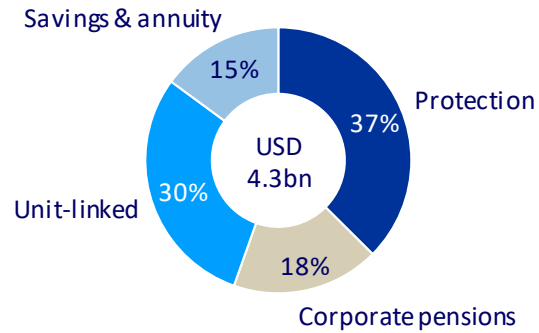
FOOTPRINT

FY-19 Annual premium equivalent by region (%)

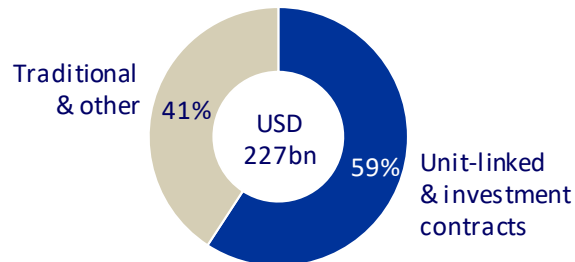


BUSINESS MIX

FY-19 Annual premium equivalent by line of business (%)

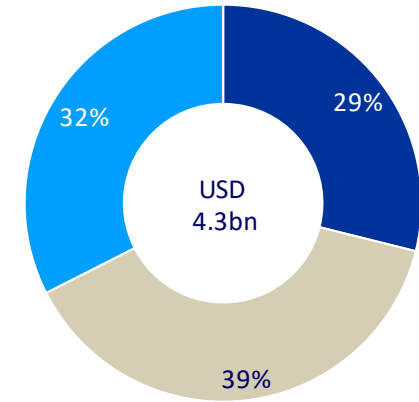


FY-19 Technical reserves by line of business (%)



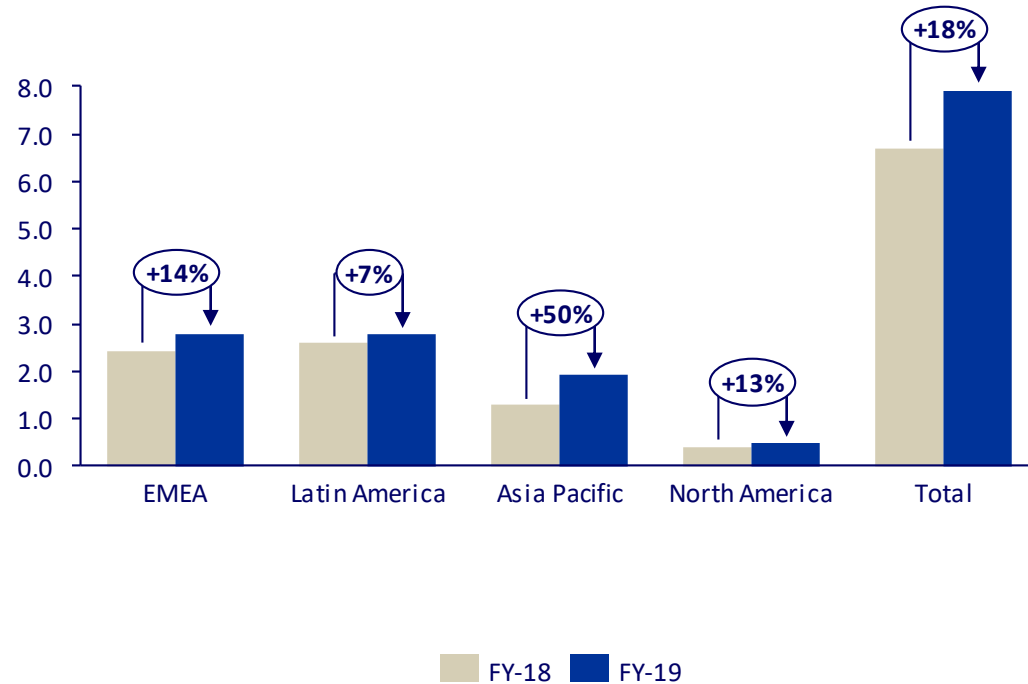
DISTRIBUTION MIX

FY-19 Annual premium equivalent by pillar (%)

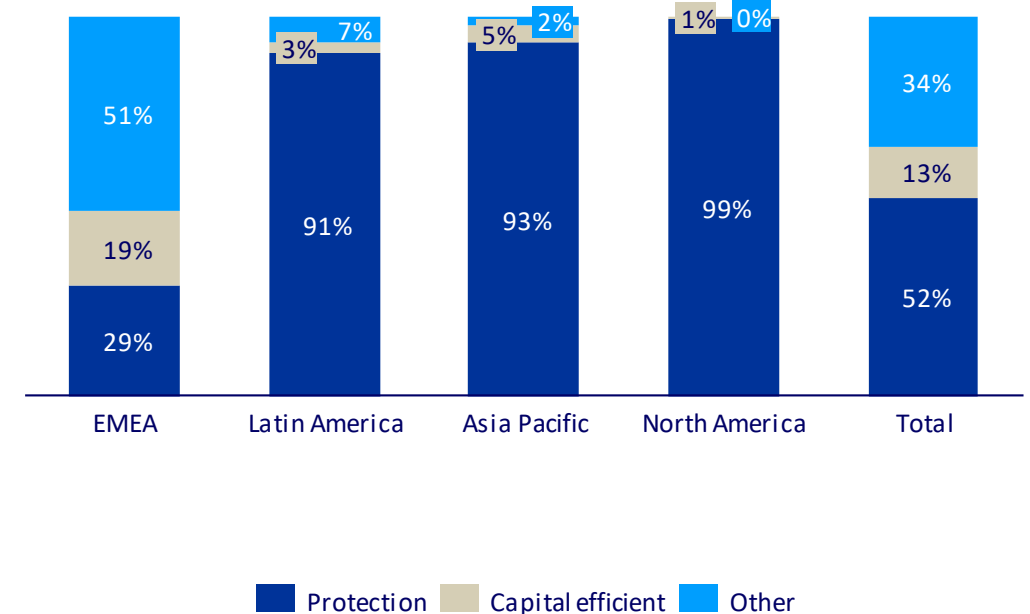


Our focus on protection business positions our life business well for ongoing low yields

PROTECTION GWP (USDbn)

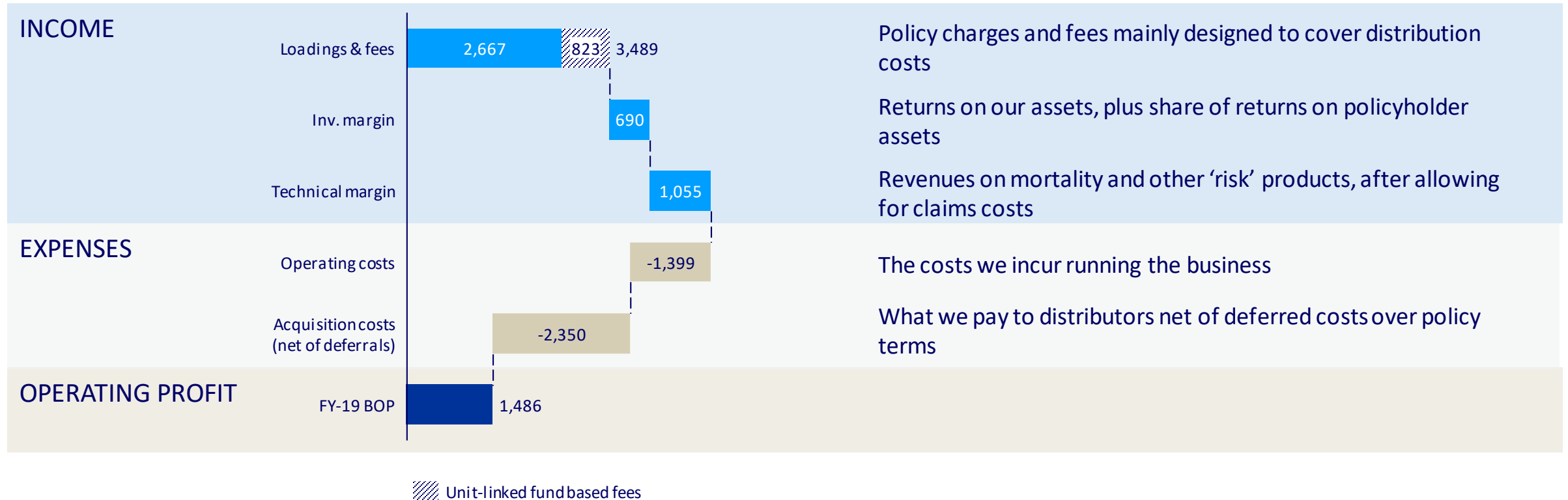


GWP SPLIT (%)



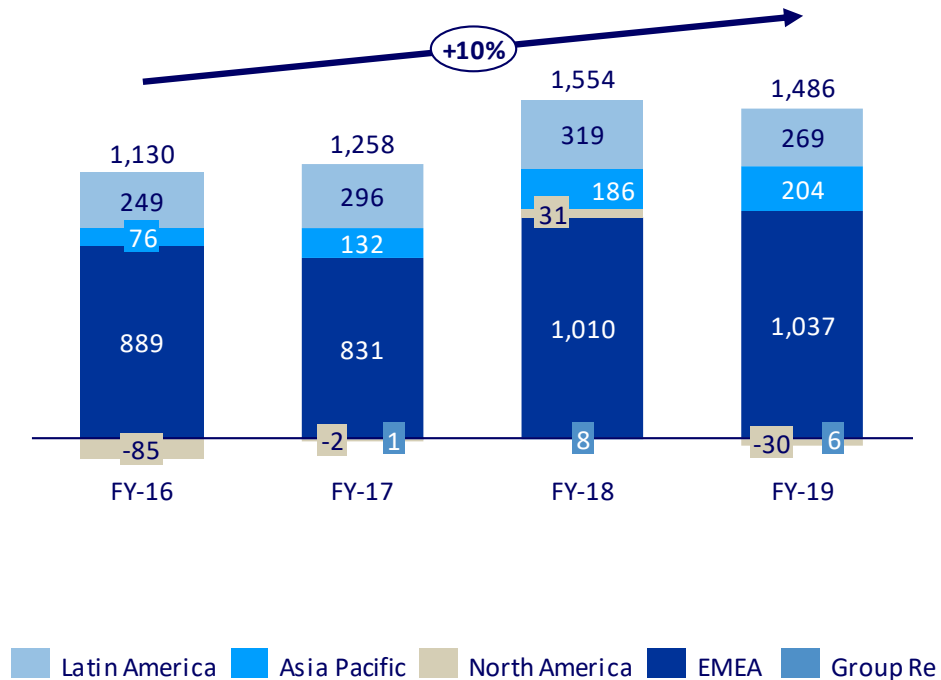
Revenue streams have low market dependency

DRIVERS OF IFRS PROFITABILITY (USDm)

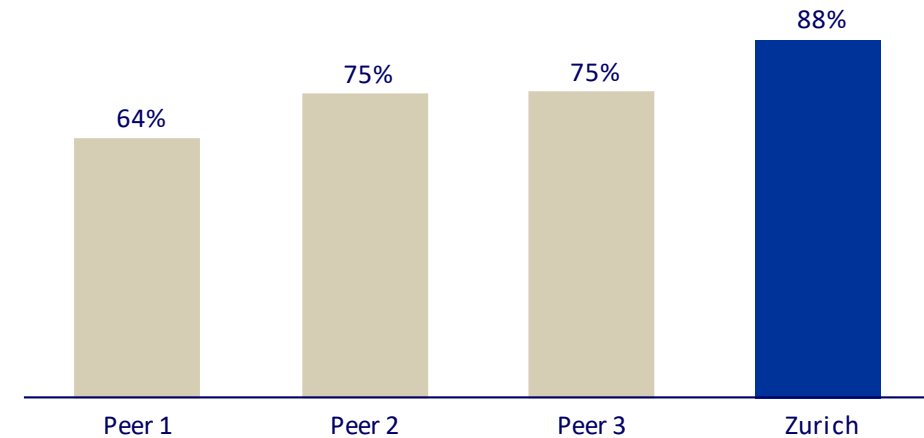


We have a growing life business with less reliance on investment margins

BUSINESS OPERATING PROFIT (USDm)



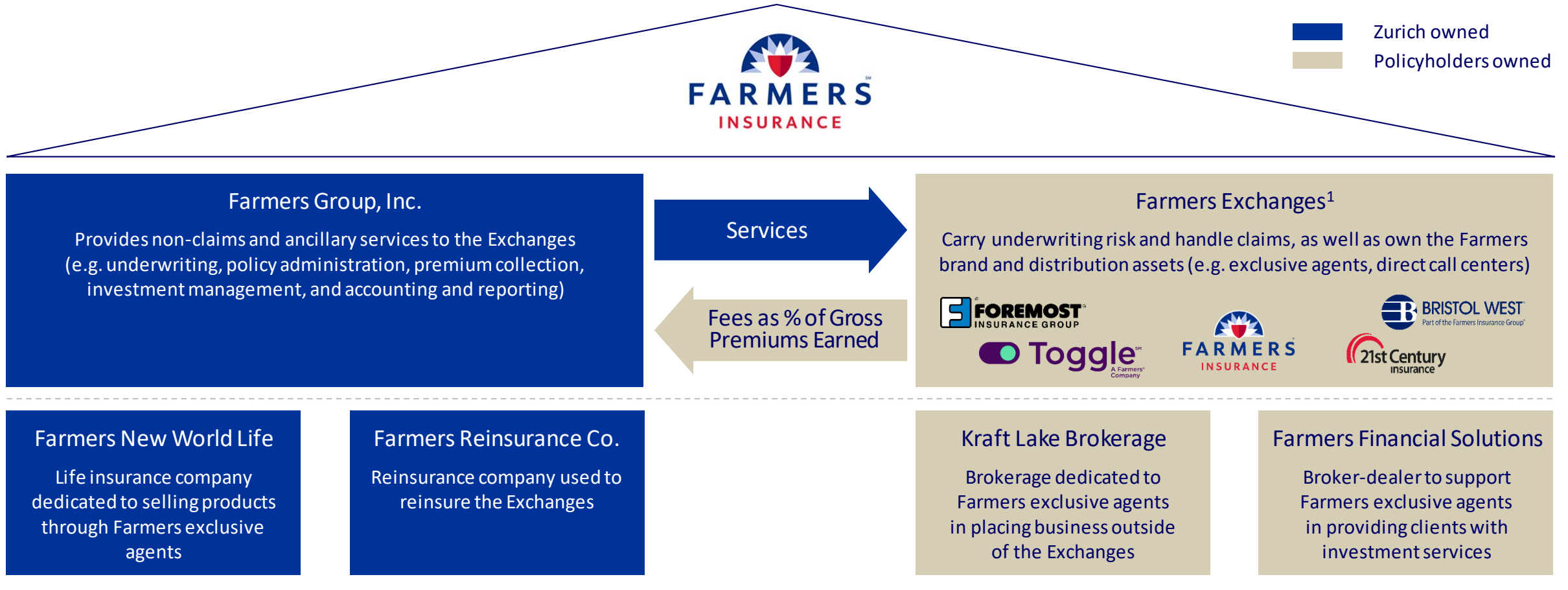
SHARE OF INCOME FROM FEES, LOADINGS AND TECHNICAL MARGINS (% , AVERAGE FY-16-19)¹



Farmers



A unique business structure

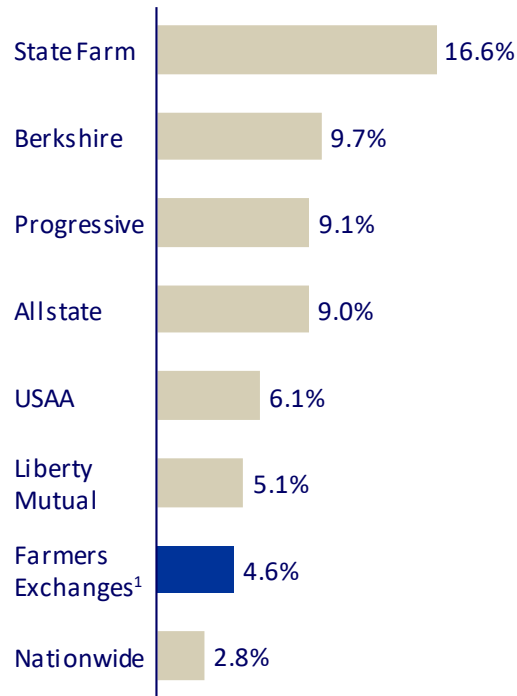


¹ For all references to Farmers Exchanges see the disclaimer and cautionary statement.

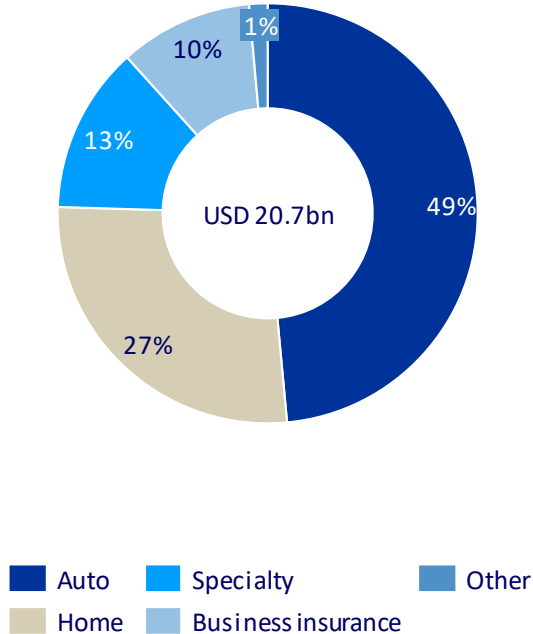


Leading player in the U.S. personal lines insurance

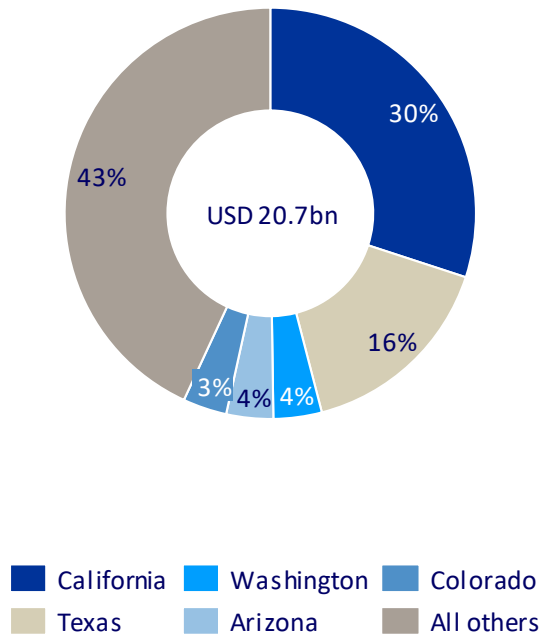
U.S. PERSONAL LINES MARKET SHARE (%)²



FY-19 GWP BY LINE OF BUSINESS (%)



FY-19 GWP BY STATE (%)



MAIN DISTRIBUTION CHANNELS

~11,600 Exclusive agents

~32,000 Independent agents

¹ For all references to Farmers Exchanges see the disclaimer and cautionary statement.

² Based on 2019 direct written premiums of USD 361bn. Personal lines defined as private auto and homeowners & farmowners multi peril for U.S. excluding territories. Source: SNLAs of March 31, 2020.



Farmers Exchanges¹ drives growth through its customer-centered strategy

ACCELERATING EXECUTION ON KEY FOCUS AREAS...



Improve customer experience and loyalty



Enhance agent productivity



Expand in the eastern U.S.



Grow in life and business insurance

...WHILE INNOVATING AND EXPANDING INTO NEW SEGMENTS

Millennials



Rideshare & delivery



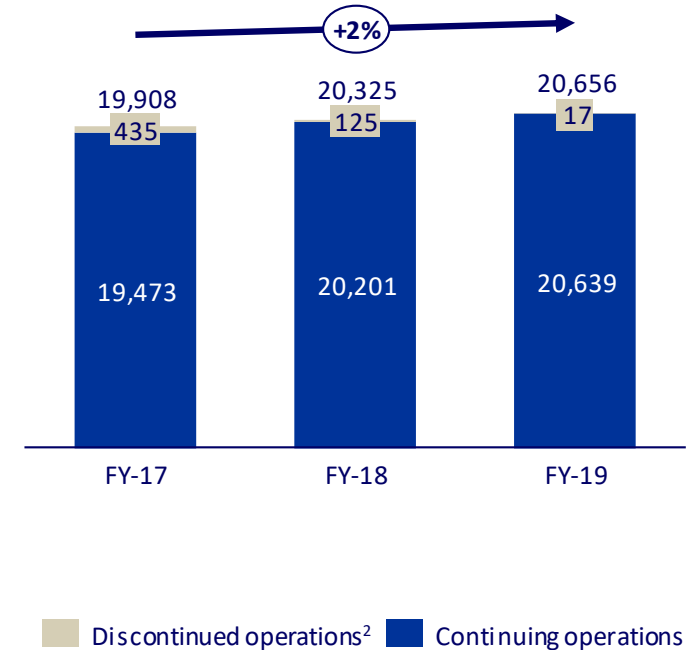
Telematics/connected home



Distribution partnerships



GWP (USDbn)



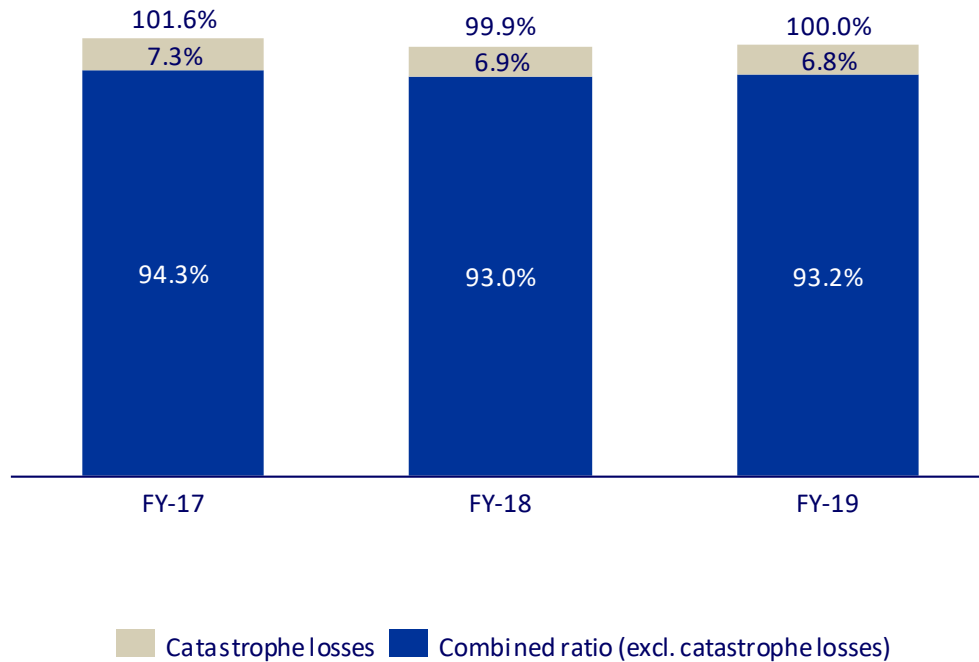
¹ For all references to Farmers Exchanges see the disclaimer and cautionary statement.

² Includes 21st Century business outside of California and Hawaii, business insurance independent agents, and other businesses.

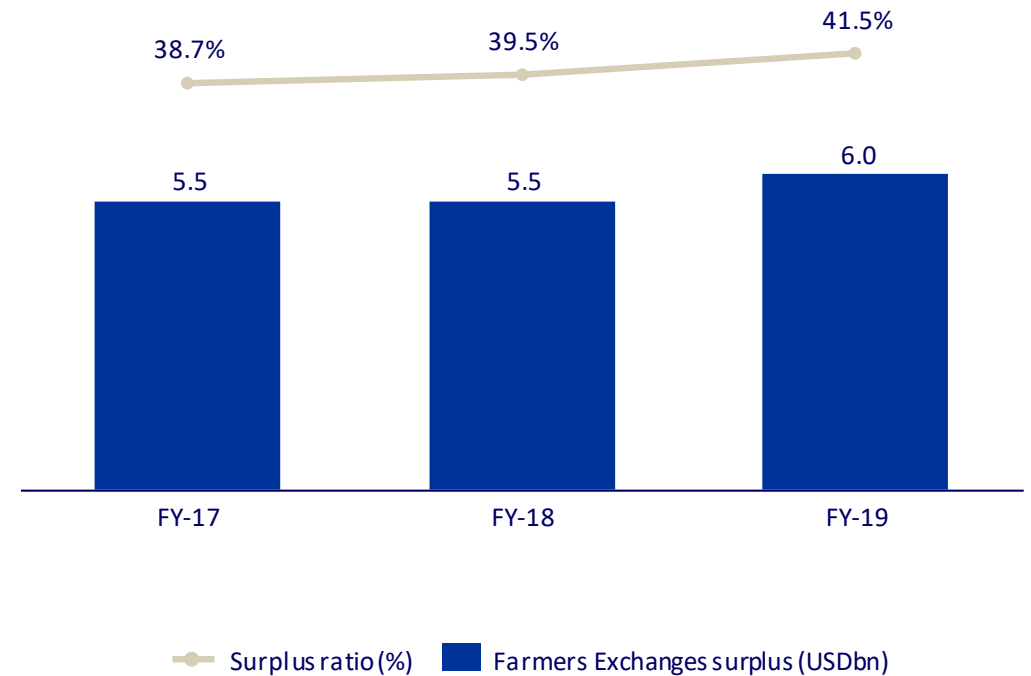


Continued improvement in Farmers Exchanges¹ surplus ratio

COMBINED RATIO (%)²



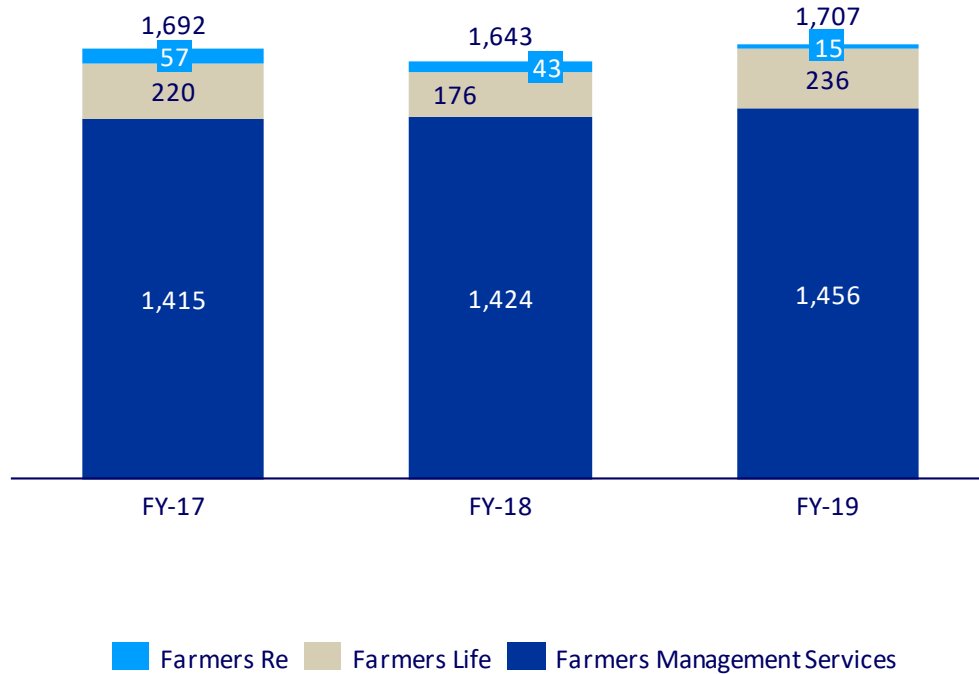
SURPLUS³



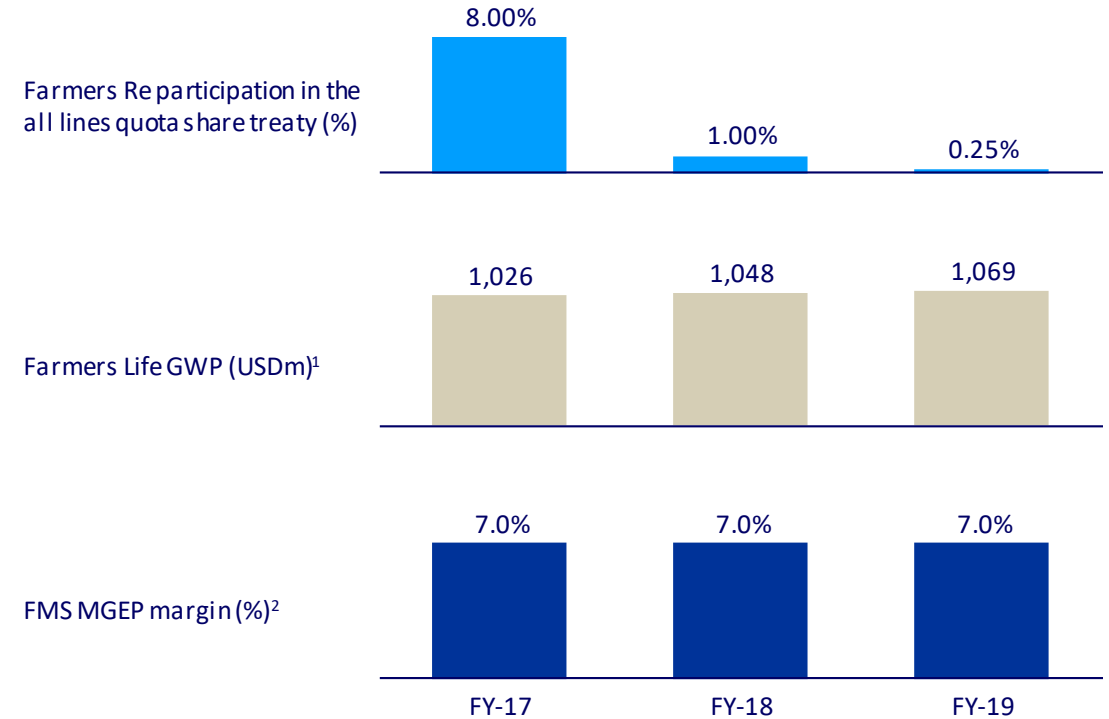
¹ For all references to Farmers Exchanges see the disclaimer and cautionary statement.
² Combined ratio before quota share reinsurance.
³ Surplus ratio based on Farmers Exchanges surplus.

Stable contribution to Group earnings, primarily driven by Farmers Management Services fee-based business

BUSINESS OPERATING PROFIT (USDm)



KEY DRIVERS



¹ Including policy fees and deposits.

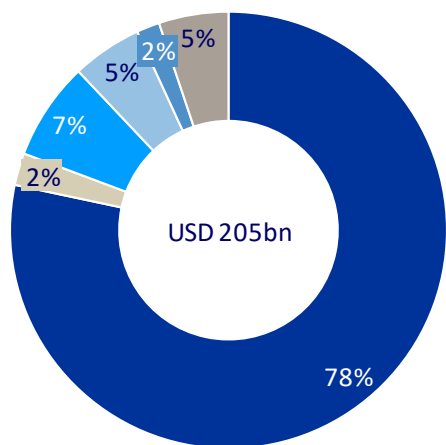
² Margin on gross earned premiums of the Farmers Exchanges. For all references to Farmers Exchanges see the disclaimer and cautionary statement.

Investment and capital management



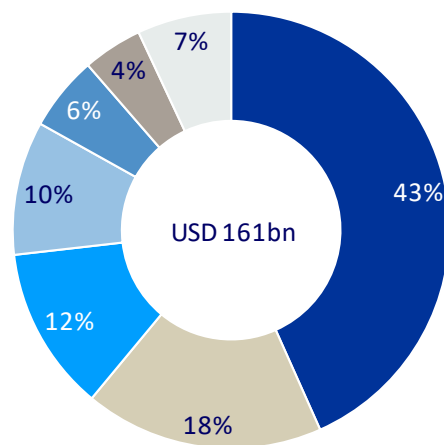
Low risk strategy focused on asset liability matching

FY-19 GROUP INVESTMENTS



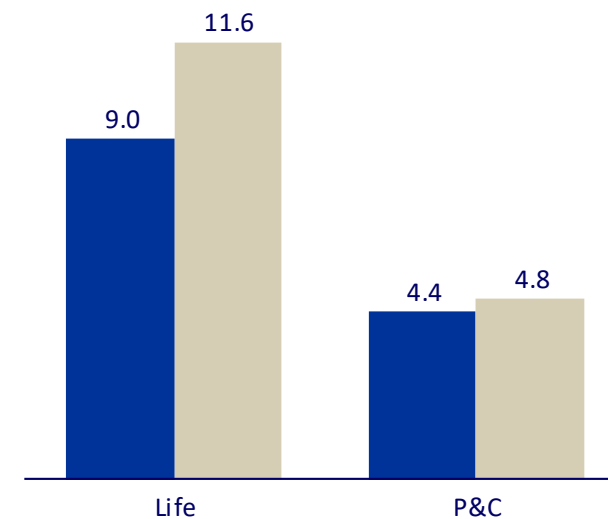
- Fixed income
- Real estate
- Hedge funds, private equity
- Mortgages
- Equities
- Cash

FY-19 FIXED INCOME SECURITIES



- Government and government guaranteed
- Non-financial credit
- Financial credit
- Municipals, agencies, state credit
- Asset backed securities
- Covered bonds
- Other

FY-19 DURATION (# years)¹



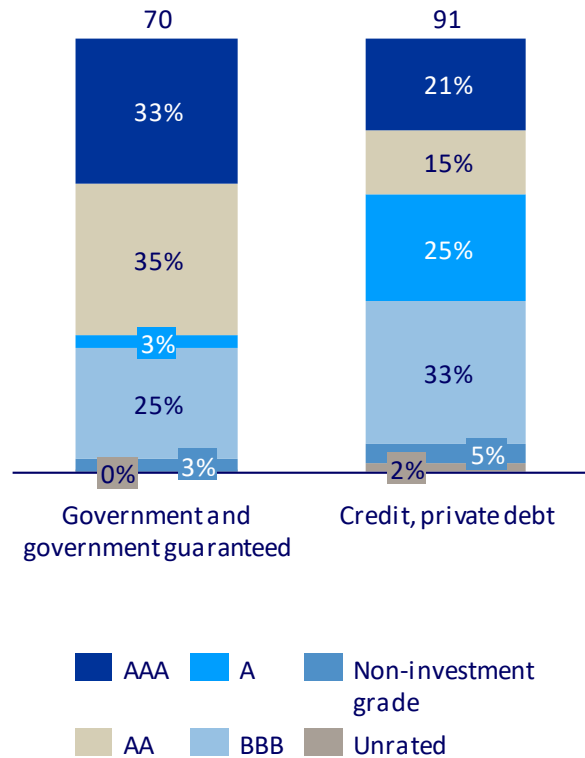
- Assets
- Liabilities

¹ Duration numbers are calculated as DV10 (dollar value of 10bp of move in interest rates over the period on the asset values) divided by market value of fixed income investments.

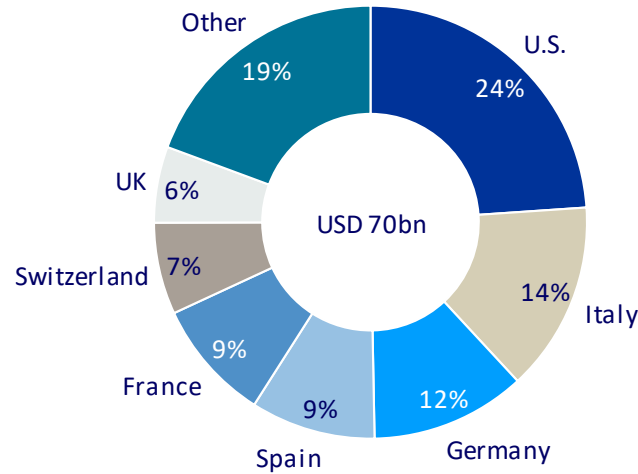


Well balanced and high quality fixed income portfolio

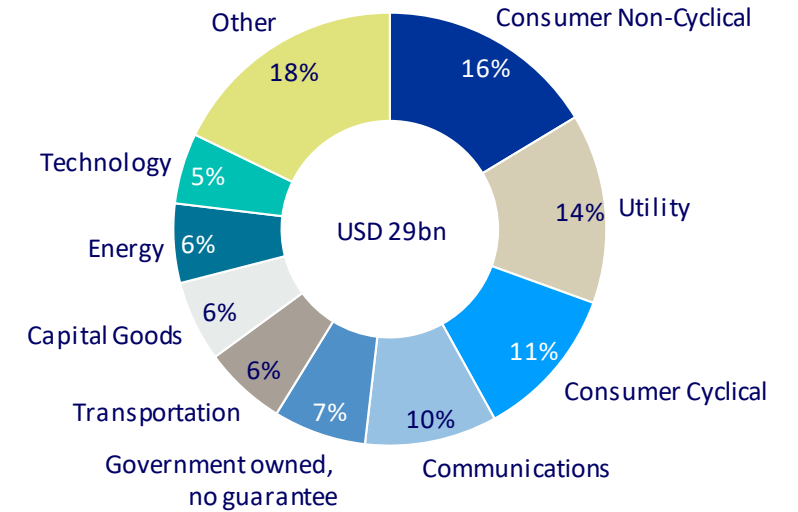
FY-19 ASSET QUALITY



FY-19 GOVERNMENT & GOVERNMENT GUARANTEED BY COUNTRY

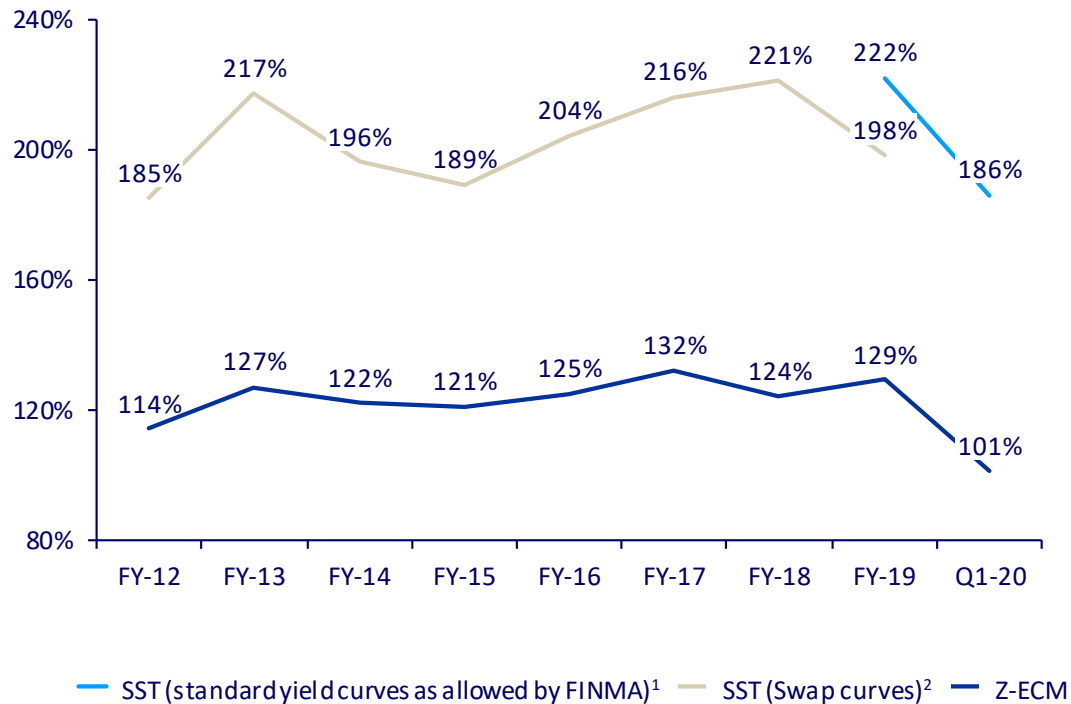


FY-19 NON-FINANCIAL CREDIT BY SECTOR



Capital managed conservatively to AA financial strength

GROUP SOLVENCY (%)



CAPITAL MANAGEMENT POLICY (Z-ECM RATIO, %)

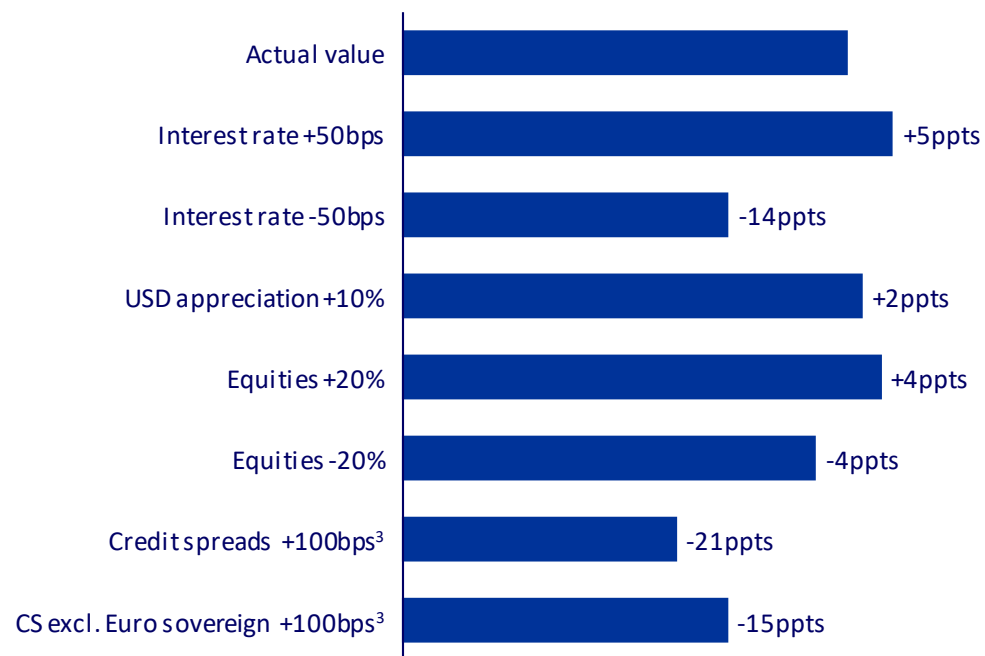


¹ Going forward the Group will apply standard yield curves as allowed by FINMA for the calculation of the SST.

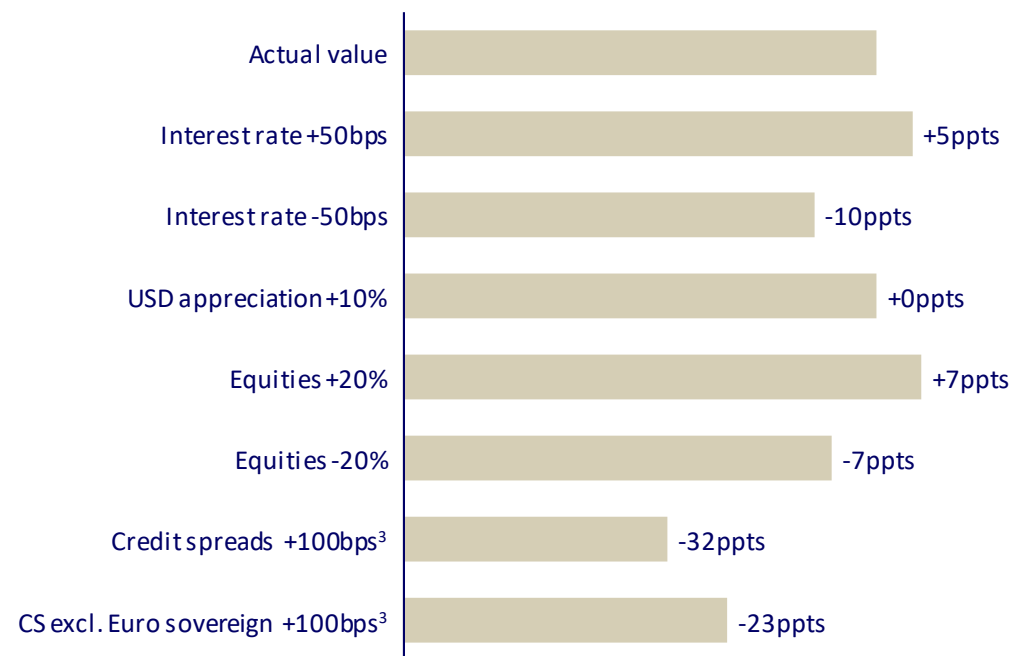
² The Swiss Solvency Test (SST) ratio as of January 1, 2020 has been calculated based on the Group's internal model, as agreed with FINMA. The full year ratio has to be filed with FINMA by end of April of each year and is subject to review by FINMA.

Solvency ratios resilient to market movements

FY-19 Z-ECM SENSITIVITY IMPACT (ppts)^{1,2}



FY-19 SST SENSITIVITY IMPACT (ppts)^{1,2}



¹ Sensitivities are best estimate and linear, i.e. will vary depending on prevailing market conditions at the time.

² The impact of the changes to the required capital is approximated and takes into account market and insurance risks.

³ Credit Spreads (CS) include mortgages and including/excluding Euro sovereign spreads. Z-ECM sensitivity is net of profit sharing with policyholders.

Z-ECM and SST are more conservative than Solvency II



General information	Z-ECM	SST	SOLVENCY II	
<p>Most onerous impact</p>				
Risk measure	Value at risk 99.95% (~AA)	Expected shortfall 99% (~BBB)	Value at risk 99.5% (~BBB)	
Risk types covered	<ul style="list-style-type: none"> Market risk (including investment credit) Premium and reserve risk NatCat risk Life liability risk Business risk Operational risk Reinsurance credit risk 	<ul style="list-style-type: none"> Market risk (including investment credit) Premium, reserve and UPR risk NatCat risk Life liability risk Life business risk Reinsurance credit risk Receivables credit risk 	<p>Internal model (ZIP):</p> <ul style="list-style-type: none"> Market risk (including investment credit) Premium, reserve and UPR risk NatCat risk Business risk Operational risk Reinsurance credit risk Receivables credit risk Scenarios 	<p>Standard formula (other entities):</p> <ul style="list-style-type: none"> Market risk Counterparty default risk Life underwriting risk Health underwriting risk Non-life underwriting risk (including premium, reserve and NatCat) Intangible asset risk Operational risk
Equivalence	No concept of equivalence, applied to the entire Group	No concept of equivalence, applied to the entire Group	Possibility to use local regimes for subsidiaries in equivalent third countries	
Senior debt	Available capital	Liability	Liability	
Tax	Pre-tax	Pre-tax	Post-tax	



Z-ECM and SST are more conservative than Solvency II

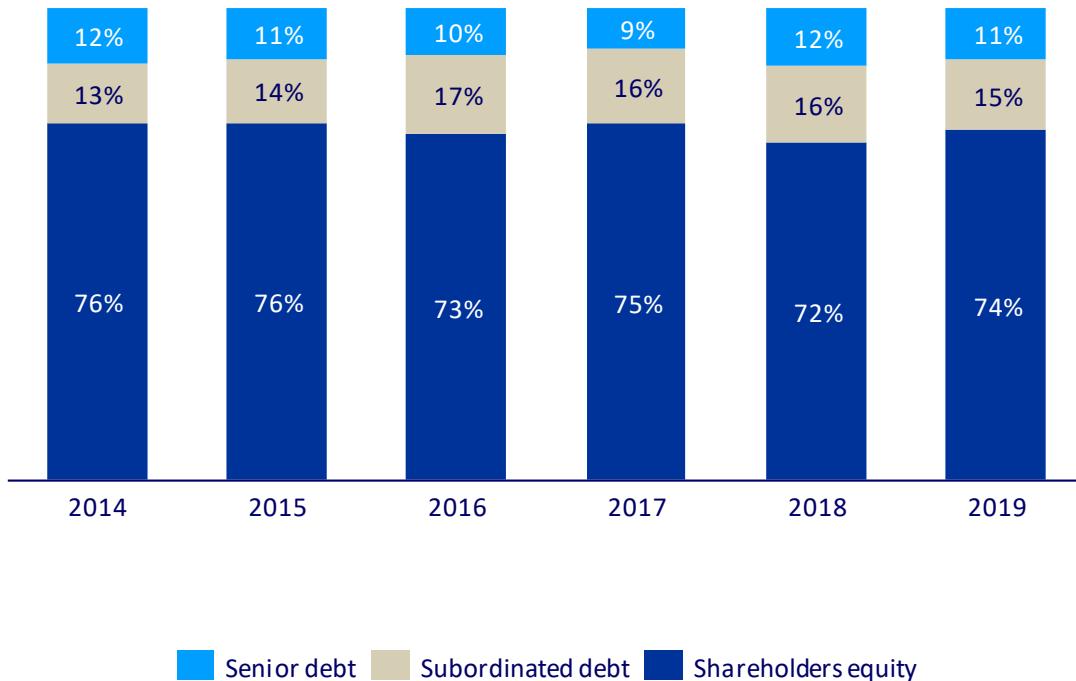
Yield curves and transitionals Most onerous impact	Z-ECM	SST ¹	SOLVENCY II
Base for risk-free yield curves	Swaps	Swaps (EUR, GBP, USD) Government bond (CHF)	Swaps
Entry point to extrapolation of yield curves	Use all available market data CHF: 30 years EUR, USD, GBP: 50 years	CHF: 15 years EUR: 20 years USD, GBP: 50 years	CHF: 25 years EUR: 20 years USD, GBP: 50 years
Ultimate forward rate (UFR) ²	Flat extrapolation from last observable data point	CHF: 2.25% EUR, GBP: 3.75% USD: 3.45%	CHF: 2.75% EUR, GBP: 3.75% USD: 3.75%
Adjustments to yield curves ²	None	- credit risk adjustment: 30bps (USD)	- credit risk adjustment: 10bps (EUR, CHF, GBP) and 15bps (USD) + volatility adjustment: 46bps (EUR), 32bps (CHF) and 100bps (USD) + matching adjustment
Transitional requirements	None	None	Various transitional measures, especially for yield curves and technical provisions, lasting until 2032

¹ For EUR and GBP same yield curves are used as under Solvency II.

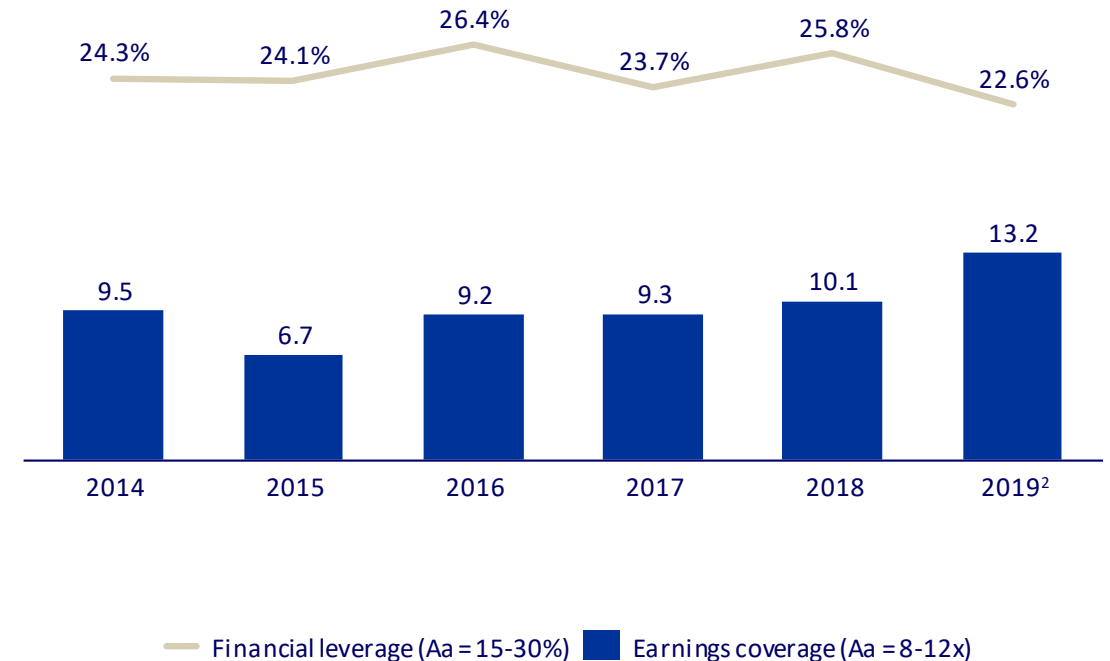
² Yield curve parameters as of end March 2020.

Moderate leverage with interest cover at Aa levels

GROUP CAPITALSTRUCTURE (%)¹



MOODY'S FINANCIAL LEVERAGE (%) & EARNINGS COVERAGE

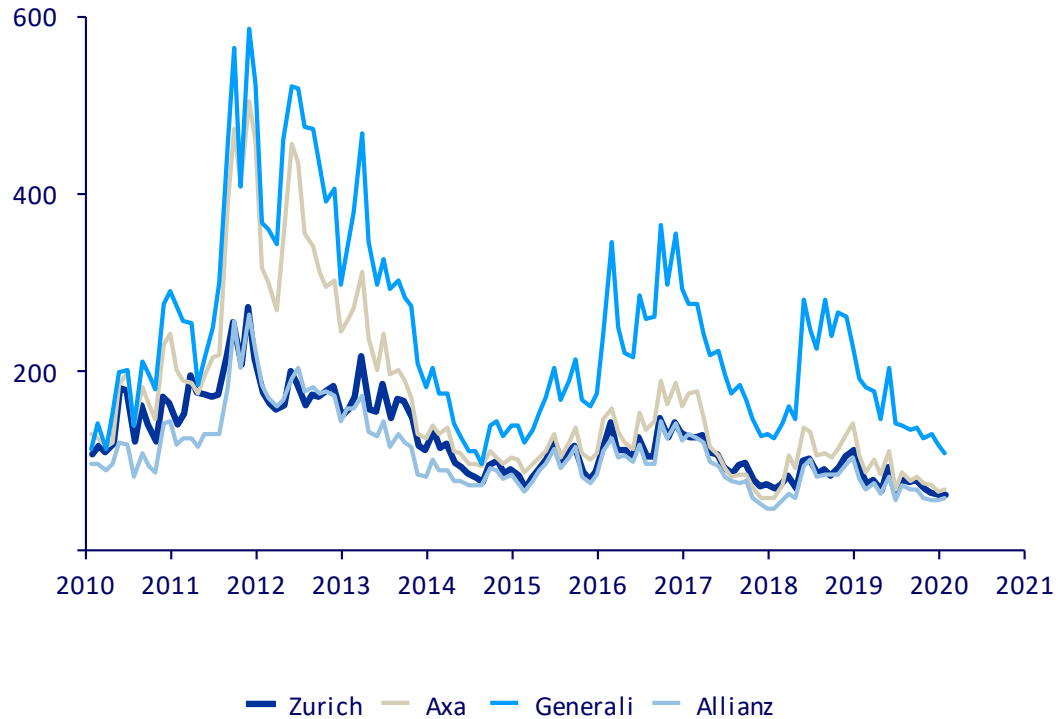


¹ Based on IFRS balance sheet.
² Estimated by Zurich Insurance Group.



Low cost of risk and balanced maturity profile

CDS SPREAD AMONG BEST OF PEERS (bps)¹



BALANCED REFINANCING NEEDS (USDbn)²



¹ 5y EUR sub CDS. Source: Bloomberg.

² Maturity profile based on first call date for subordinated debt and maturity date for senior debt. 2020 refinancing needs completed during Q1-20.



We have a strongly cash generative business reflected in high cash remittance

	Property & Casualty	Life	Farmers	Non-Core Businesses	Group Functions and Operations	Group
BOP (USDbn) FY-12 to FY-19	17.8	10.6	12.7	0.0	-6.6	34.5
NIAS (USDbn) FY-12 to FY-19	16.6	8.4	9.2	0.2	-6.7	27.8
Cash remittances (USDbn) FY-12 to FY-19	16.2	6.8	9.3	1.1	-7.3	26.2
Payout (%)	98%	82%	101%	nm	nm	94%
Expected payout (%) FY-20 to FY-22	90%	75%	90%	nm	nm	85%

We are focused on continuing to reward our shareholders



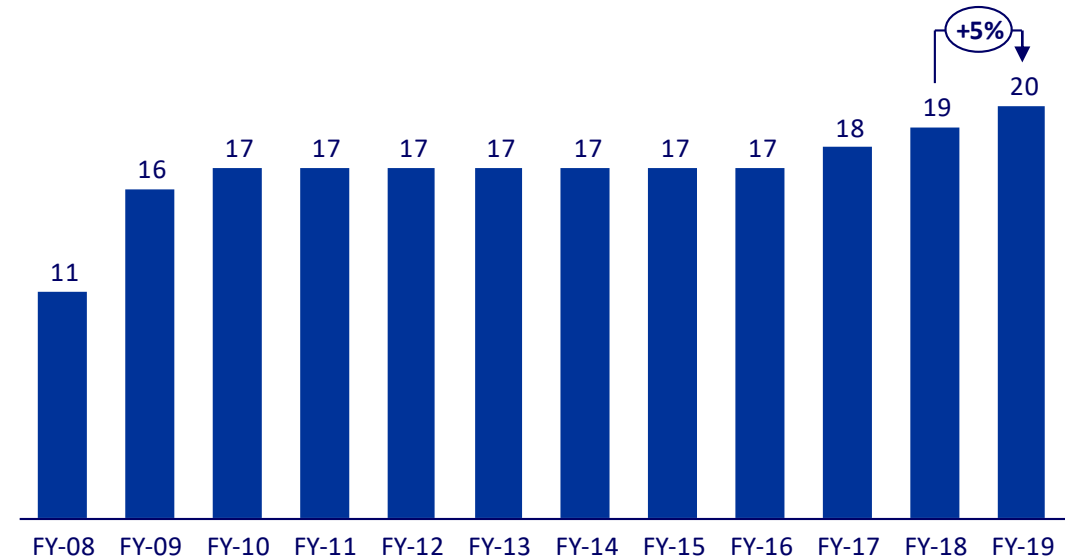
DIVIDEND POLICY¹

NIAS2 payout ratio of ~75%

Dividend increases based on sustainable earnings growth

Minimum target of prior year level

DIVIDEND PER SHARE (CHF)



¹ Proposed dividend, subject to approval by shareholders.
² Net income attributable to shareholders.



Sustainability



The Group's focus and achievements on sustainability is widely recognized by external bodies

OUR RATINGS¹

	<p>'AA' rating¹</p>
<p>MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM</p>	<p>#2 in insurance group²</p>
	<p>Leader, #4 in insurance group³</p>
	<p>Absolute Score of 4.4 (out of 5.0)⁴</p>

OUR LONG TERM COMMITMENT



BUSINESS AMBITION FOR 1.5°C



1 MSCI ESG Rating Report, September 2020.
 2 RobecoSAM Company Benchmarking Scorecard 2019, 99% percentile.
 3 Sustainalytics ESG rating Report September 2019, 98% percentile.
 4 FTSE Industry Classification Benchmark (ICB), December 2019.

Zurich embeds environmental, social and governance issues in all aspects of the business



CORPORATE GOVERNANCE

An independent and diverse Board ensuring effective corporate governance and strategic oversight, and fostering ESG integration in the business

A remuneration architecture ensuring outcomes in sync with business performance results including financial, customer and people metrics



EMPLOYER

Pro-active promotion of diversity at the workplace with 11 countries EDGE certified

Focus on employee engagement resulting in strong employee net promoter score (ENPS) improvement



INSURER

Delivering solutions to customers that create positive social and environmental impact

Proactive engagement with customers to support their transition to a low carbon economy



INVESTOR

Impact investment portfolio of USD 4.6bn per Dec 2019, with an ambition of USD 5bn to help avoid 5m tons of CO2 and benefit 5m people



COMMUNITY MEMBER

Investing in local and global community programs to create social impact, enhance resilience and engage employees in skills based volunteering

Other important information



Investing into Zurich

SIX SWISS EXCHANGE

- Listing: SIX Swiss Exchange, Switzerland
- Product type: Swiss Blue Chip Shares
- Ticker symbol: ZURN
- Swiss security number (Valorenummer): 1107539
- ISIN: CH0011075394
- Bloomberg symbol: ZURN VX Equity
- Reuters symbol: ZURN.VX
- Trading currency: CHF

US AMERICAN DEPOSITARY RECEIPT PROGRAM

- Depository: The Bank of New York Mellon
- Nature: ADR
- Symbol: ZURVY
- For further information:

in the USA

+1-888-BNY-ADRS

outside the USA

+1 201 680 6825

E-mail

shrrelations@bnymellon.com

Website

www.adrbnymellon.com



For further information

CALL US

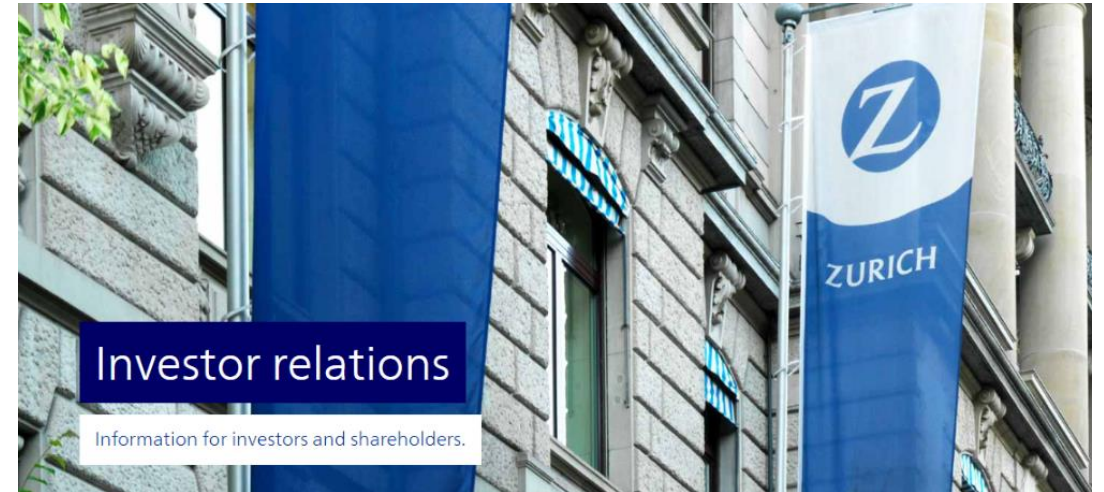
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