

Results for the three months to March 31, 2014

Analysts and Media Presentation
May 15, 2014

Zurich Insurance Group

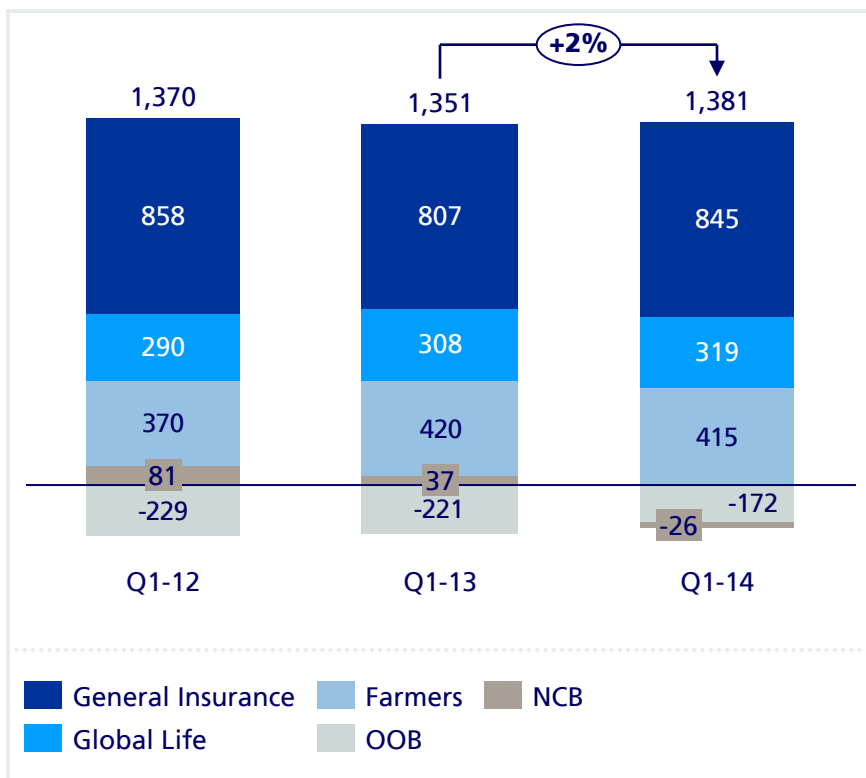


- Solid start to the year
- Good combined ratio, benefitting from one-off gain and low catastrophe losses; focus on continuing to improve accident year profitability
- Farmers transition continues, with some early positive signals
- Capital deployment in the business supported by strong solvency position, with 127% Z-ECM ratio above target range

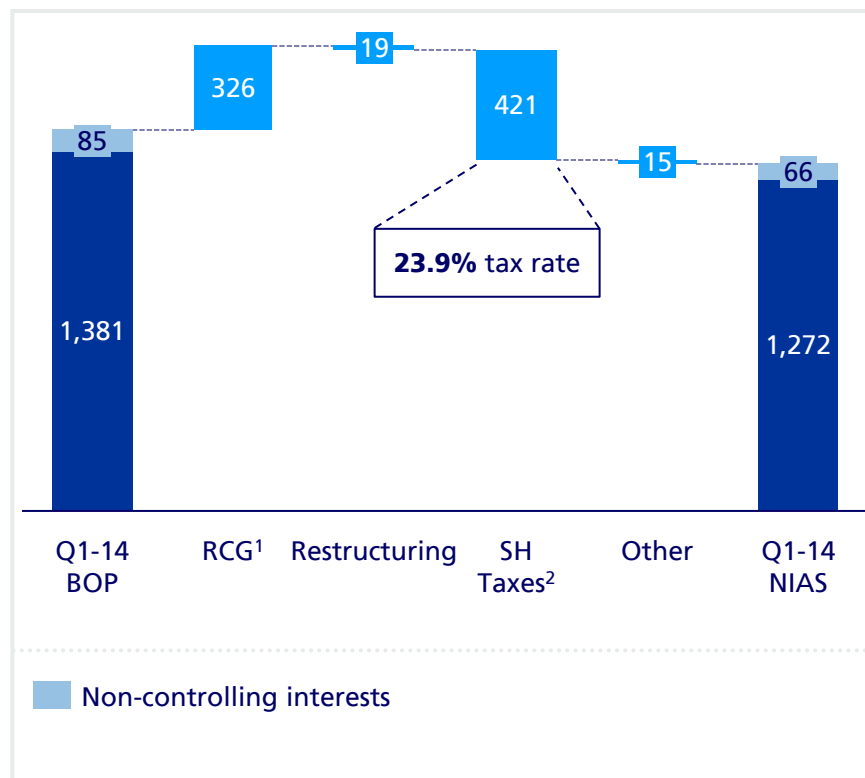
Group – Business operating profit

Solid start to the year

BOP BY SEGMENT (USDm)



BOP/NIAS RECONCILIATION (USDm)



¹ Realized capital gains/losses.

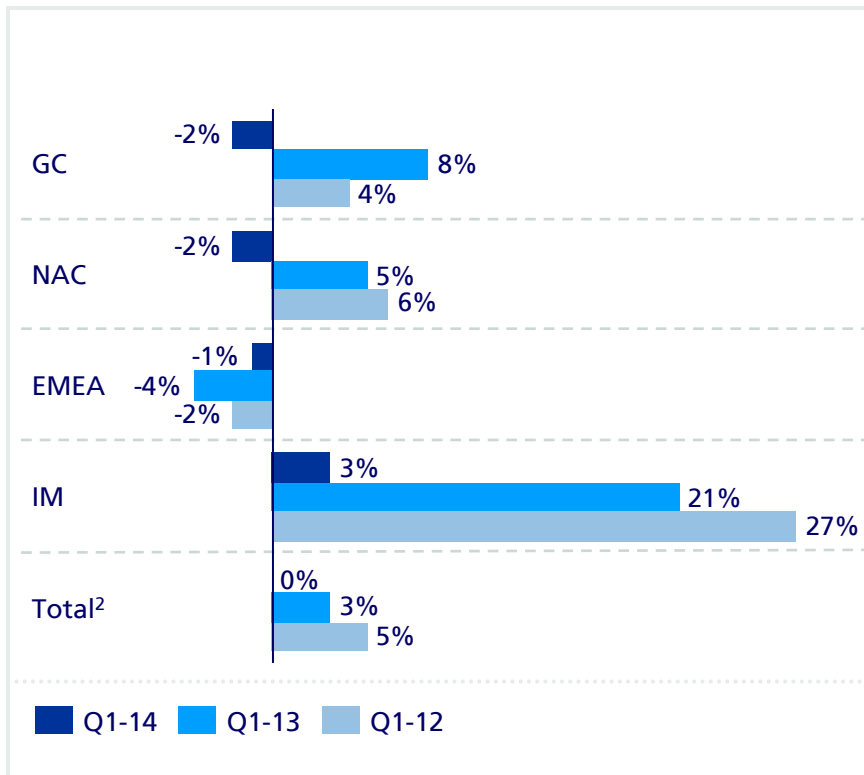
² Shareholder taxes (income tax expense attributable to shareholders).

General Insurance – Topline

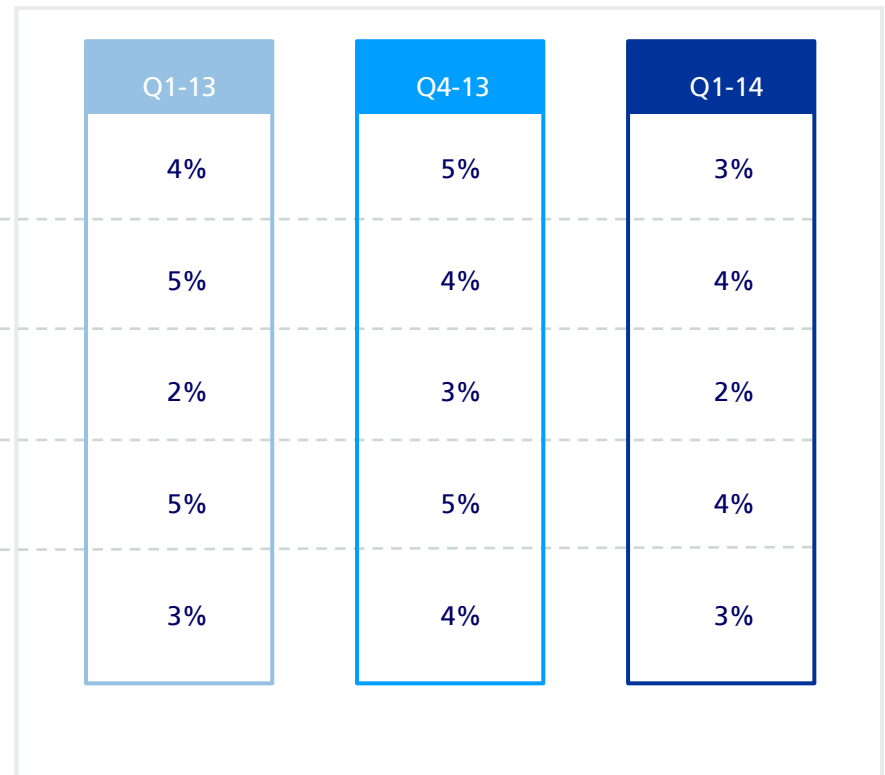
Stable rate increases with topline flat in local currency



GWP GROWTH IN LC (%)



RATE CHANGE¹ (%)



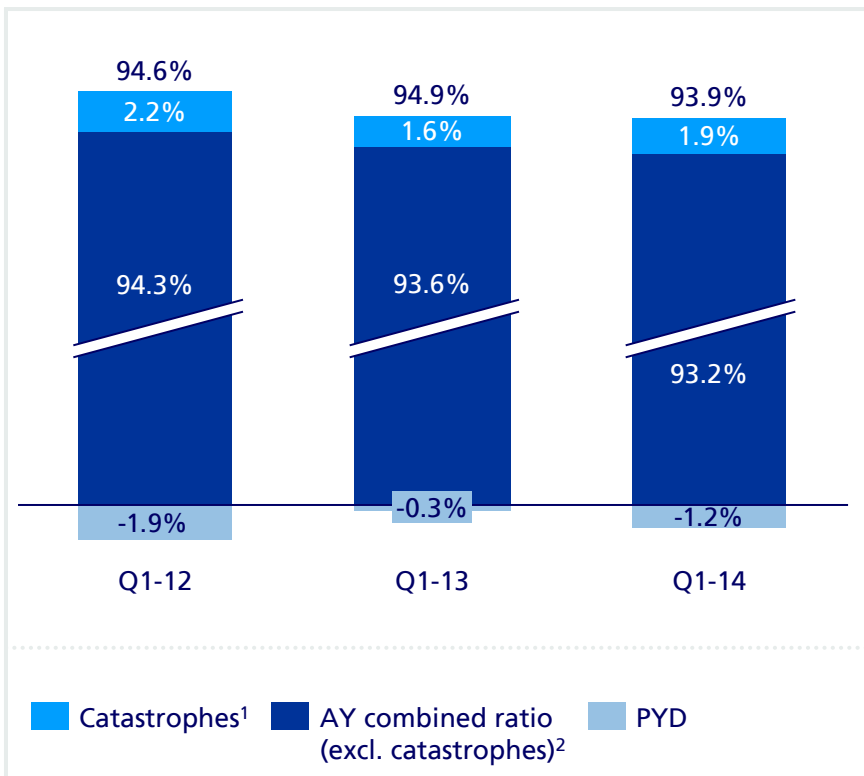
¹ GWP development due to premium rate change as a percentage of the renewed portfolio against the comparable prior year period.

² Total incl. GI Global Functions, Group Reinsurance and Eliminations.

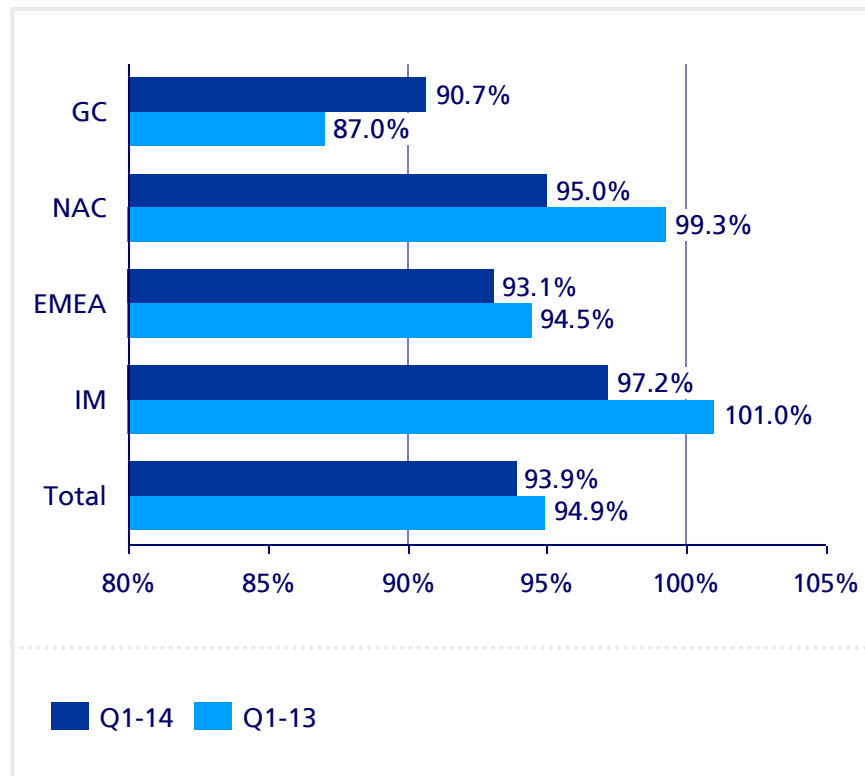
General Insurance – Combined ratio

Good CR, benefitting from a one-off gain and low cat losses

COMBINED RATIO SPLIT (%)



COMBINED RATIO BY REGION (%)



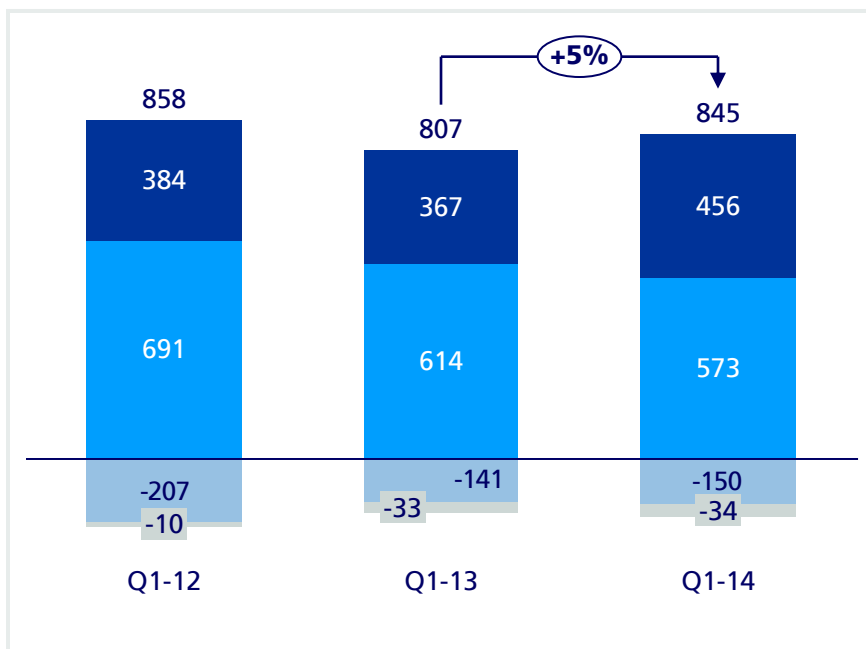
¹ Catastrophes includes major and mid-sized catastrophes including significant weather related events.

² Accident year combined ratio excludes prior year reserve development.

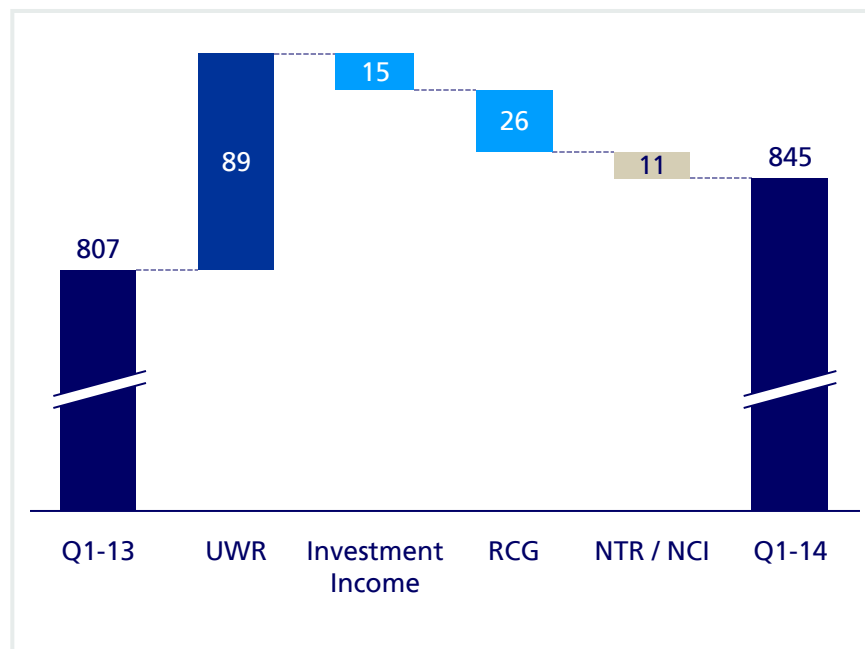
General Insurance – BOP components

Good profitability benefitting from some one-offs

BOP BREAK DOWN (USDm)



KEY DRIVERS (USDm)

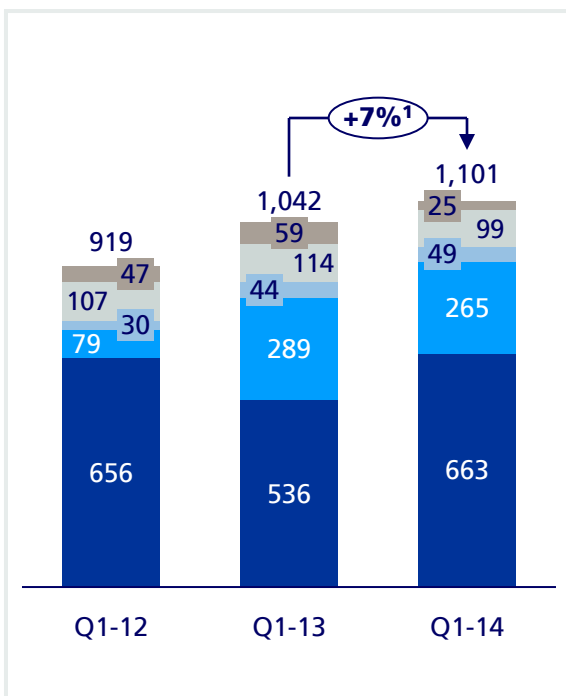


■ Underwriting result
 ■ Investment inc. / Realized capital gains (RCG)
 ■ Non technical result (NTR)
 ■ Non-controlling interest (NCI)

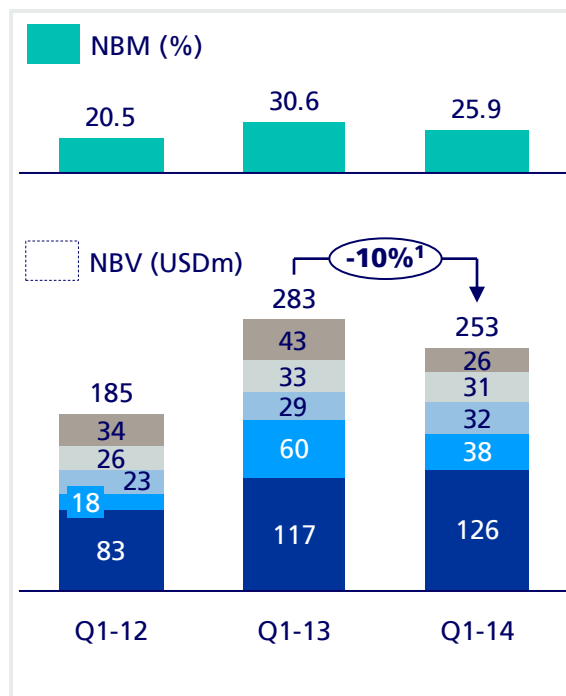
Global Life – New business

Continued growth in APE and assets under management

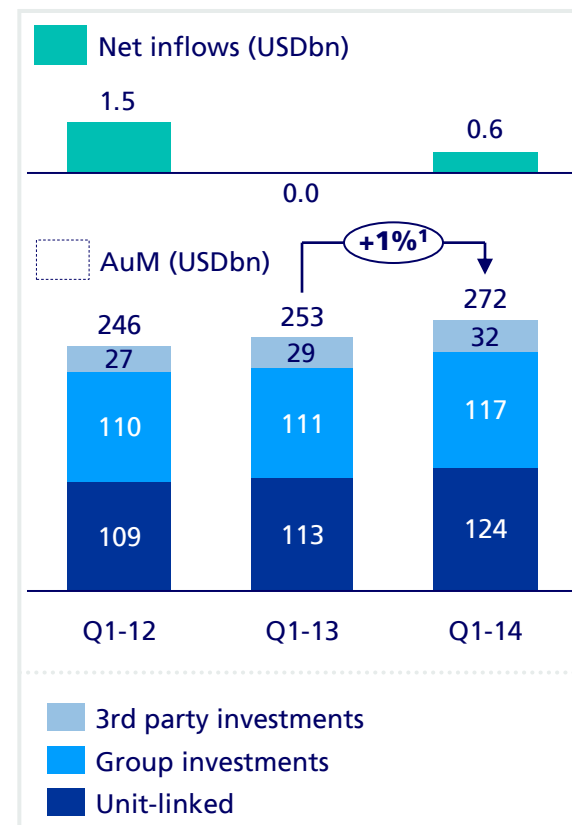
APE (USDm)



NBM & NBV



NET INFLOWS & AUM



Other APME North America Latin America Europe

3rd party investments
Group investments
Unit-linked

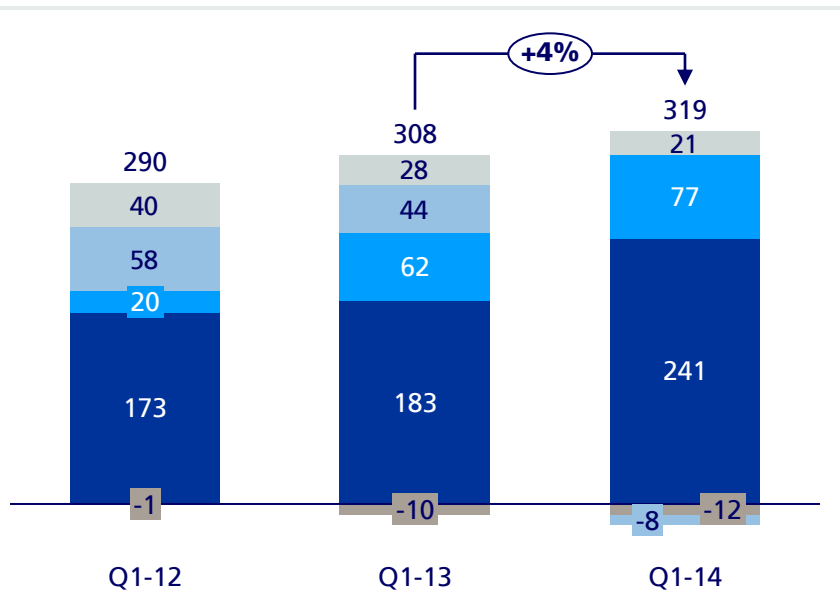
¹ Local currency.

Note: 2012 figures do not include Zurich Santander. APE is reported before minority interests. NBM and NBV are reported net of minority interests, with prior year figures restated accordingly.

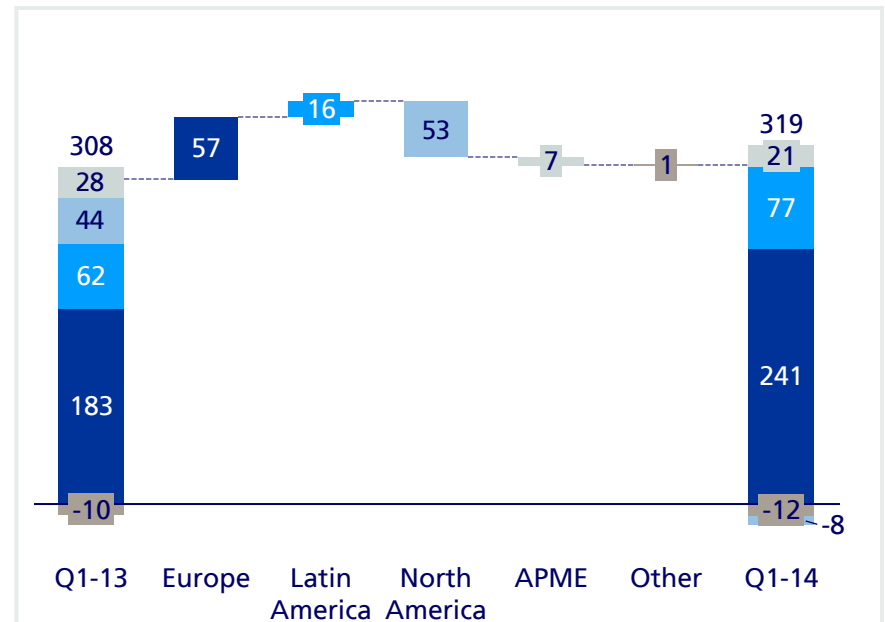
Global Life – BOP by region

One-offs offset each other in operating profits

BOP BY REGION (USDm)



KEY DRIVERS (USDm)



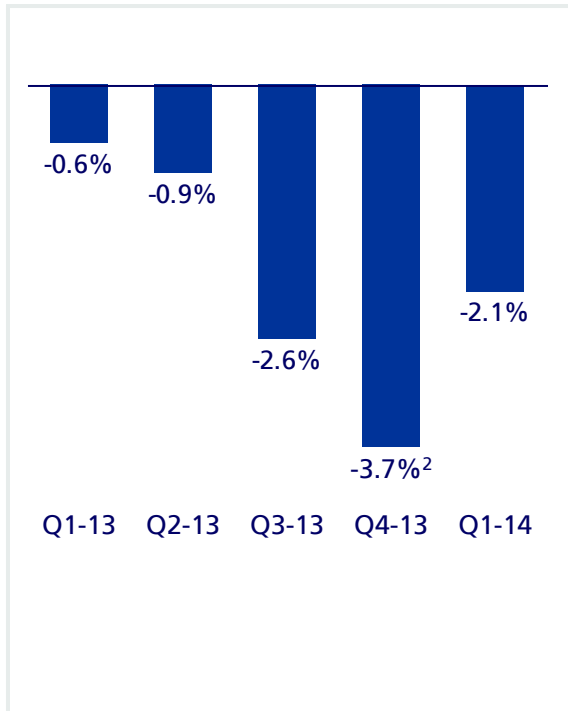
Other APME North America Latin America Europe

Farmers Exchanges¹ – KPI

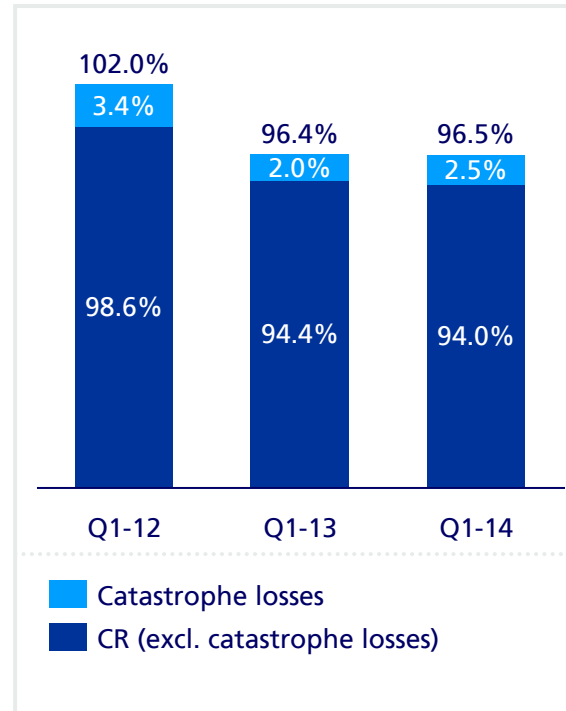
Early positive signals in top-line performance



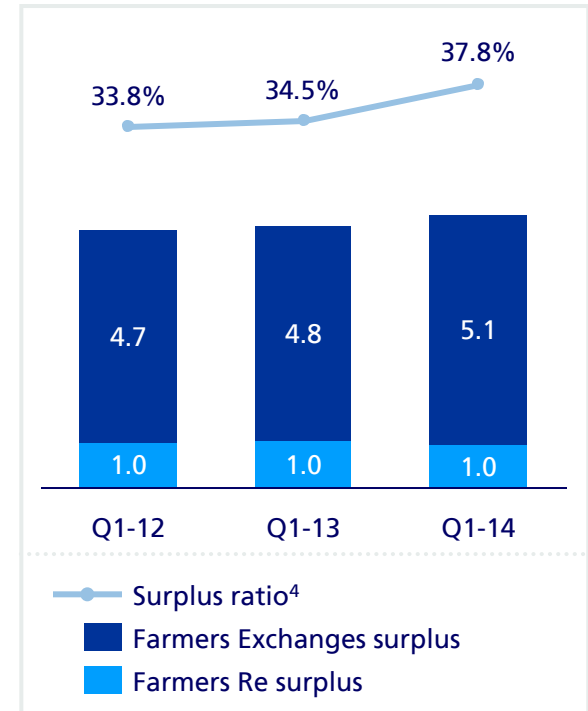
GWP GROWTH (%)



COMBINED RATIO (%)³



SURPLUS⁴



¹ Provided for informational purposes only. Zurich Insurance Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc., a wholly owned subsidiary of the Group, provides administrative and management services to the Farmers Exchanges as its attorney-in-fact and receives fees for its services.

² Adjusted for the impact of the Texas Department of Insurance litigation.

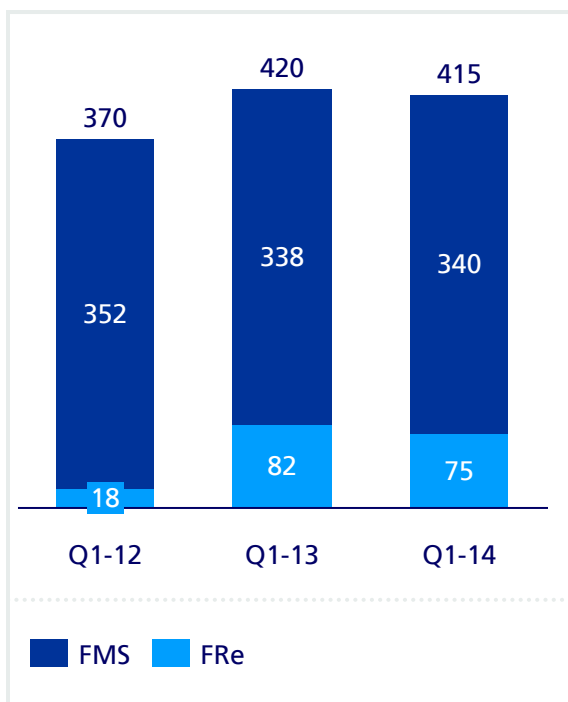
³ Before quota share treaties with Farmers Reinsurance Company, Zurich Insurance Company Ltd and a third party reinsurer.

⁴ Surplus ratio excludes surplus of Farmers Reinsurance Company.

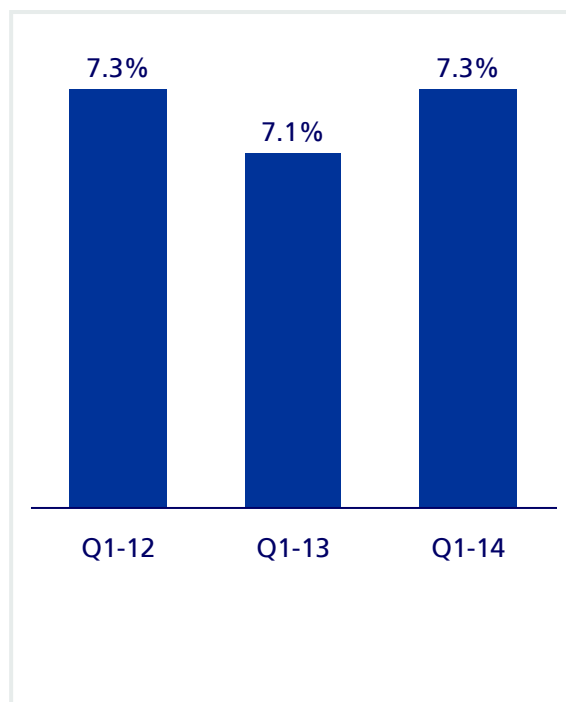
Farmers – KPI

Expense savings compensate for lower management fees at FMS

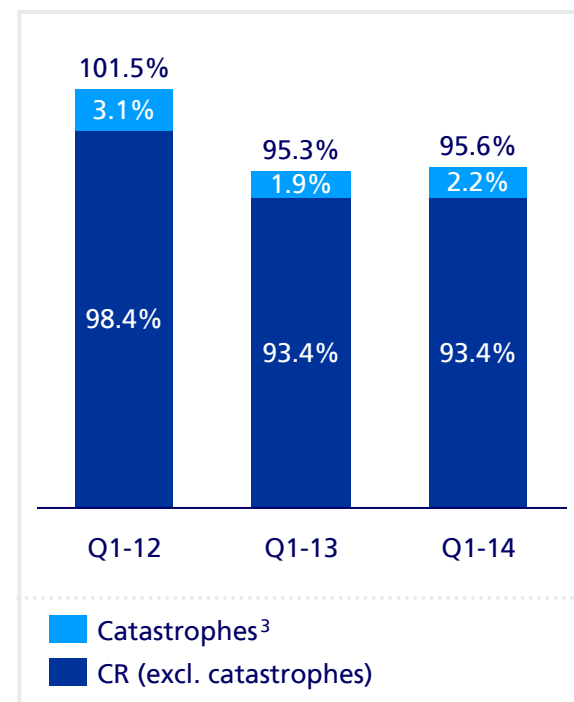
BOP (USDm)



FMS MARGIN (%)¹



FARMERS RE CR (%)²



¹ Margin on gross earned premiums of the Farmers Exchanges. Zurich Insurance Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc. (or Farmers Management Services (FMS)), a wholly owned subsidiary of the Group, provides administrative and management services to the Farmers Exchanges as its attorney-in-fact and receives fees for its services.

² Farmers Re (FRe) business includes all reinsurance assumed from the Farmers Exchanges by the Group (i.e. Farmers Reinsurance Company and Zurich Insurance Company Ltd).

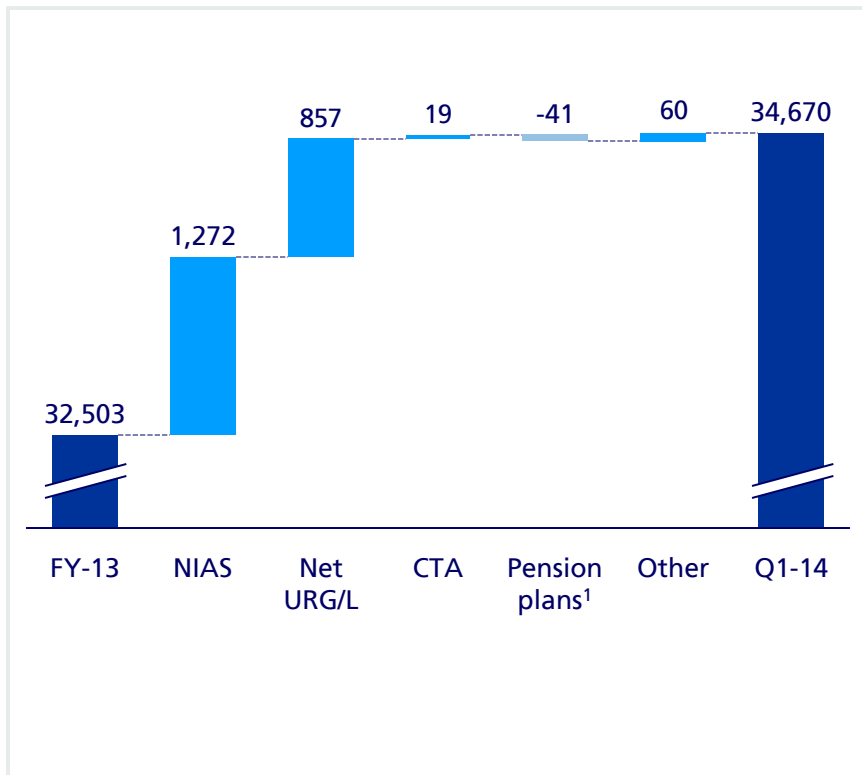
³ As defined by the All Lines quota share reinsurance treaty.

Group – Balance sheet and capital

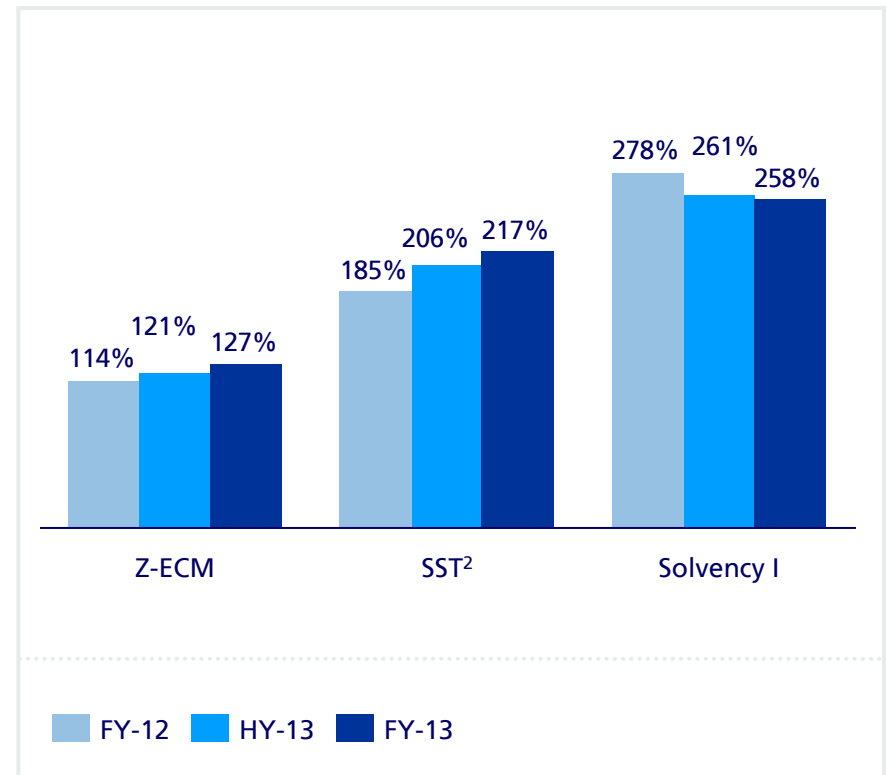
Capital strong, supporting redeployment



SHAREHOLDERS EQUITY (USDm)



CAPITAL MODEL RATIO (%)



¹ Net actuarial gains/losses on pension plans.

² The Swiss Solvency Test (SST) ratio is calculated based on the Group's internal model, and both are subject to the review and approval of the Group's regulator, the Swiss Financial Market Supervisory Authority (FINMA). The ratio is filed with FINMA bi-annually.

- Solid start to the year
- Good combined ratio, benefitting from one-off gain and low catastrophe losses; focus on continuing to improve accident year profitability
- Farmers transition continues, with some early positive signals
- Capital deployment in the business supported by strong solvency position, with 127% Z-ECM ratio above target range

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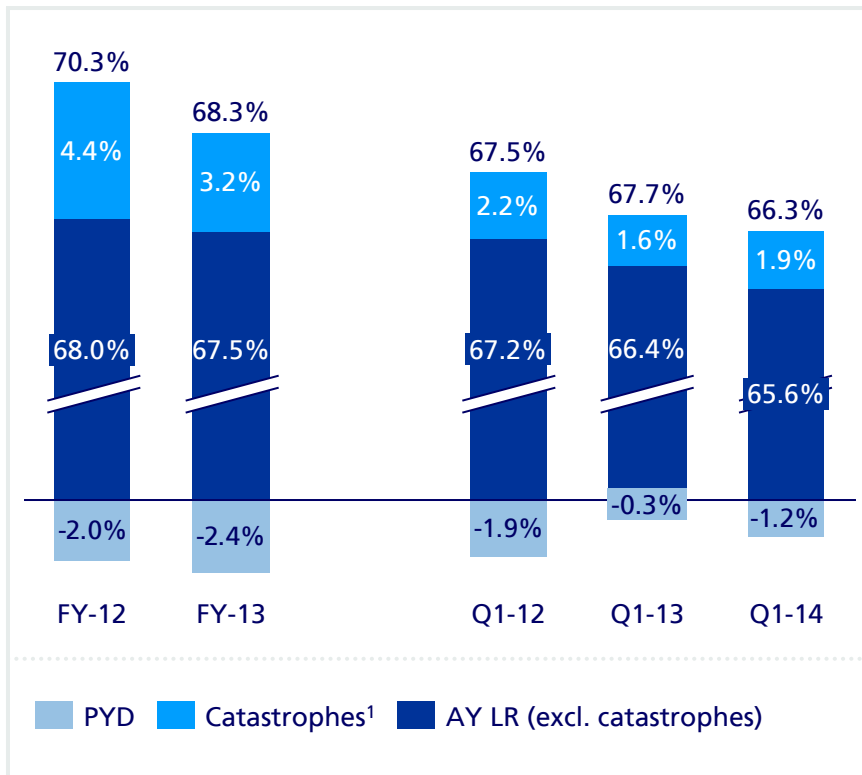
Appendix



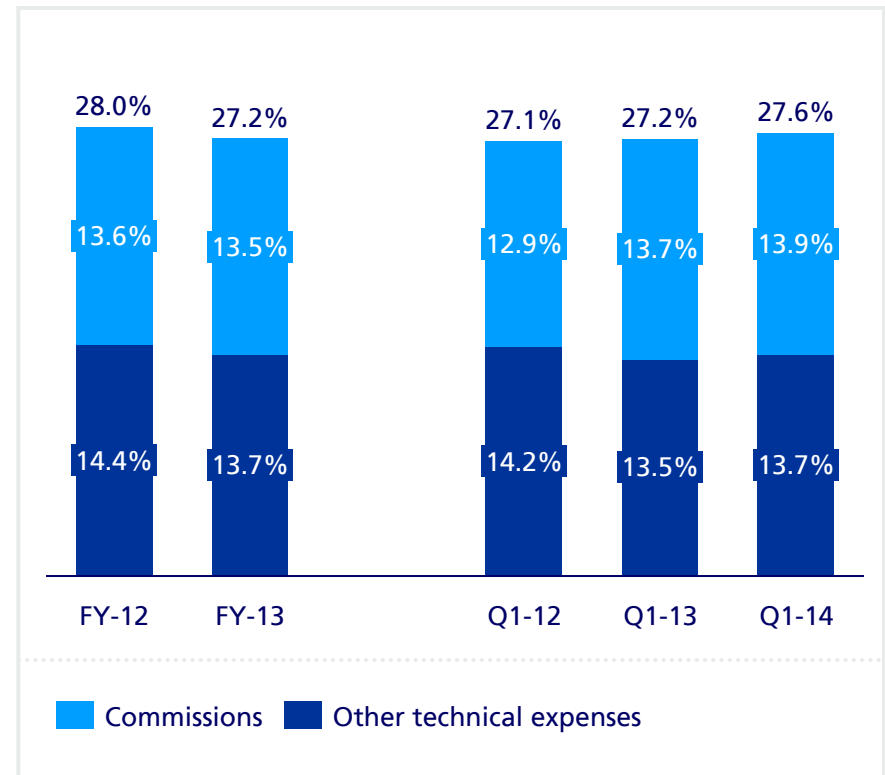
GI – Combined ratio details

AY loss ratio further improved with ER slightly deteriorating

LOSS RATIO (%)



EXPENSE RATIO (%)



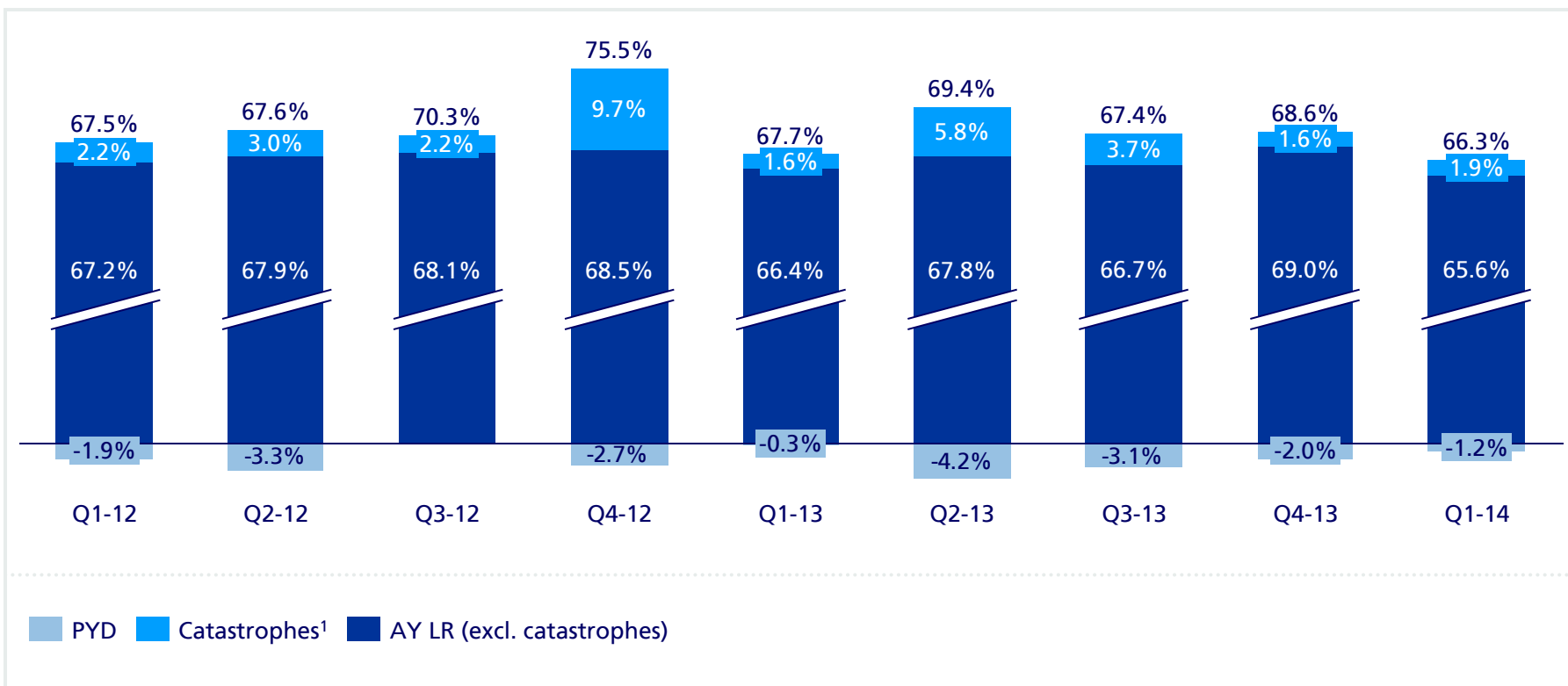
¹ Catastrophes includes major and mid-sized catastrophes including significant weather related events.

GI – Loss ratio details

AY loss ratio further improved



LOSS RATIO (%)



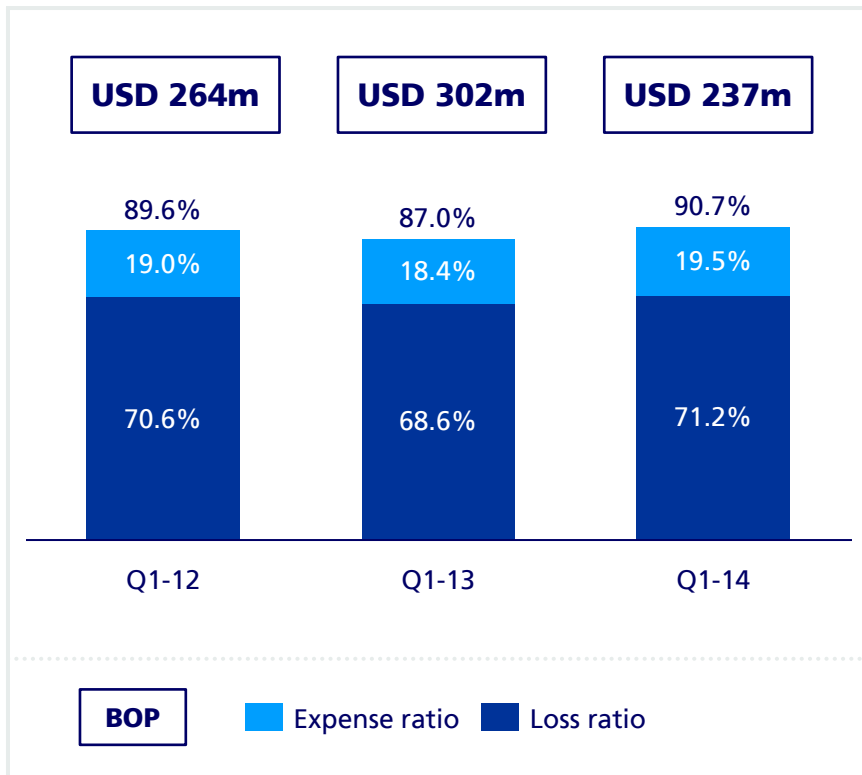
¹ Catastrophes includes major and mid-sized catastrophes including significant weather related events.

GI Global Corporate – KPI



Combined ratio benefitting from very low catastrophe losses

Q1-14 KEY FINANCIALS



GWP Growth ¹	Zurich rate change ²	Combined Ratio
-2%	3%	91%

KEY DRIVERS

- Growth impacted by some timing effects which should have a positive impact in the next quarters
- Combined ratio deteriorated mainly due to lower level of PYD and higher levels of large property losses while benefitting from lower catastrophes

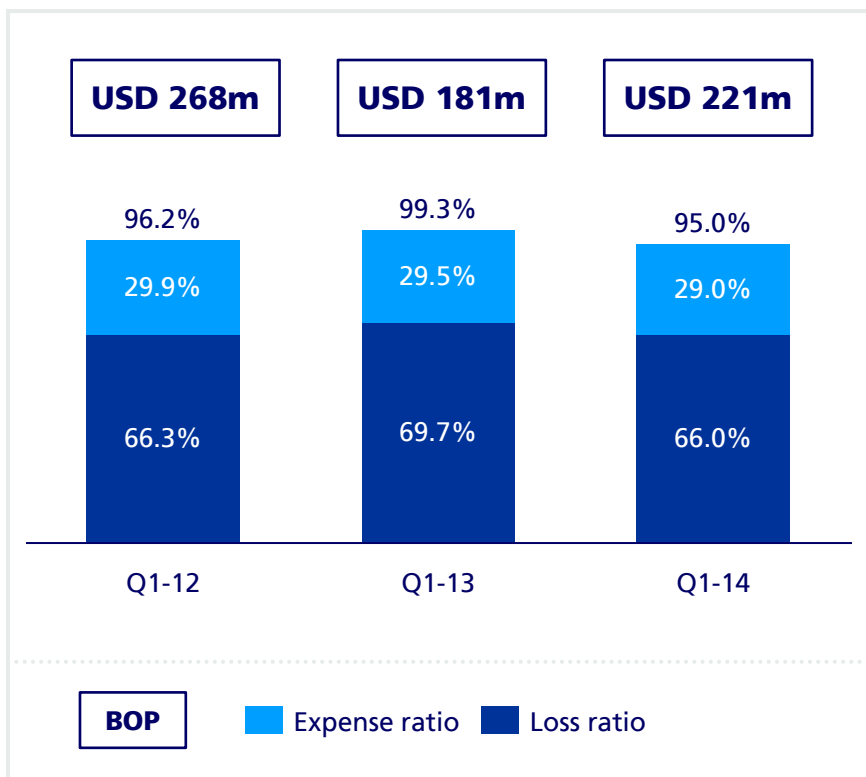
¹ In local currency.

² GWP development due to premium rate change as a percentage of the renewed portfolio against the comparable prior year period.

GI North America Commercial – KPI

Growth impacted by one-offs, with improved combined ratio

Q1-14 KEY FINANCIALS



GWP Growth¹

-2%

Zurich rate change²

4%

Combined Ratio

95%

KEY DRIVERS

- Underlying growth at +4%
- Stable rate increases with some market pressure on property lines
- Combined ratio benefitted from higher prior year reserve releases and underlying improvement off-set by higher catastrophes

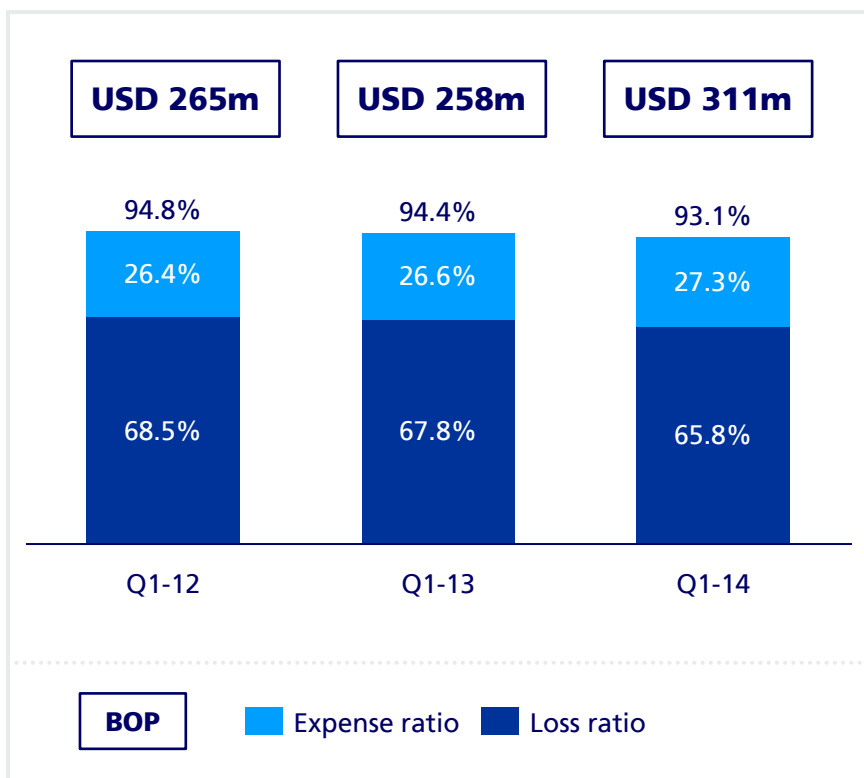
¹ In local currency.

² GWP development due to premium rate change as a percentage of the renewed portfolio against the comparable prior year period.

GI EMEA – KPI

Broadly flat top-line, underlying combined ratio progress

Q1-14 KEY FINANCIALS



GWP Growth¹

-1%

Zurich rate change²

2%

Combined Ratio

93%

KEY DRIVERS

- Solid combined ratio with some underlying improvement, even excluding the one time pension gain
- Growth impacted by economy in Italy but started to recover in CH personal and UK
- Germany on track after adjusting for some cost shift between GI and Life

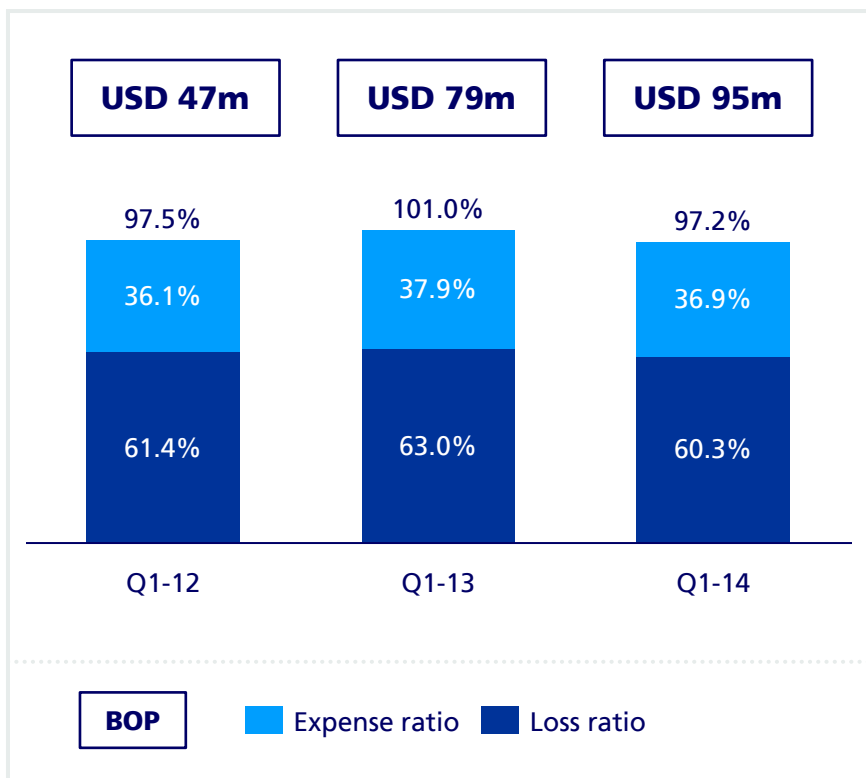
¹ In local currency.

² GWP development due to premium rate change as a percentage of the renewed portfolio against the comparable prior year period.

GI International Markets – KPI

Reduced growth partly driven by focus on profitability

Q1-14 KEY FINANCIALS



GWP Growth ¹	Zurich rate change ²	Combined Ratio
3%	4%	97%

KEY DRIVERS

- Underlying growth at 8%
- Higher rate increases due to increased focus on profitability in Latin America
- Combined ratio benefitted from lower catastrophes and solid improvement of expense ratio

¹ In local currency.

² GWP development due to premium rate change as a percentage of the renewed portfolio against the comparable prior year period.

GI – Rate change monitor

Fairly stable increases, with some market pressure in US property



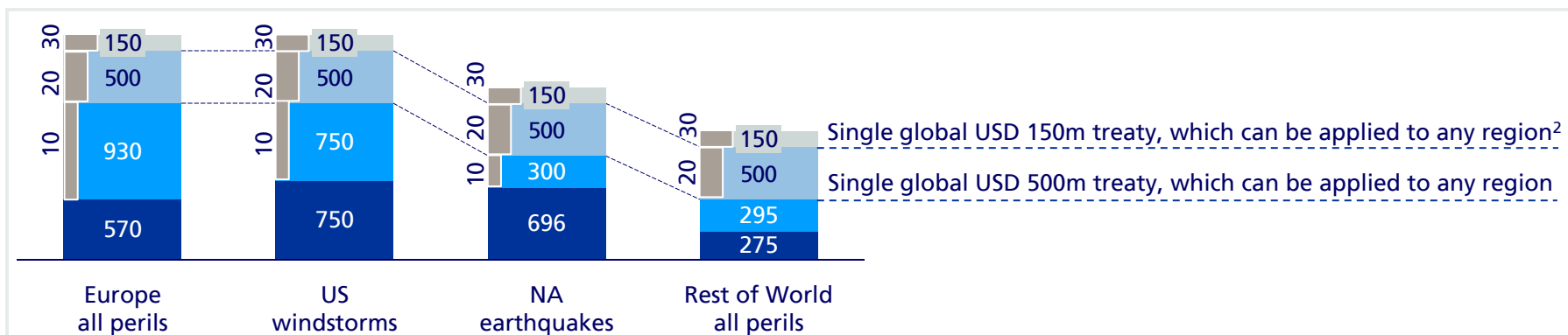
ZURICH RATE CHANGE ASSESSMENT

Business	Assessment
Group	Fairly stable rate increases compared to Q1 2013
Global Corporate	Modest rate increases in all regions apart from Asia Pacific; casualty lines positive, flat overall renewal pricing on property lines
North America Commercial	Continued rate increases across all lines of business; positive specialty, competitive pressure in property lines
EMEA	Fairly stable rate increases, inline with our expectations, but with different market dynamics
UK	Solid, if slightly lower, rate increases in our main lines of business
Germany	Good rate increases in motor
Switzerland	Renewal rates broadly flat, consistent with prior quarters
Italy	Overall like for like renewal pricing broadly flat; pressure on motor reflecting high market profitability
Spain	Slightly lower rate increases, mainly in motor
International Markets	Mid-single digit rate increases, consistent with prior quarters

GI – Natural catastrophe reinsurance

Program further benefitted from lower reinsurance prices

NATURAL CATASTROPHE REINSURANCE TREATIES¹ (USDm)



Single global USD 150m treaty, which can be applied to any region²
 Single global USD 500m treaty, which can be applied to any region

Combined global cat treaty² Global cat treaty Regional cat treaties Retention % of co-participation

GLOBAL AGGREGATE CAT TREATY



All cat losses exceeding USD 35m Variable retention Global aggregate cat treaty Combined global cat treaty² % of co-participation

¹ US Cat Treaty and Global Aggregate Cat Treaty renewed on January 1, 2014; Europe Cat Treaty and Global Cat Treaty renewed on April 1, 2014; and International Cat Treaty renewed on July 1, 2013.

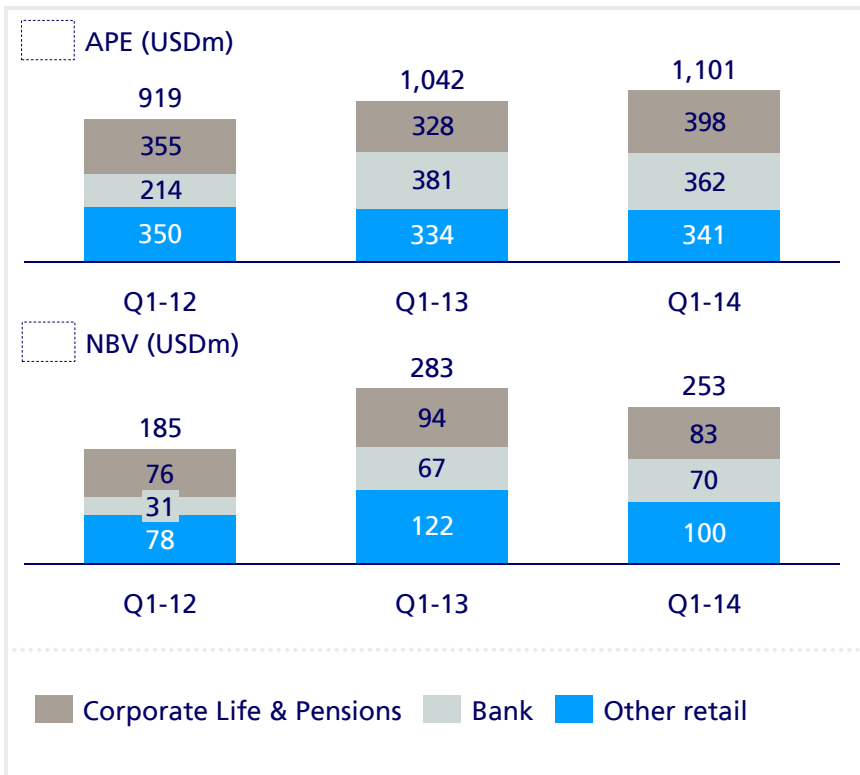
² This USD 150 million cover is the same combined global occurrence / aggregate treaty presiding over the global catastrophe treaty. This cover can be used only once, either for aggregated losses or for an individual event.

GL – New business by pillar

Strong first quarter production



Q1-14 KEY FINANCIALS



NBM	PVNB	CLP single premium
26%	USD 10.3bn	USD 1.3bn

KEY DRIVERS

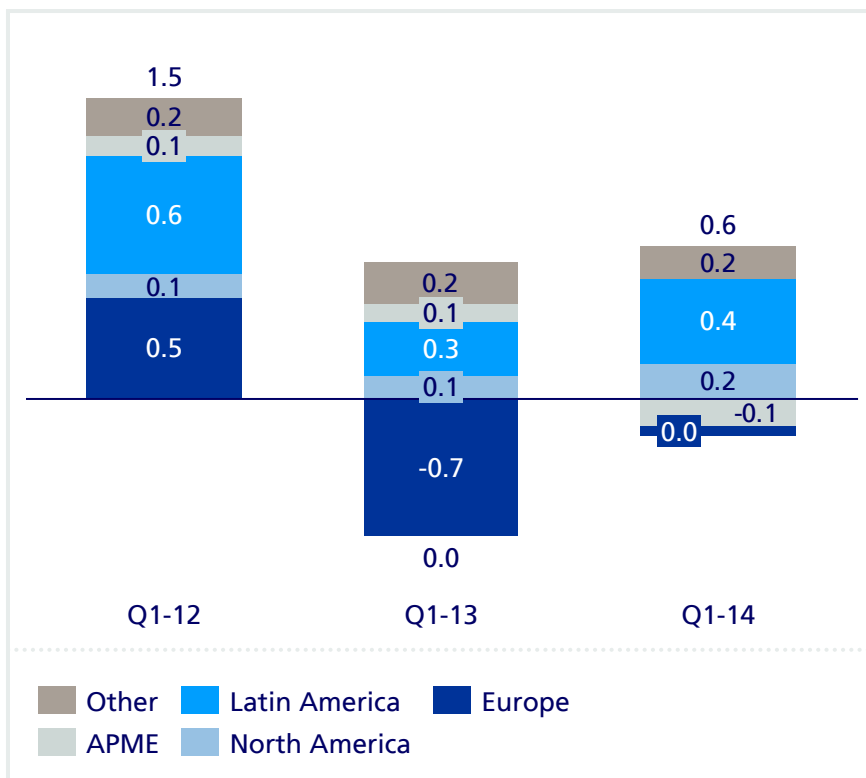
- Growing CLP APE due to increases in corporate savings contracts
- The higher volumes of lower margin business, combined with a reduction in UK protection sales, reduced the NBM and NBV

Note: 2012 figures do not include Zurich Santander. APE is reported before minority interests. NBM and NBV are reported net of minority interests, with prior year figures restated accordingly.

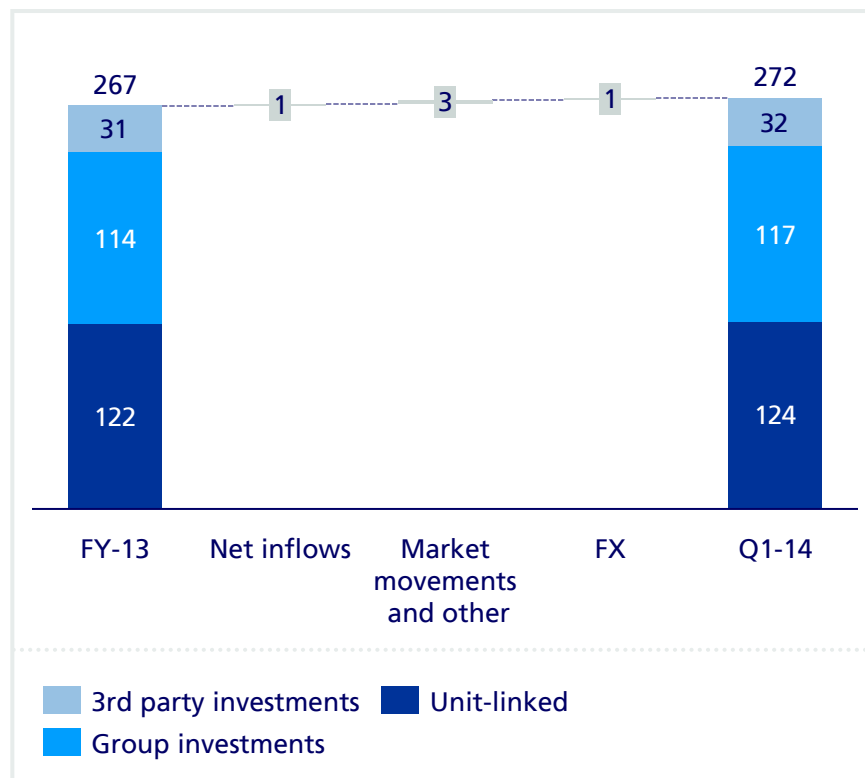
GL – Net inflows & Asset under management

Positive net flows and asset development

NET INFLOWS BY REGION (USDbn)



AUM DEVELOPMENT (USDbn)

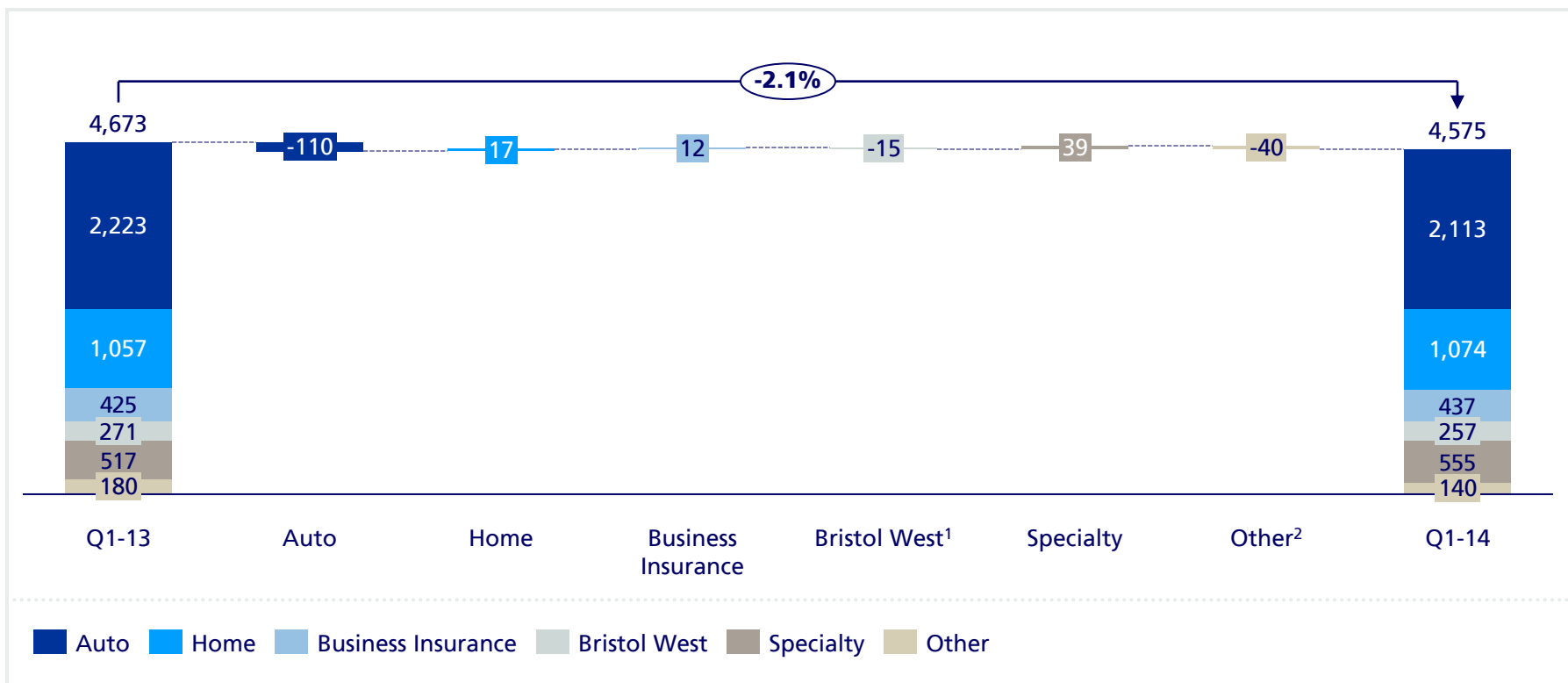


Farmers Exchanges – GWP

Early positive signals in top-line performance



DEVELOPMENT OF GWP BY BUSINESS LINE (USDm)



¹ Bristol West writes non-standard Auto business.

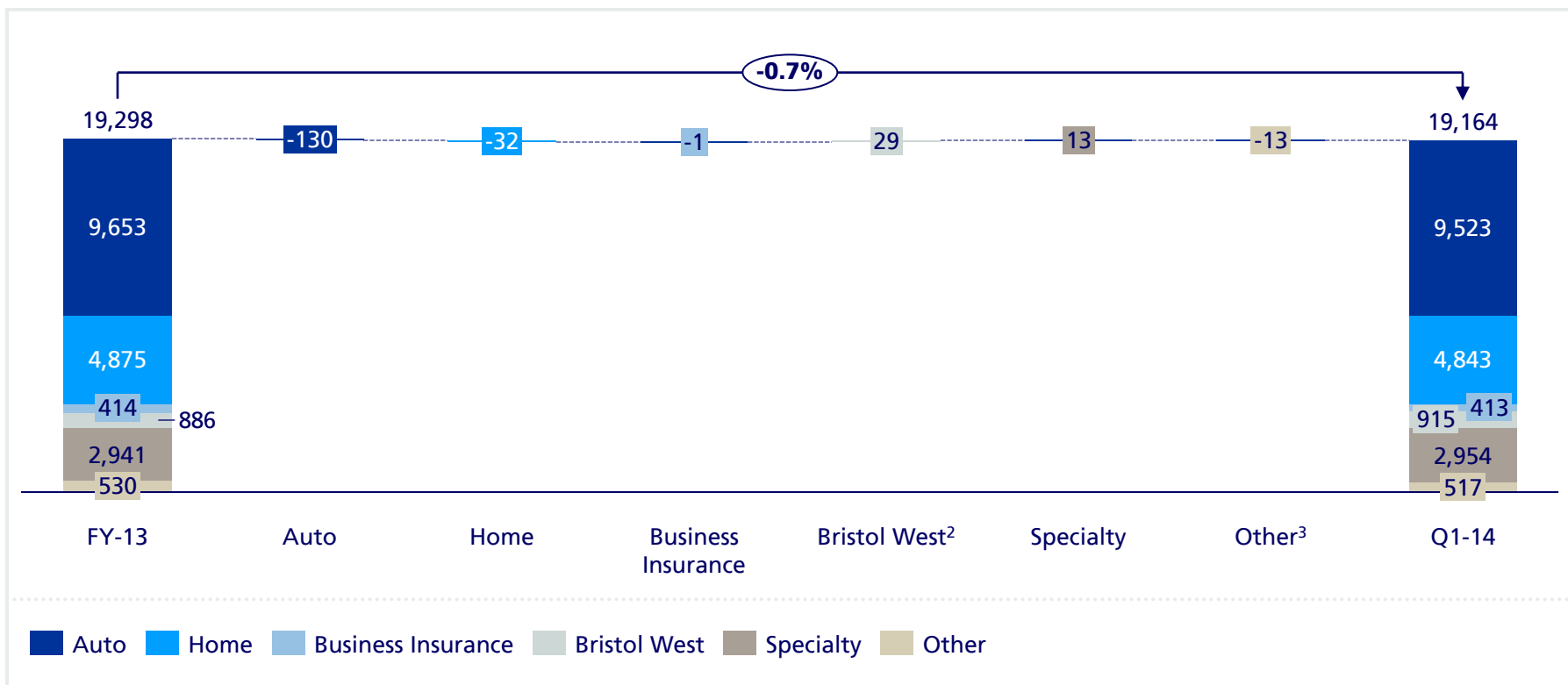
² Other includes Personal Umbrella, Miscellaneous Pools, Independent Agent personal lines business, Independent Agent Business Insurance and Discontinued Operations.

Farmers Exchanges – PIF/VIF¹



Bristol West turns the corner in terms of VIF growth

DEVELOPMENT OF PIF/VIF¹ BY BUSINESS LINE (THOUSANDS)



¹ Policies-in-force (PIF) or Vehicle-in-force (VIF) for Auto businesses.

² Bristol West writes non-standard Auto business.

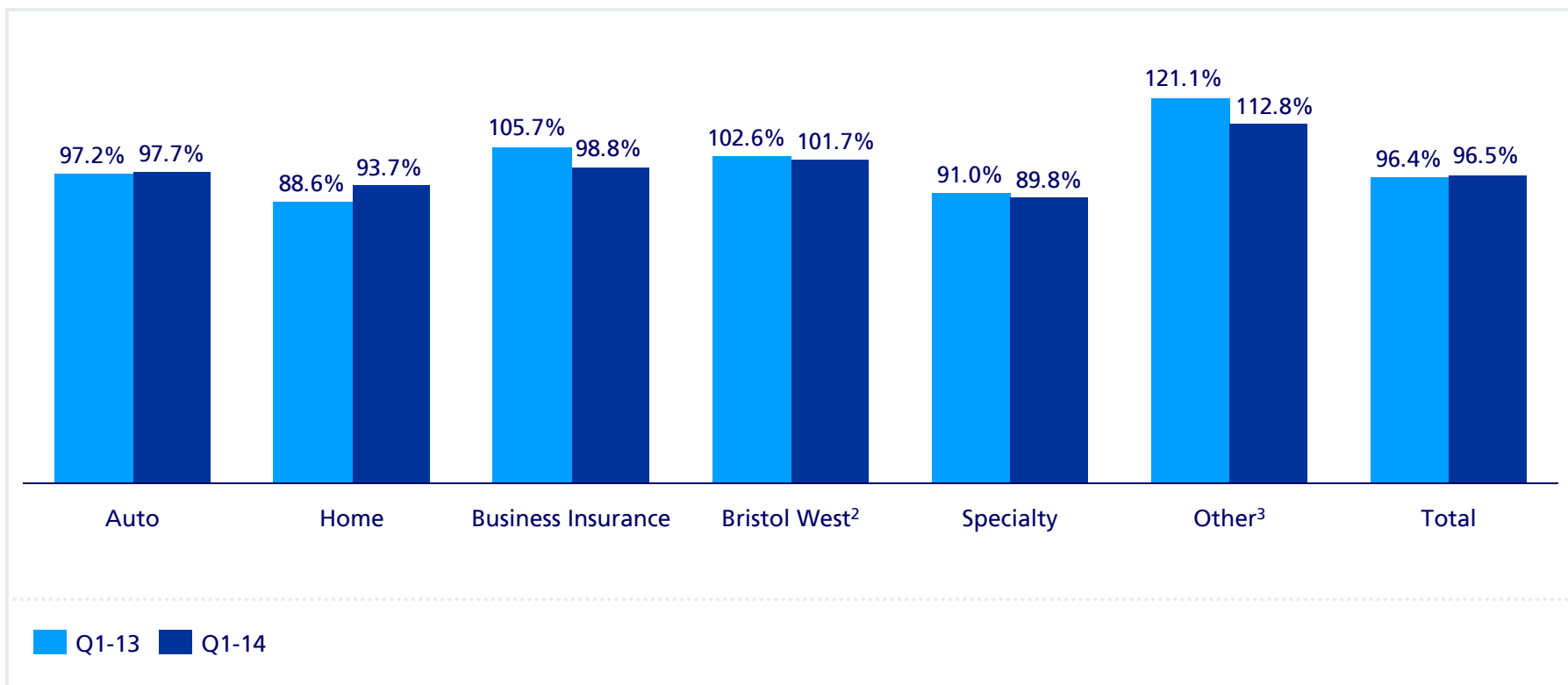
³ Other includes Personal Umbrella, Miscellaneous Pools, Independent Agent personal lines business, Independent Agent Business Insurance and Discontinued Operations.

Farmers Exchanges – Combined ratio

Combined ratio unchanged despite higher catastrophe losses



COMBINED RATIO BY BUSINESS LINE (%)¹



¹ Combined ratio is before quota share treaties with Farmers Reinsurance Company, Zurich Insurance Company Ltd and a third party reinsurer.

² Bristol West writes non-standard Auto business.

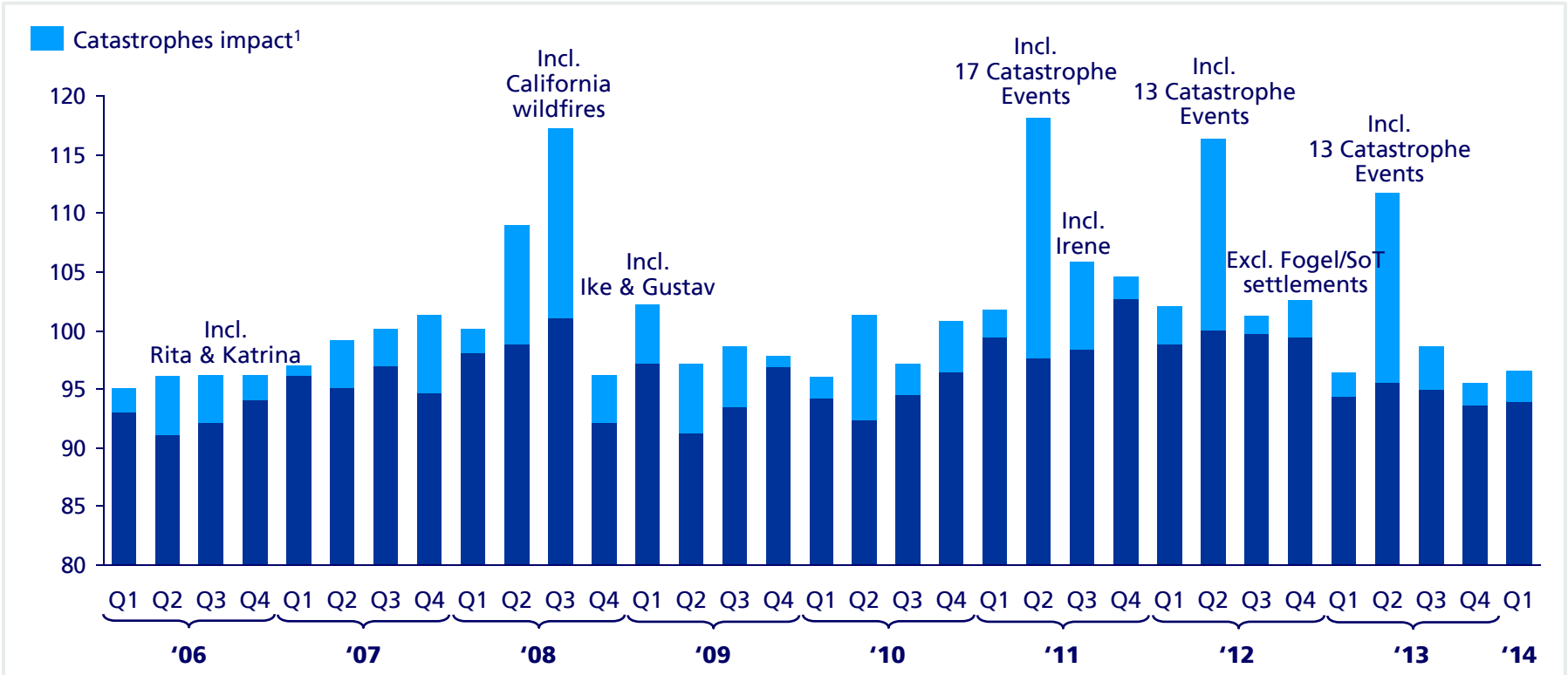
³ Other includes Personal Umbrella, Miscellaneous Pools, Independent Agent personal lines business, Independent Agent Business Insurance and Discontinued Operations.

Farmers Exchanges – Combined ratio history



Catastrophe losses drive volatility in quarterly combined ratio

QUARTERLY COMBINED RATIO (%)



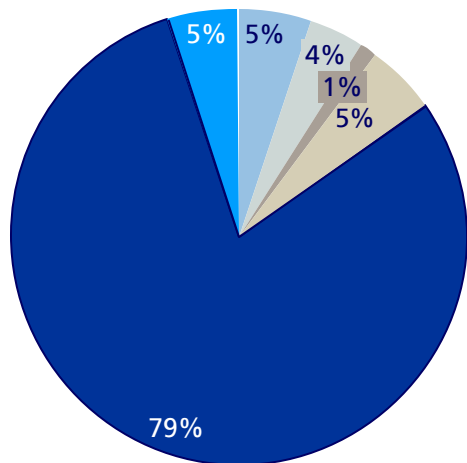
¹ Farmers Exchanges adopted industry standard ISO defined catastrophes as per July 2011.

Group Investments – Asset allocation

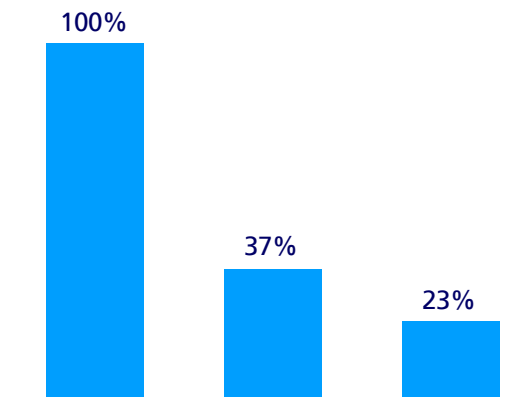
Balanced sources of investment risk and return

ASSET ALLOCATION (%)¹

Total Group Investments: USD 214bn

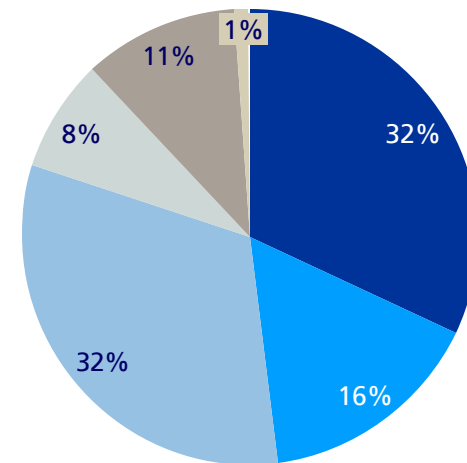


RISK DIVERSIFICATION²



Sum of single security risks	Investment risks diversified	Investment risk relative to liabilities
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RISK DRIVERS (%)^{2,3}



¹ Economic view.

² Estimated.

³ Risk drivers of ALM/Market risk (at expected shortfall 99% based on Monte Carlo simulation) show marginal contribution to the total ALM/Market risk.

⁴ HE: Hedge Funds; PE: Private Equity; RE: Real Estate.

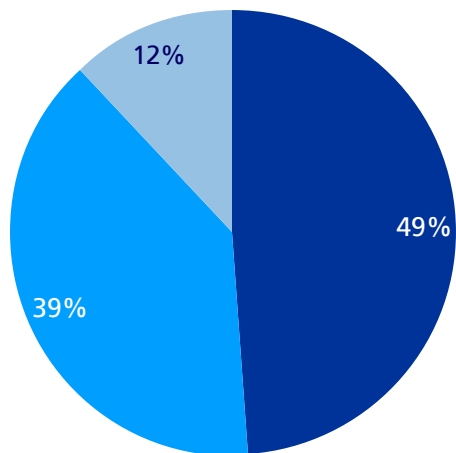
Group Investments – Debt securities portfolio



High quality debt securities portfolio

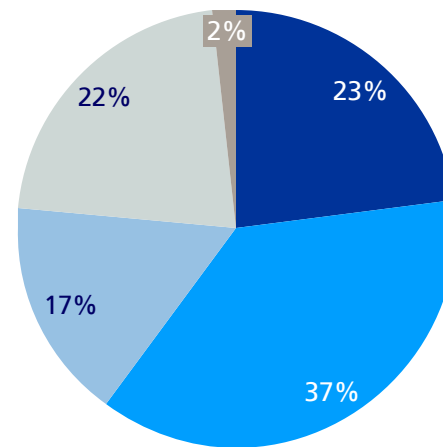
BY CATEGORY (%)

Total debt securities: USD 159bn



■ Government and government related bonds ■ MBS/ABS
■ Corporate bonds

BY RATING (%)



■ AAA ■ AA ■ A ■ BBB ■ Non-investment grade

Group Investments – Investment income yield¹

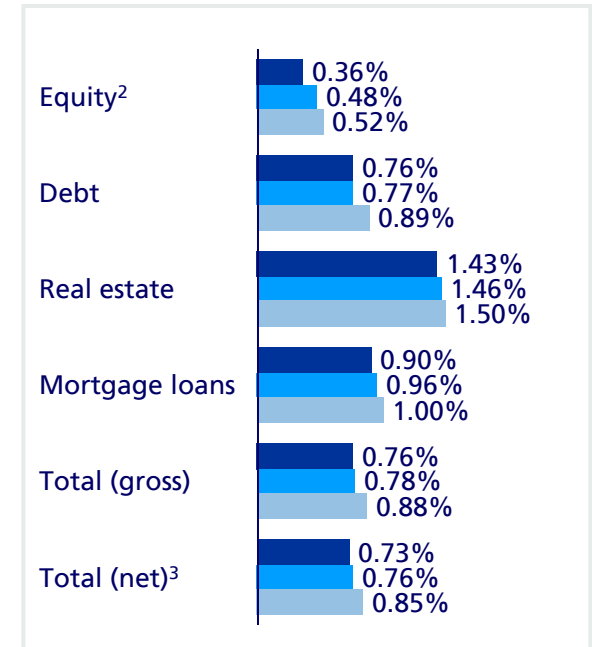
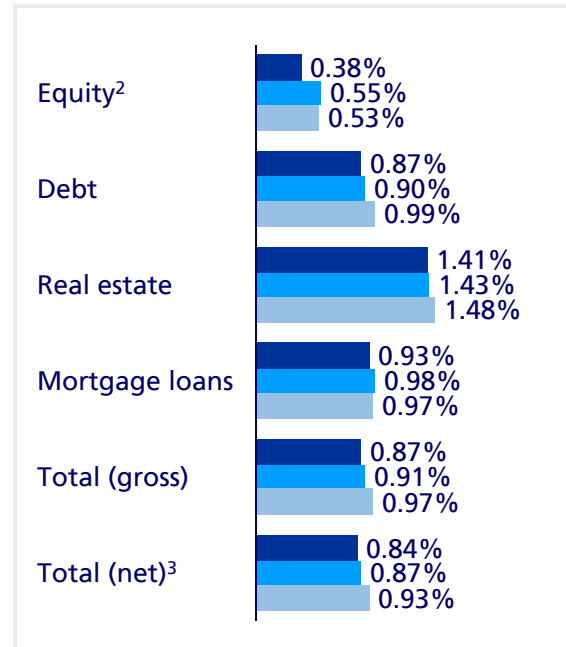
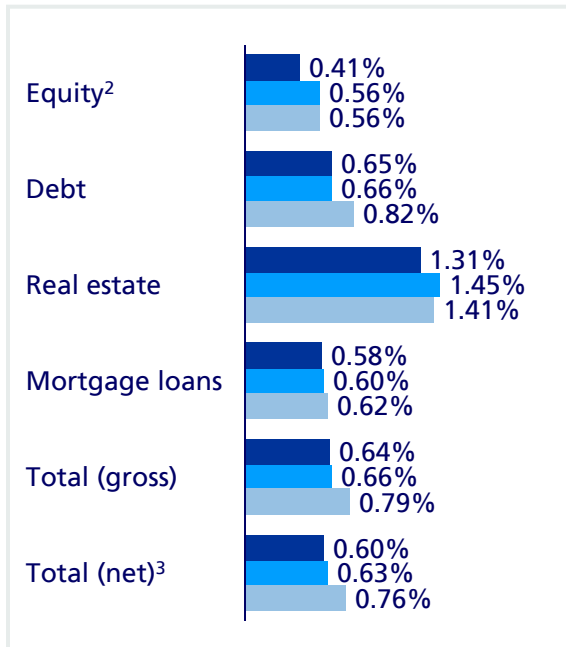


Decline in investment income yields has slowed

GENERAL INSURANCE

GLOBAL LIFE

GROUP



■ Q1-14 ■ Q1-13 ■ Q1-12

¹ Calculated based on the asset class average assets, not annualized, accounting view before eliminations.

² Includes Hedge Funds and Private Equity.

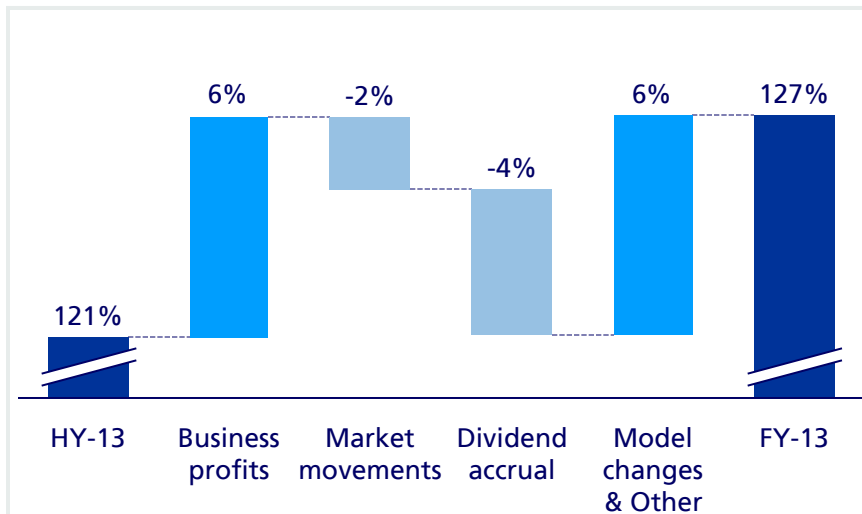
³ Net of investment expenses.

Group – Economic capital models

Capital strong, supporting redeployment

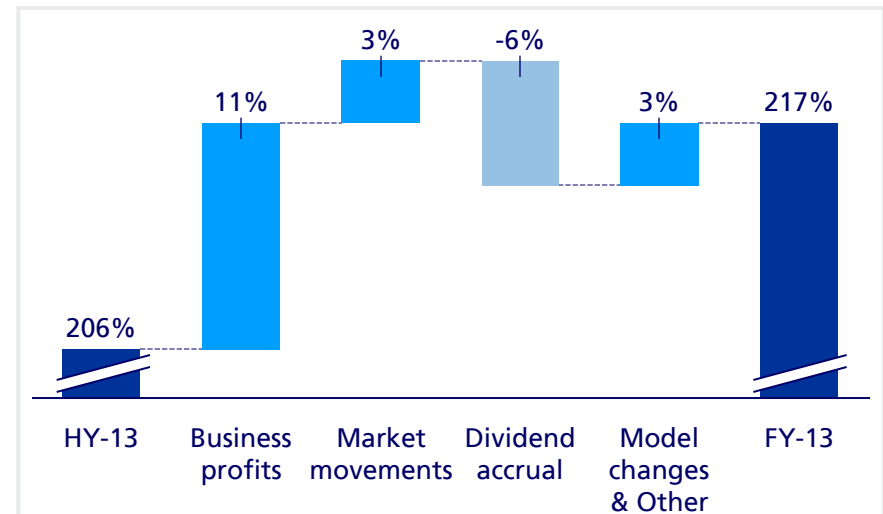


Z-ECM RATIO DEVELOPMENT (%)



- Ratio expected to be temporarily above target AA range, until full execution of disciplined incremental risk taking
- Model changes include refined treatment of FX risk, where the USD is replaced by a basket currency for risk measurement

SST¹ RATIO DEVELOPMENT (%)



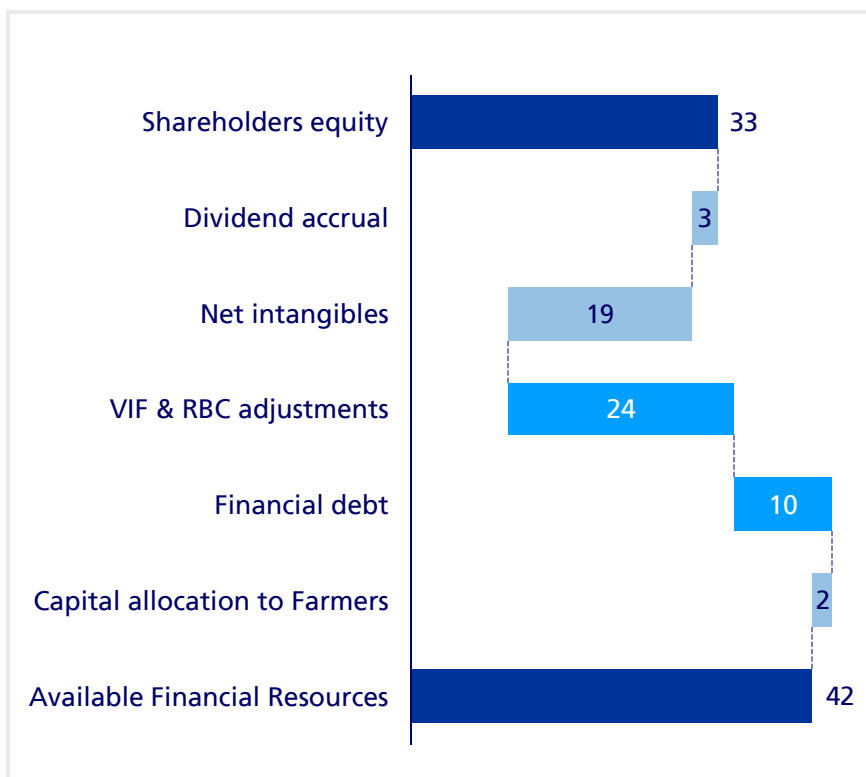
- SST ratio benefits from model changes introduced as part of model approval process
- Model changes include the reflection of business planned to be written but not yet earned over the next year

¹ The Swiss Solvency Test (SST) ratio is calculated based on the Group's internal model, and both are subject to the review and approval of the Group's regulator, the Swiss Financial Market Supervisory Authority (FINMA). The ratio is filed with FINMA bi-annually.

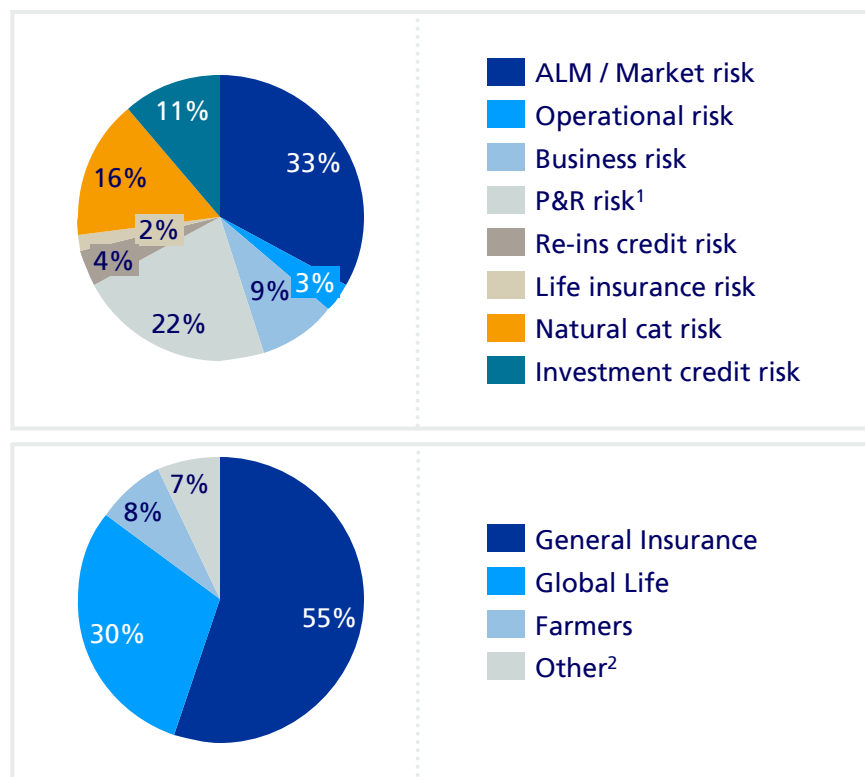
Group – Z-ECM

Well diversified capital base by risk type

Q1-14 AFR DEVELOPMENT (USDbn)



RBC BY RISK TYPE AND BUSINESS (%)



¹ Premium & reserving risk.

² Includes Other Operating Businesses and Non-Core Businesses.

For further information

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The screenshot shows the Zurich Insurance Group website. At the top, there is a navigation bar with the Zurich logo, a 'Select your country' dropdown menu, a 'Go' button, and links for 'Location finder', 'Contact', and 'Zurich-City/Tourism'. Below the navigation bar, there is a search bar and a 'Go' button. The main content area features a large banner for the 'Annual Report and Annual Review 2013' with a woman's face in the background. A blue button on the banner says 'ANNUAL REPORT & REVIEW 2013 Available online now' with a small image of the report cover. Below the banner, there are social media icons for Twitter, Facebook, LinkedIn, and YouTube, with the text 'Follow us' to the left. To the right of the social media icons, there are images of a tablet, a smartphone, and a smartphone displaying the Zurich app. Below these images, the text reads 'Download: Zurich Investors and Media App'.

Calendar:

- May 28, Deutsche Bank Global Financial Services Investor Conference, New York
- August 7, Half year results 2014
- September 30 – October 2, BoAML Annual Banking & Insurance CEO Conference
- November 6, Results for nine months to September 30, 2014
- February 12, 2015, Annual results 2014

