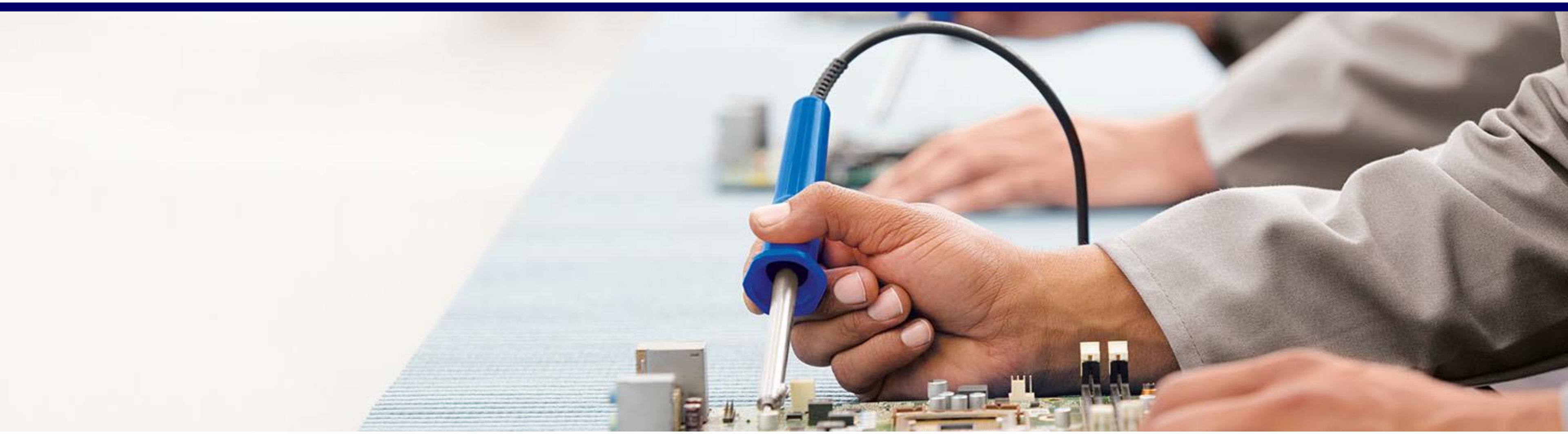
Half year results 2016

Investor & Media presentation
August 11, 2016

Zurich Insurance Group



Content

Use symbols to navigate through the document

Key highlights

Key messages

General Insurance	Continuing underlying improvement
Global Life	Consistent delivery
Farmers	Strong FMS result benefitting from growth in fees
Group	Actions taken to simplify structure and reduce costs
Capital	Resilient capital position

Key financials

Good BOP result

HY-16 KEY RESULTS

BOP
USD 2.2bn (-2%)

NIAS
USD 1.6bn (-22%)

TARGET METRICS OVER STRATEGIC PERIOD

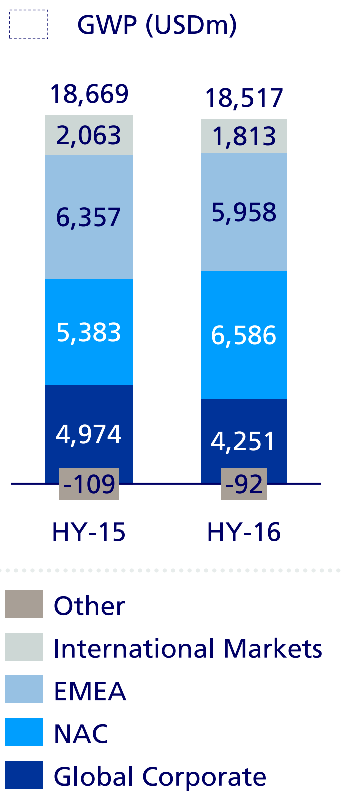
BOPAT ROE[1]	HY-16	Target
	11.3%	12 - 14%
Z-ECM[2]	Q2-16[3]	Target
	107%	100 – 120%
Net cash remittances	Cumulative 2014-16[4]	Cumulative 2014-2016
	> USD 10bn	> USD 9bn

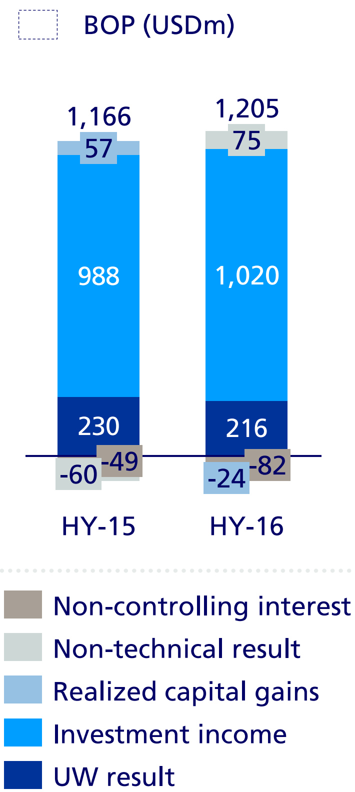
1 Business Operating Profit after tax return on equity (annualized), excluding unrealized gains and losses.
2 Zurich Economic Capital Model (Z-ECM).
3 Reflects midpoint estimate with an error margin of +/- 5ppts. Q1-16 Z-ECM ratio at 108%.
4 Estimate for 2014-16 period.

Report card – General Insurance

Good progress so far

KPIs BY REGION (USDm)





ACHIEVEMENTS

- HY-16 AY CR ex cat[1] at 96.3%, 2.8ppts below FY-15
- Turnaround actions result in underlying improvements in all markets
- Announced exit from various non-strategic positions such as retail and commercial business in South Africa, Morocco, Taiwan and the Middle East

NEXT STEPS

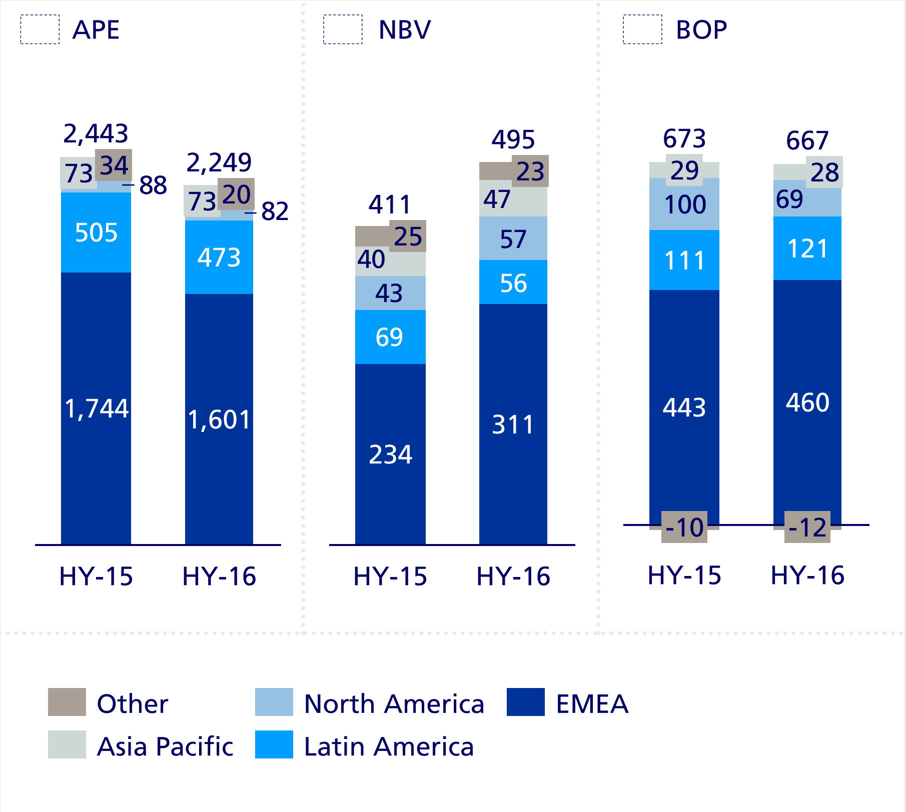
- Continue underwriting excellence, tiering of portfolio and reviewing of footprint
- Implement actions to reduce expense base
- Ongoing investments in priority markets

[1] Accident year combined ratio (AY CR) excludes prior year reserve development.

Report card – Global Life

In-force Management and Bank JVs deliver sustainable BOP

KPIs BY REGION (USDm)



ACHIEVEMENTS

- Achieved goal of delivering >USD 350m BOP per quarter, in local currency
- Expansion of new business margin particularly in Europe

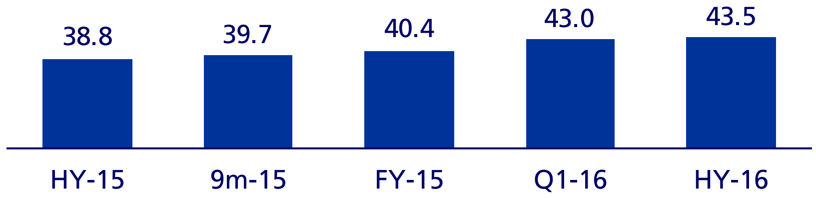
NEXT STEPS

- Completion of Macquarie in-force book acquisition in Australia / further structural actions
- Expand in-force management to Spain, Italy, Australia and CLP
- Continue to execute on efficiency measures

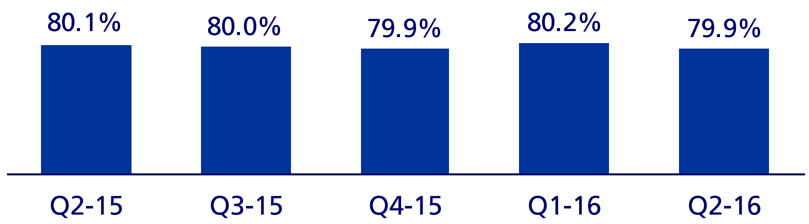
Report card – Farmers Exchanges[1]

Continued progress in strategic execution driving growth

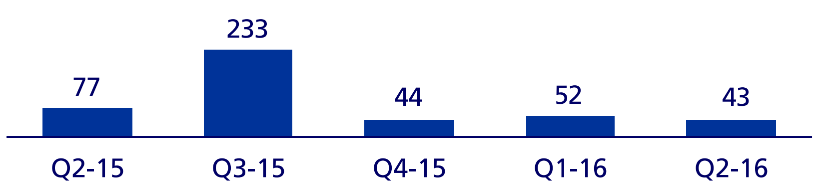
NET PROMOTER SCORE[2]



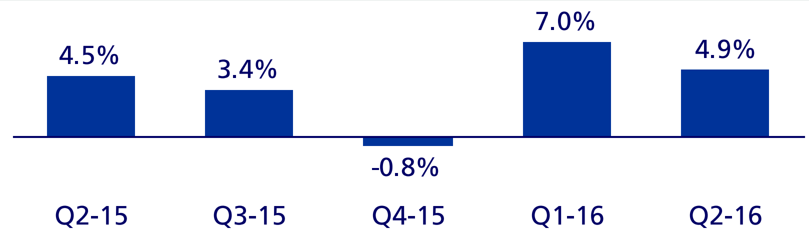
RETENTION[3]



NET GAIN / LOSS OF AGENTS[4]



NEW BUSINESS COUNT GROWTH[5]



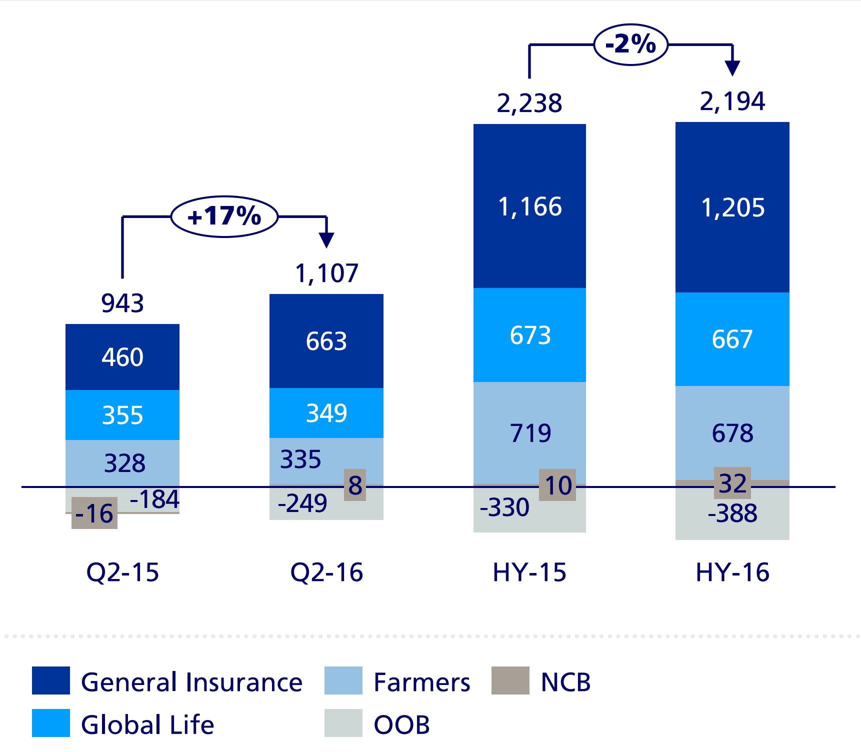
1 Provided for informational purposes only. Zurich Insurance Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc., a wholly owned subsidiary of the Group, provides administrative and management services to the Farmers Exchanges as its attorney-in-fact and receives fees for its services.
2 Survey based measure of customer loyalty for Farmers Exclusive Agent customers (Personal Lines and Business Insurance) on a YTD basis.
3 Reflects rolling 3-month 13/1 survival rate for Farmers Brand business (i.e. excluding Bristol West Auto and Farmers Specialty Auto).
4 Change in total number of exclusive Farmers agents including full time and career agents.
5 YoY change in new business counts for continuing operations. Farmers and Bristol West Auto reflect New Business/New Household.

HY-16 performance

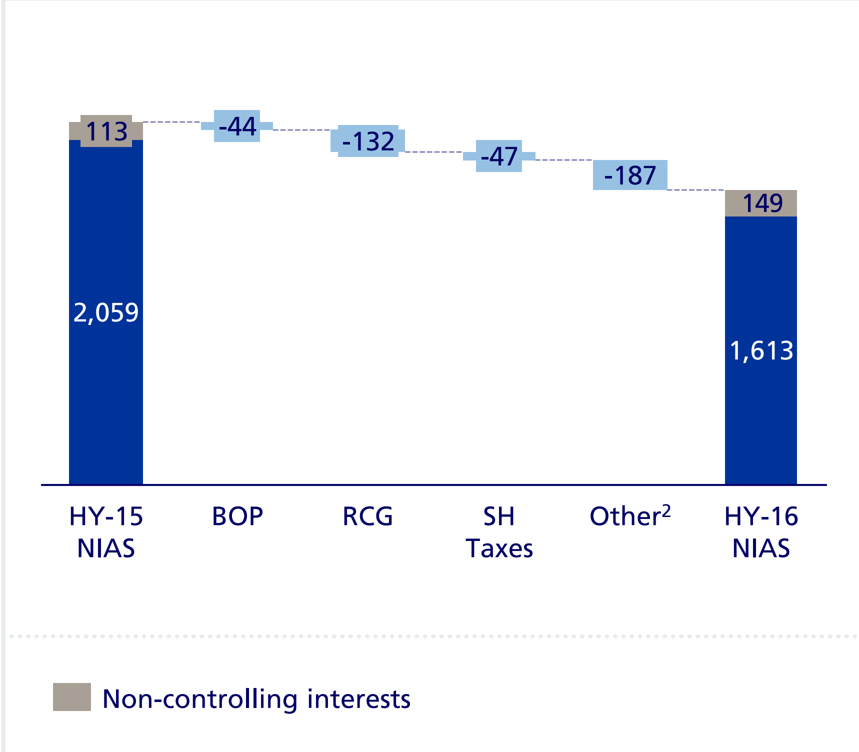
Group – BOP and NIAS

GI improving, other businesses on track

BOP BY SEGMENT (USDm)



NIAS WALK (USDm)[1]

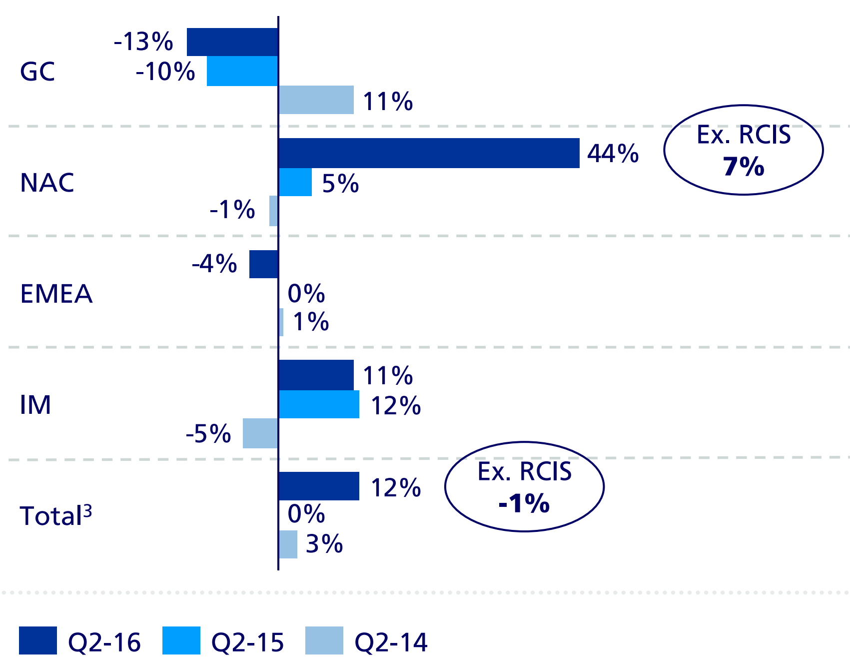


1 Realized capital gains (RCG), shareholder (SH) taxes (income tax expense attributable to shareholders) and other only include elements outside of BOP.
2 Includes restructuring costs, impairments of goodwill, change in estimate of earn-out liabilities, change in non-controlling interest, etc.

General Insurance – Topline

Premium increase reflects RCIS acquisition

GWP GROWTH IN LC[1] (%)



RATE CHANGE[2] (%)

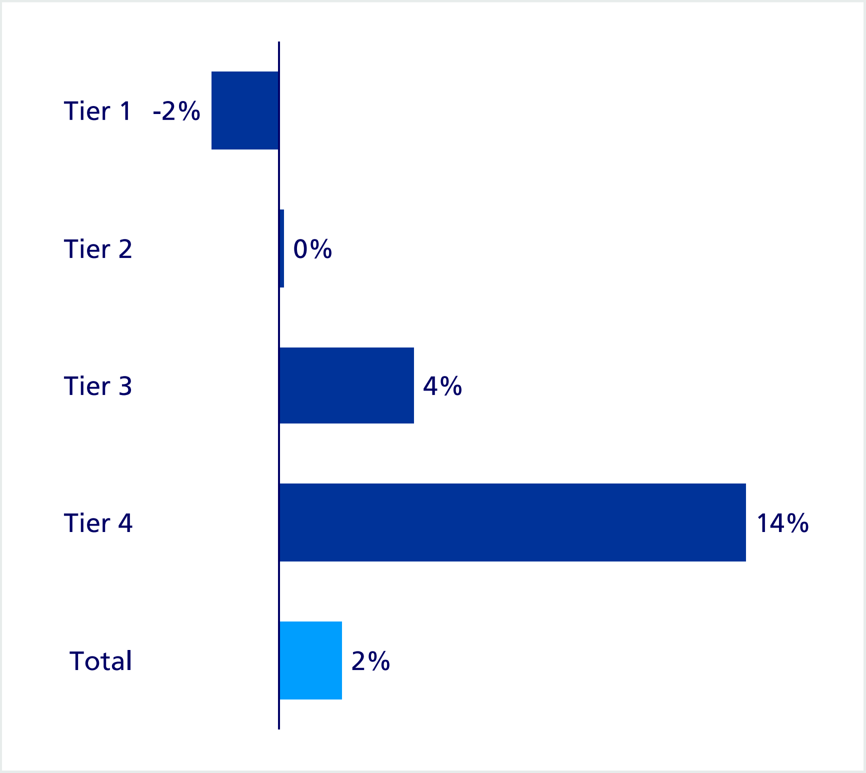
Q2-15	Q1-16	Q2-16
-1%	2%	1%
1%	2%	1%
1%	3%	2%
4%	1%	2%
1%	2%	2%

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.
3 Total includes GI Global Functions, Group Reinsurance and Eliminations.

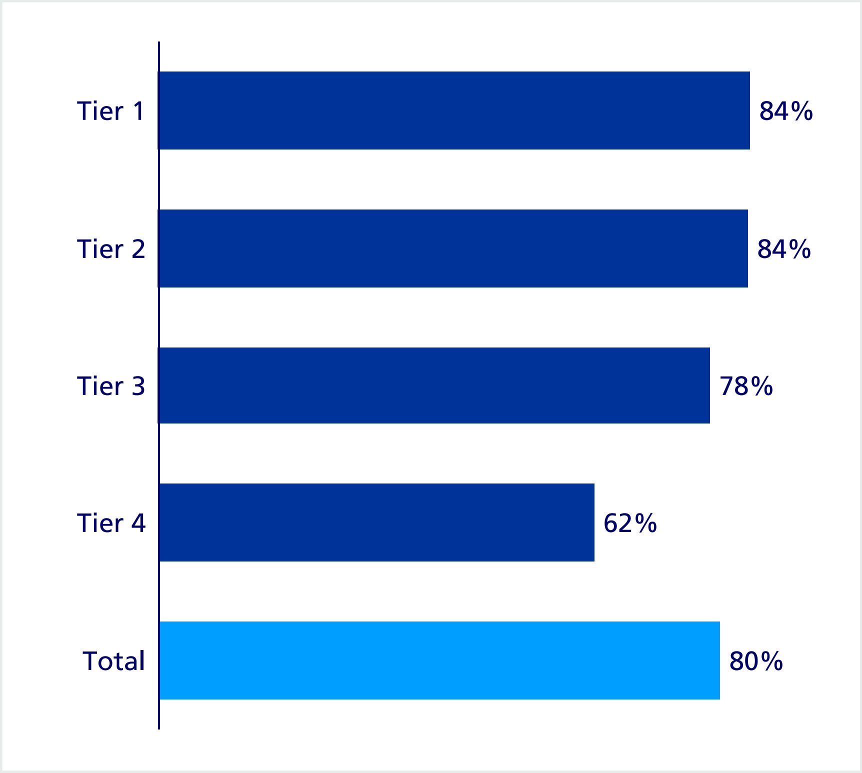
General Insurance – Tiering results[1]

Focus on profitability over volume, full benefit to earn through

HY-16 RATE INCREASES BY TIER[2] (%)



HY-16 RETENTION BY TIER[2] (%)

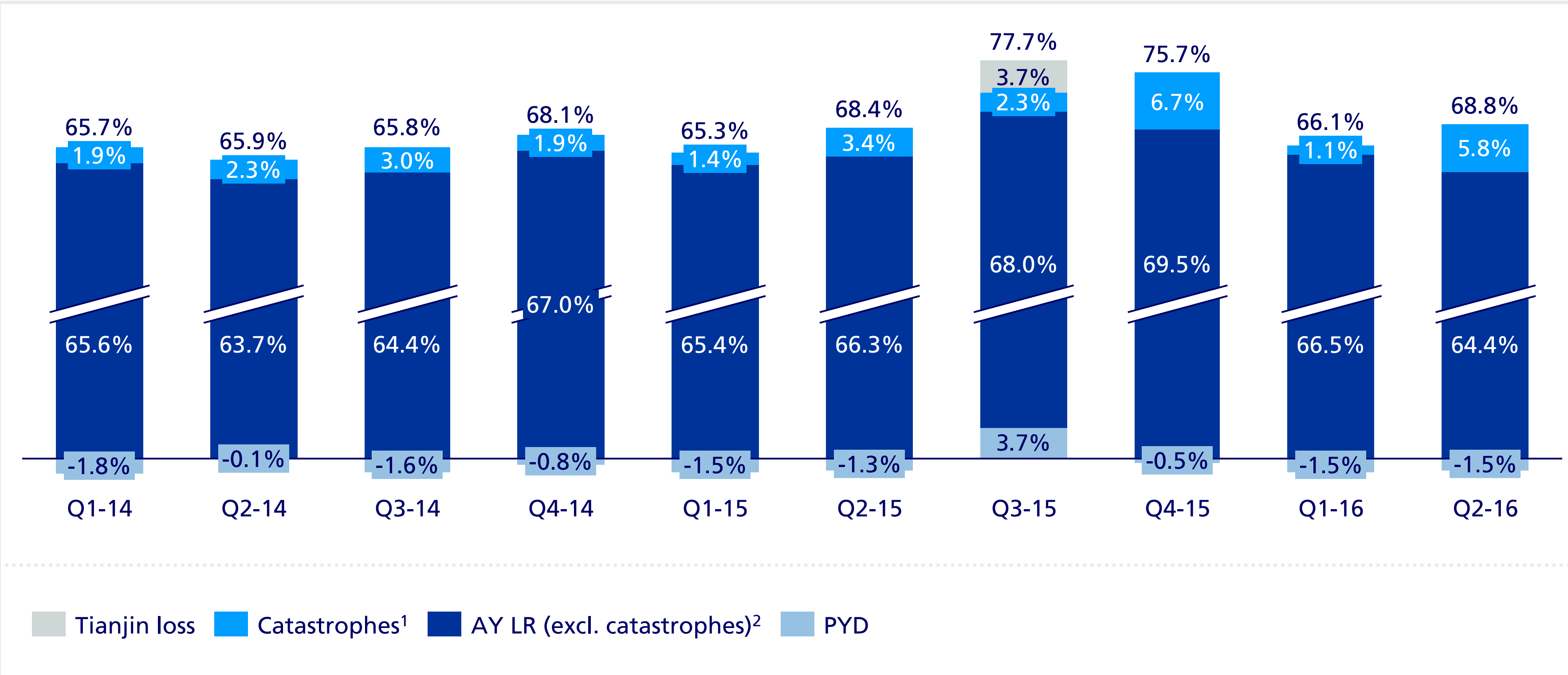


[1] GI overall results based on tiered business for Global Corporate, NAC and three major EMEA markets.
[2] Tier 1 represents most profitable accounts.

General Insurance – Loss ratio over time

AY loss ratio ex-cat improving in 2016

LOSS RATIO (%)

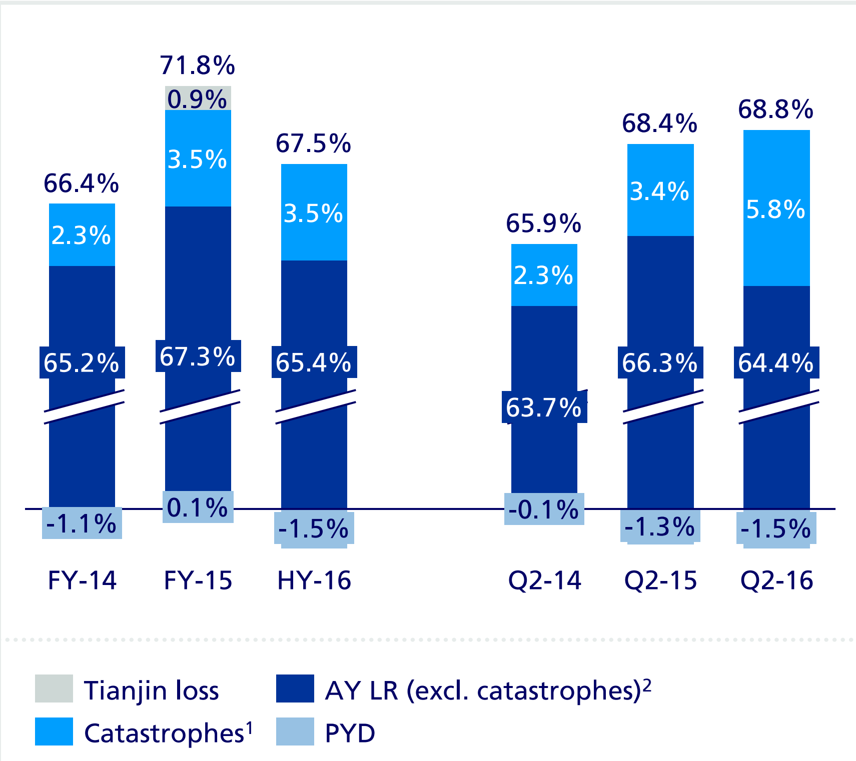


1 Catastrophes include major and mid-sized catastrophes including significant weather related events.
2 Accident year loss ratio (AY LR) excludes prior year reserve development (PYD).

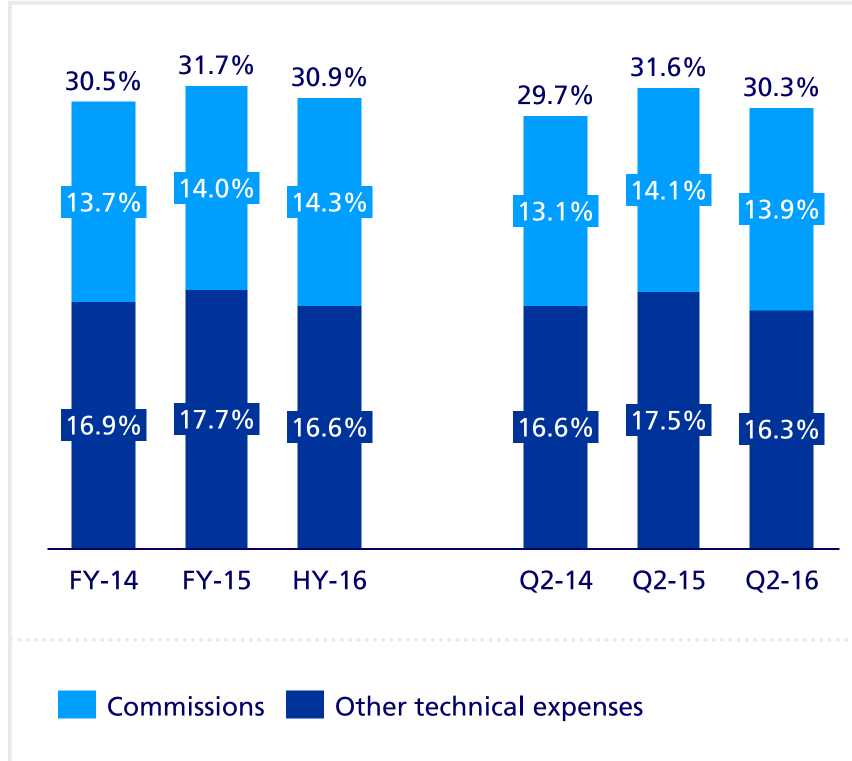
General Insurance – Combined ratio details

Management actions are delivering results

LOSS RATIO (%)



EXPENSE RATIO (%)

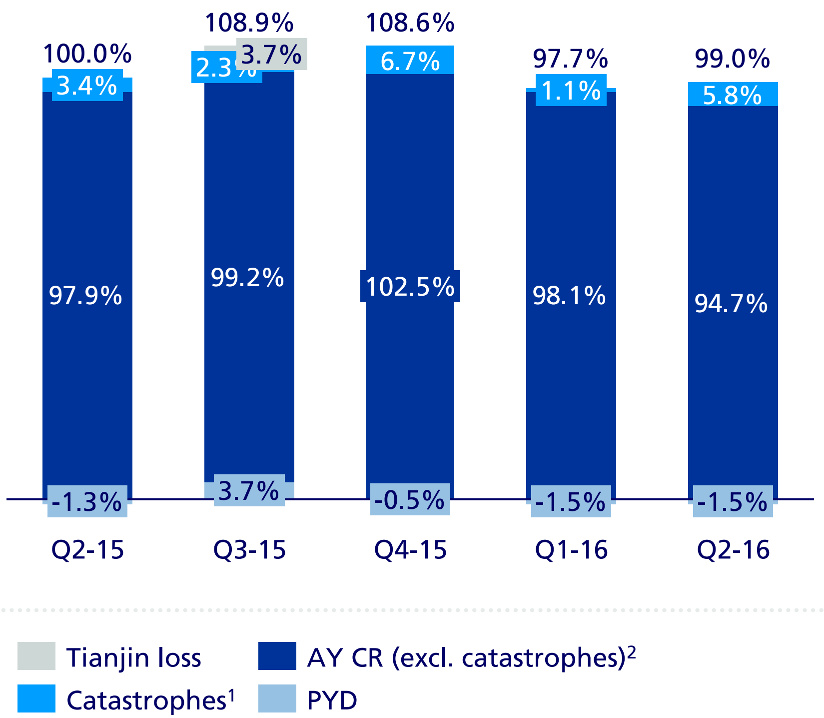


1 Catastrophes include major and mid-sized catastrophes including significant weather related events.
2 Accident year loss ratio (AY LR) excludes prior year reserve development (PYD).

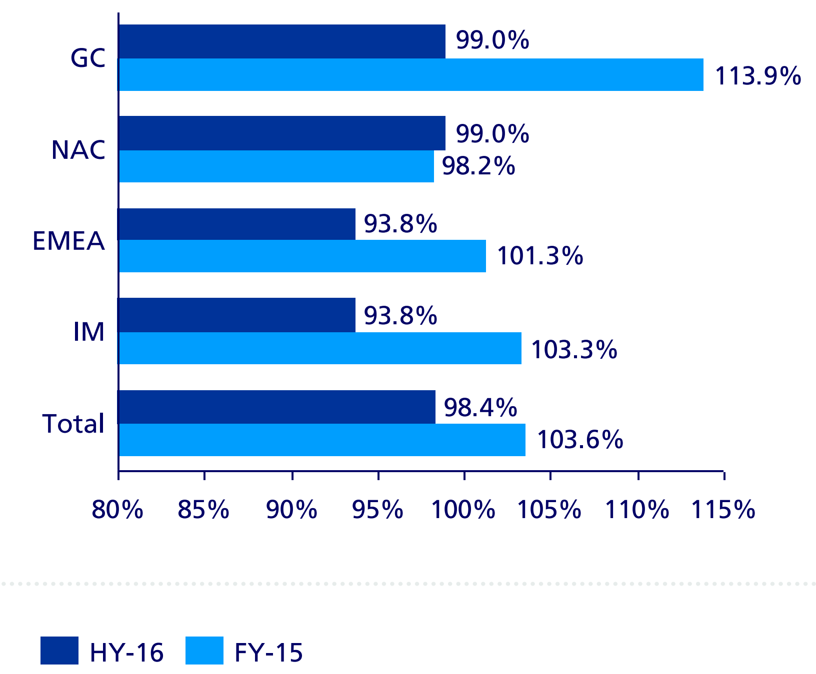
General Insurance – Regional combined ratios

AY combined ratio ex-cat further improving

COMBINED RATIO SPLIT (%)



COMBINED RATIO BY REGION (%)

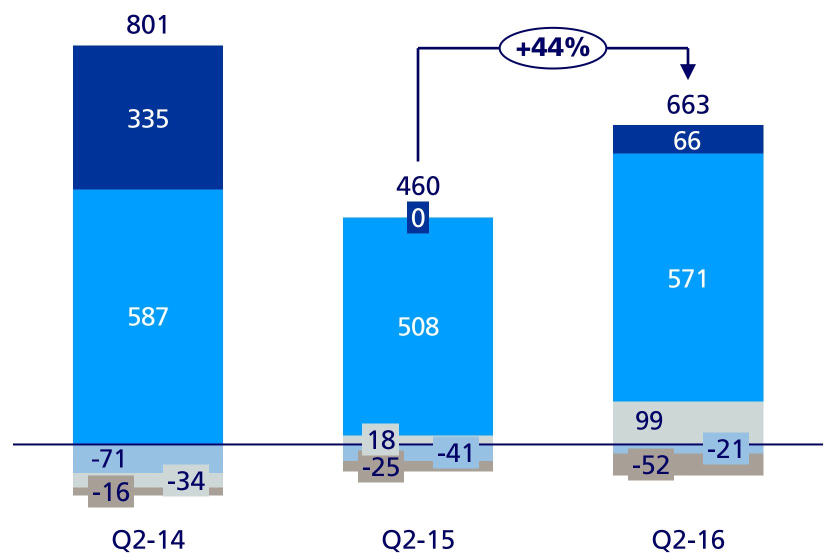


1 Catastrophes include major and mid-sized catastrophes, including significant weather related events.
2 Accident year combined ratio (AY CR) excludes prior year reserve development (PYD).

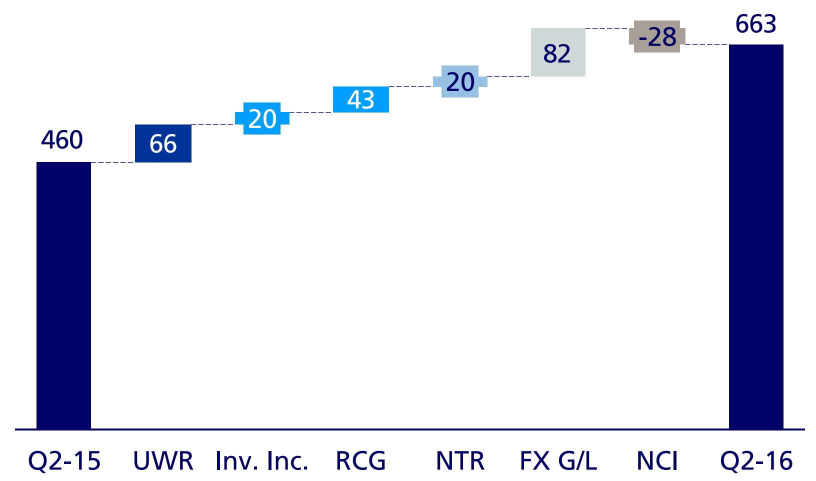
General Insurance – BOP components

Increased BOP reflects ongoing improvement and FX gain

BOP BREAK DOWN (USDm)



KEY DRIVERS (USDm)

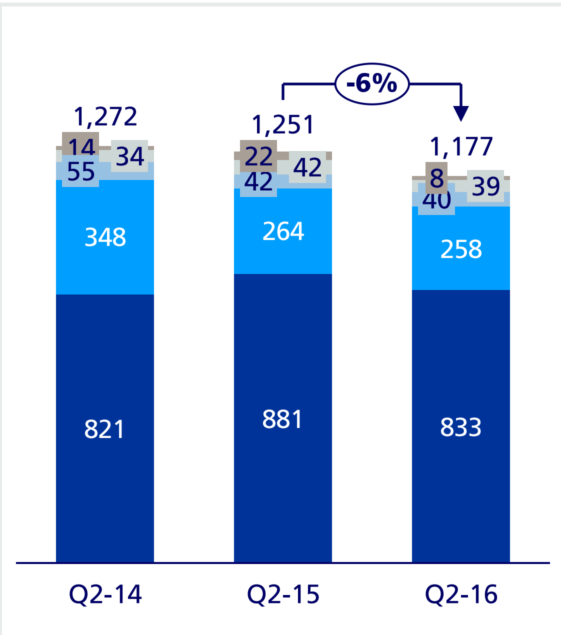


Underwriting result (UWR)
Investment income (Inv. inc.) / Realized capital gains (RCG)
Non-technical result (NTR), excl. FX gain/loss
FX gain/loss
Non-controlling interest (NCI)

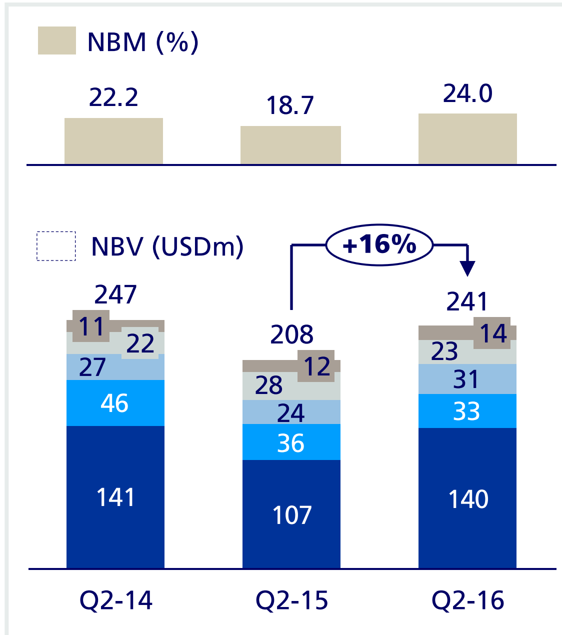
Global Life – New business & Net Inflows

Strong NBV from favorable business mix and higher margins

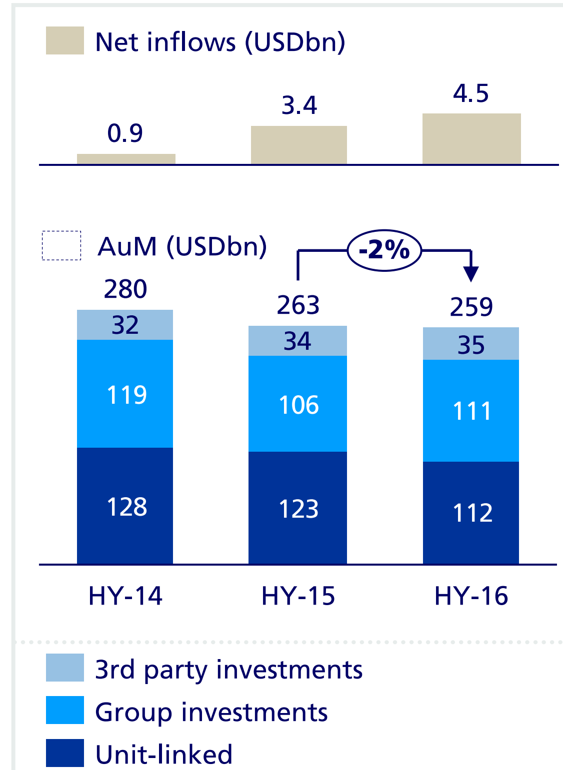
APE (USDm)[1,2]



NBM & NBV[1,2]



NET INFLOWS & AUM



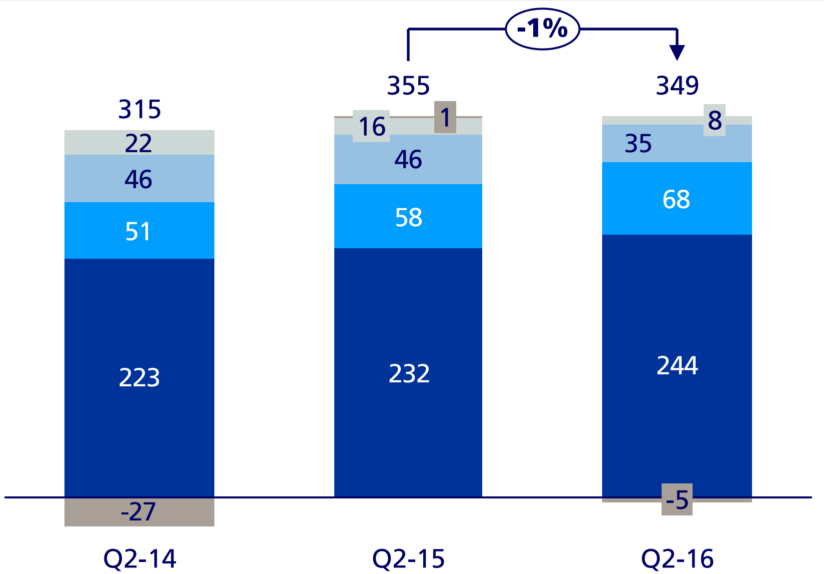
Other APAC North America Latin America EMEA

1 APE is reported before non-controlling interests. NBM and NBV are reported net of non-controlling interests.
2 2014 figures have been restated to reflect the change in regional structure from Europe/APME to EMEA/APAC.

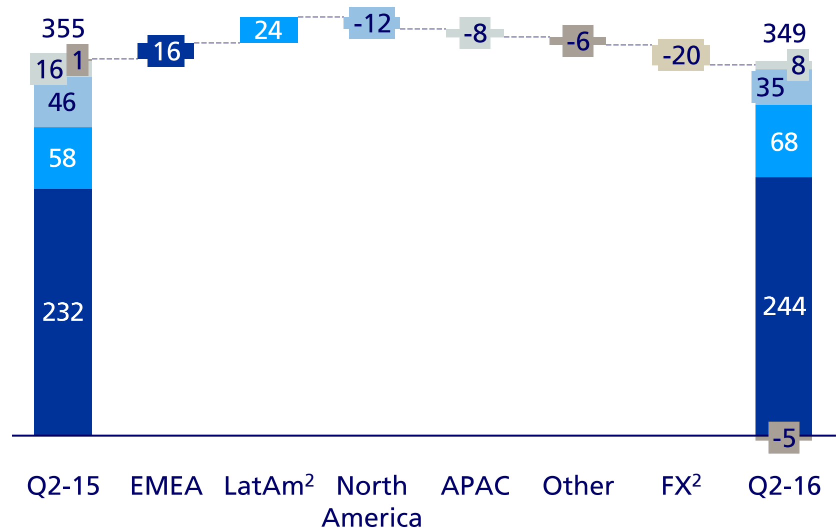
Global Life – BOP by region

Increase in EMEA and LatAm offset by the other regions and FX

BOP BY REGION (USDm)[1]



KEY DRIVERS (USDm)



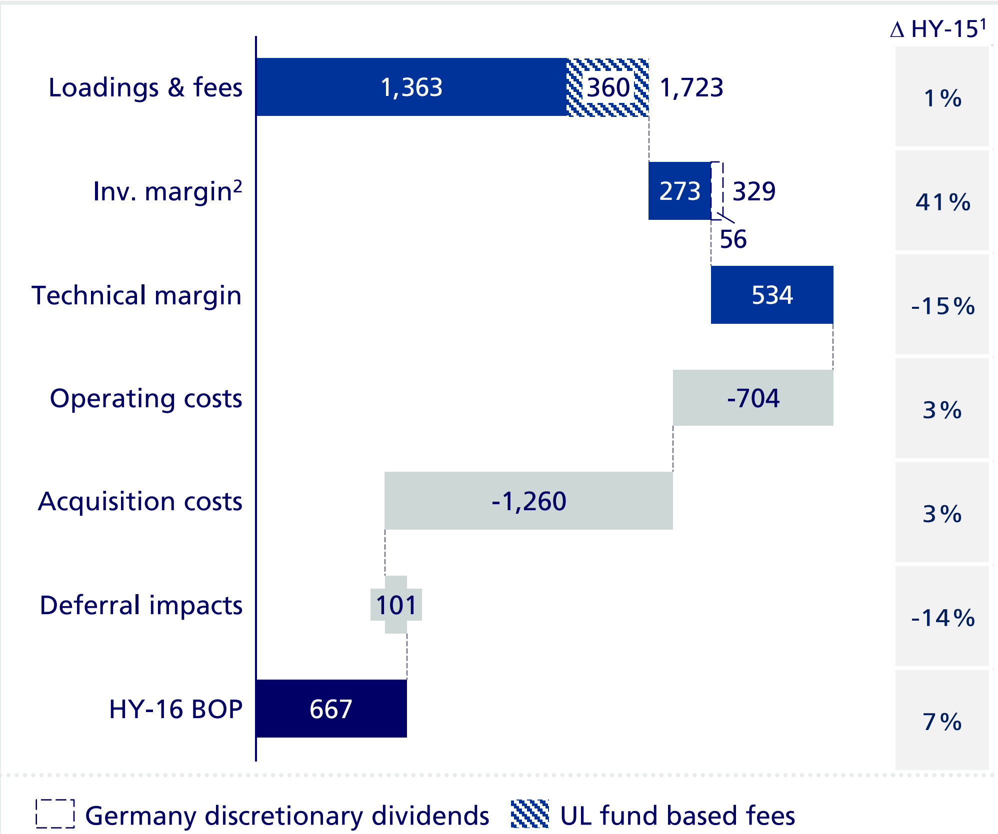
Other APAC North America LatAm EMEA

[1] 2014 figures have been restated to reflect the change in regional structure from Europe/APME to EMEA/APAC.
[2] Q2-16 adjusted for distorting impact from Venezuela.

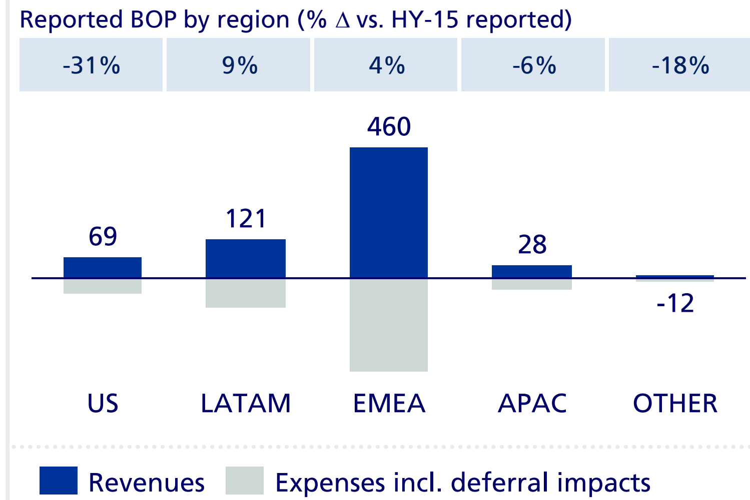
Global Life – Source of earnings

Higher revenues and expense savings drive BOP increase in LC

BOP BY SOURCE OF EARNINGS (USDm)



REGIONAL BOP & KPI (USDm)



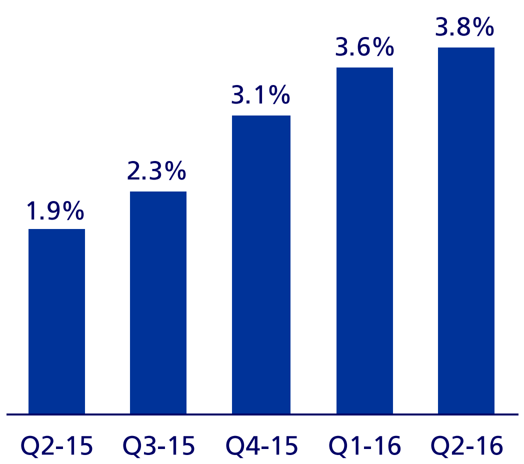
KPI	HY-15[1]	HY-16[1]	As a % of
UL fund based fees	0.6%	0.6%	Average UL AuM
Other loadings	10%	10%	GWP & Deposits
Investment margin[2]	0.6%	0.6%	Average NL reserves
Operating costs	0.8%	0.8%	Average reserves
Acquisition costs	64%	65%	APE

1 Adjusted for distorting impacts – refer to Global Life Source of earnings briefing document for details; HY-15 deltas at constant FX.
2 Excluding German discretionary dividends.

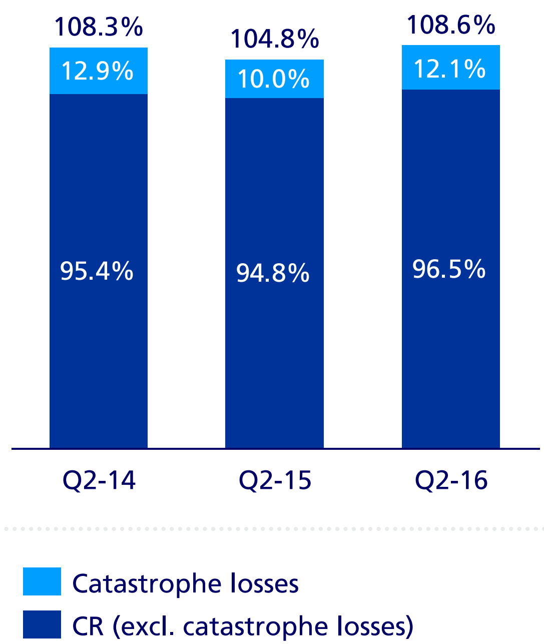
Farmers Exchanges[1] – KPIs

Continued growth, driven mainly by rate

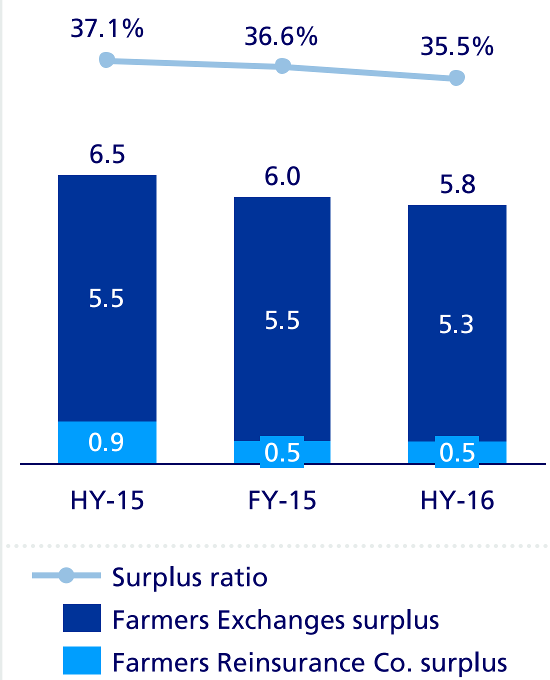
GWP GROWTH (%)



COMBINED RATIO[2] (%)



SURPLUS[2] (USDbn)



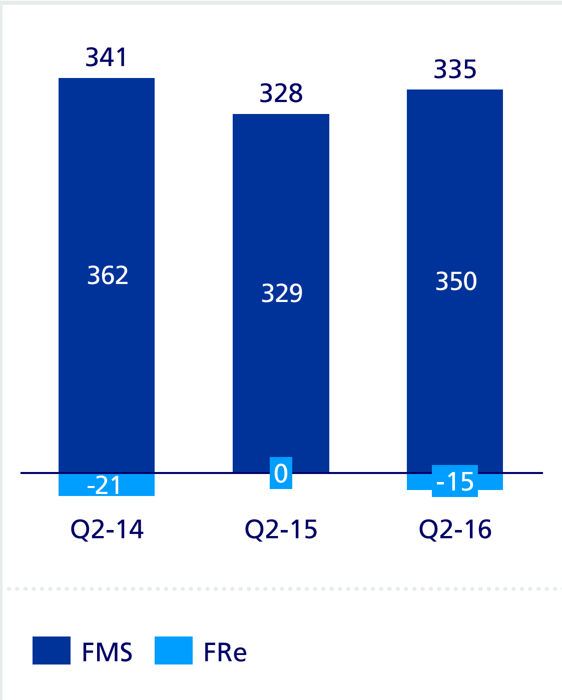
1 Provided for informational purposes only. Zurich Insurance Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc., a wholly owned subsidiary of the Group, provides administrative and management services to the Farmers Exchanges as its attorney-in-fact and receives fees for its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

2 Combined ratio before quota share reinsurance. Surplus ratio based on Farmers Exchanges surplus. Surplus estimated.

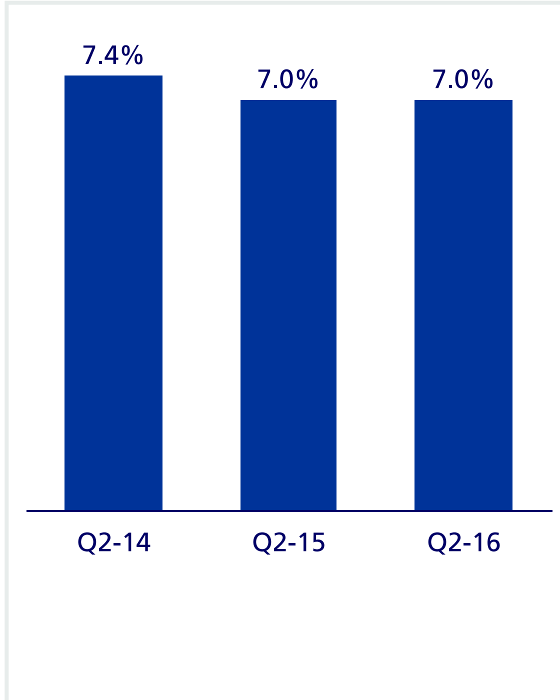
Farmers – KPIs

Stable FMS results, underwriting loss at Farmers Re

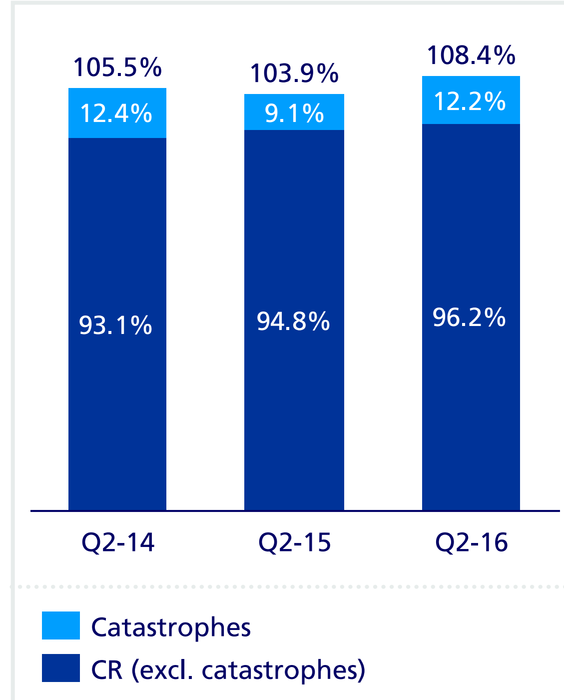
BOP (USDm)



MGEP MARGIN (%)[1]



FARMERS RE CR (%)[2]

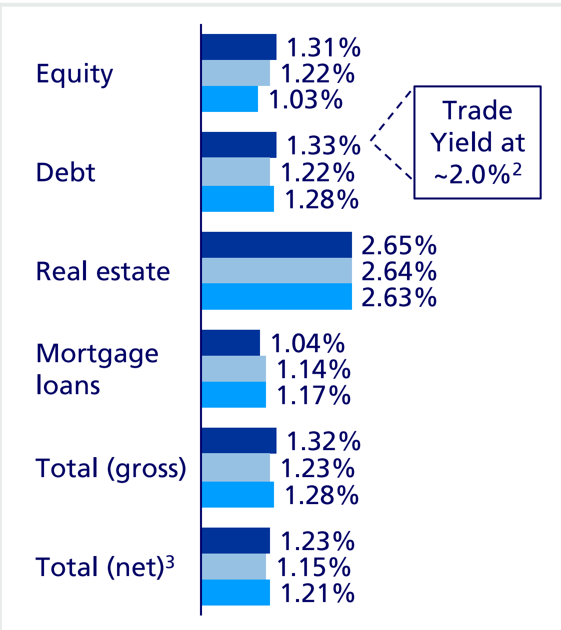


1 Margin on gross earned premiums of the Farmers Exchanges. Regarding Farmers Exchanges see slide 20 footnote 1.
2 Farmers Re (FRe) includes all reinsurance assumed from the Farmers Exchanges by Zurich Insurance Group.

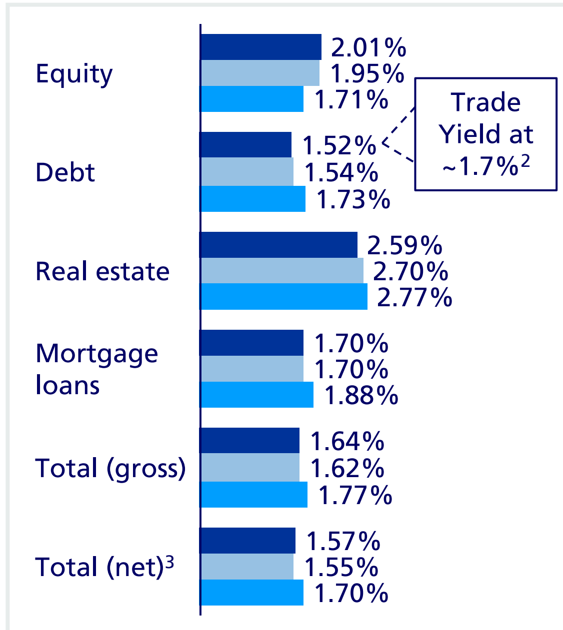
Group Investments – Investment income yield[1]

Disciplined risk taking offset by lower reinvestment environment

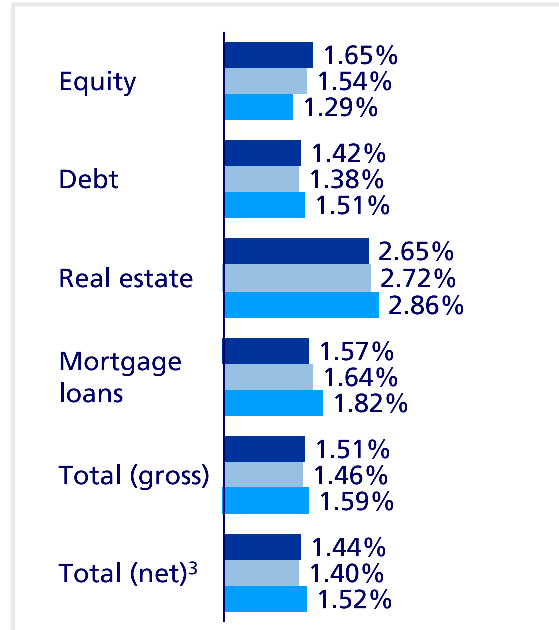
GENERAL INSURANCE



GLOBAL LIFE



GROUP



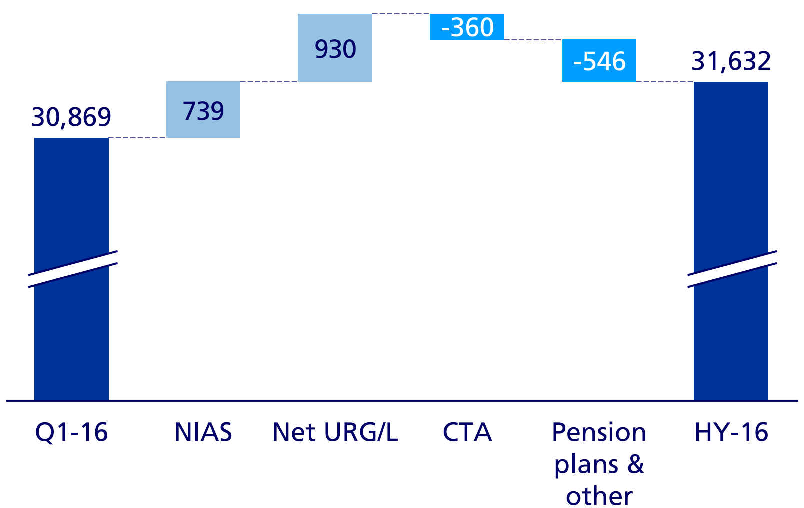
HY-16 HY-15 HY-14

1 Calculated based on the asset class average, not annualized, accounting view before eliminations.
2 Calculated as a weighted average trade yield of purchased debt securities, on an annual basis.
3 Net of investment expenses.

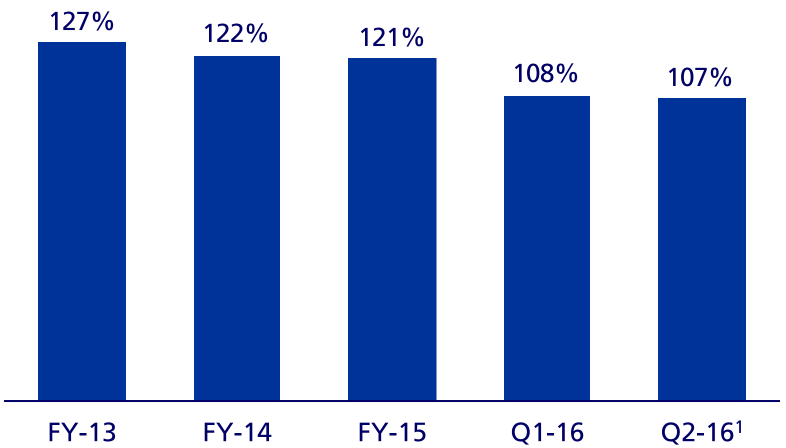
Group – Balance sheet and capital

Resilient capital position across all metrics

SHAREHOLDERS' EQUITY (USDm)



Z-ECM RATIO (%)



[1] Reflects midpoint estimate with an error margin of +/- 5ppts.

Key messages

General Insurance	Continuing underlying improvement
Global Life	Consistent delivery
Farmers	Strong FMS result benefitting from growth in fees
Group	Actions taken to simplify structure and reduce costs
Capital	Resilient capital position

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All references to 'Farmers Exchanges' mean Farmers Insurance Exchange, Fire Insurance Exchange, Truck Insurance Exchange and their subsidiaries and affiliates. The three Exchanges are California domiciled interinsurance exchanges owned by their policyholders with governance oversight by their Boards of Governors. Farmers Group, Inc. and its subsidiaries are appointed as the attorneys-in-fact for the Farmers Exchanges and in that capacity provide certain non-claims administrative and management services to the Farmers Exchanges. Neither Farmers Group, Inc., nor its parent companies, Zurich Insurance Company Ltd and Zurich Insurance Group Ltd, have any ownership interest in the Farmers Exchanges. Financial information about the Farmers Exchanges is proprietary to the Farmers Exchanges, but is provided to support an understanding of the performance of Farmers Group, Inc. and Farmers Reinsurance Company.

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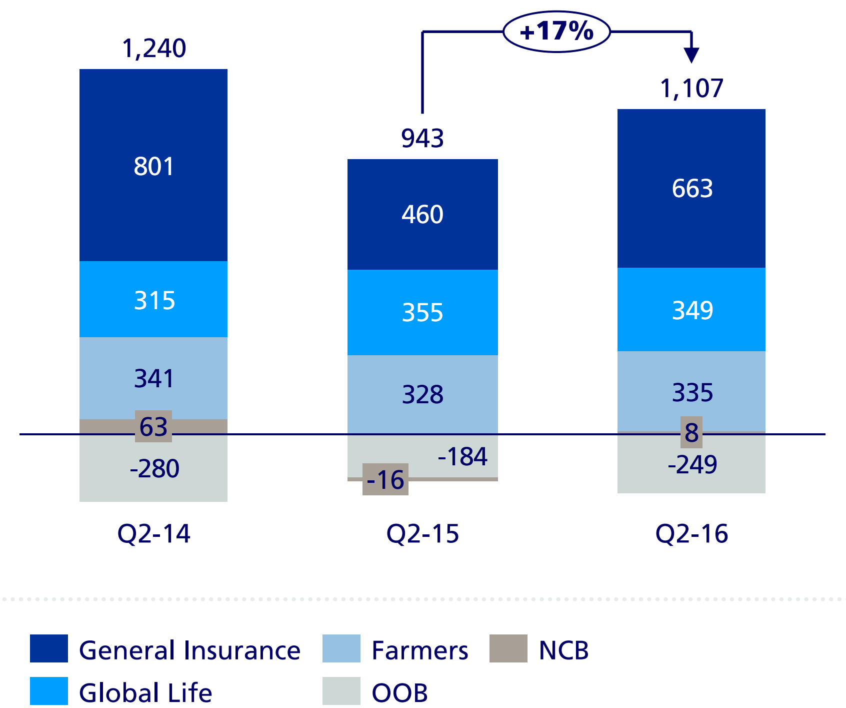
Appendix

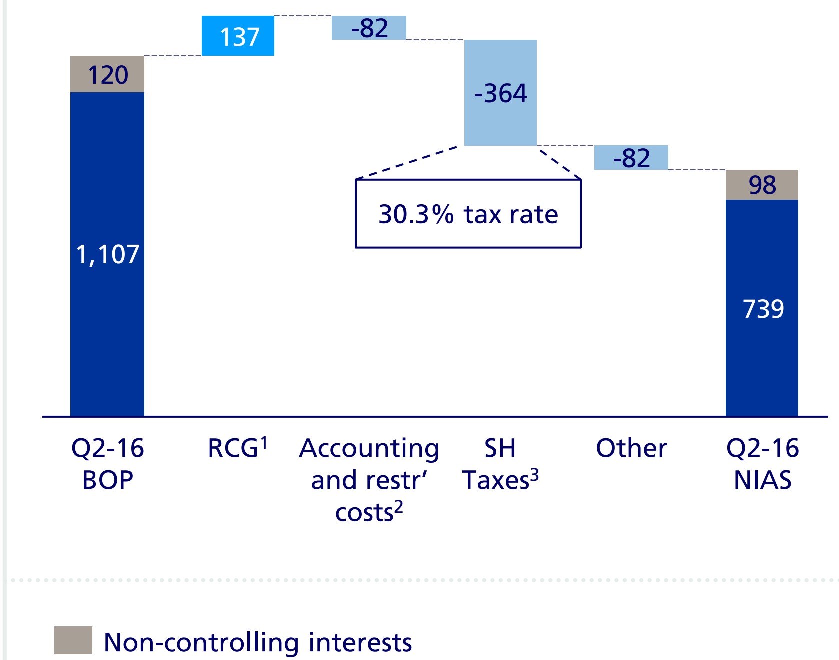
Group – Business Operating Profit

GI improving, other businesses on track

BOP BY SEGMENT (USDm)



BOP TO NIAS WALK (USDm)

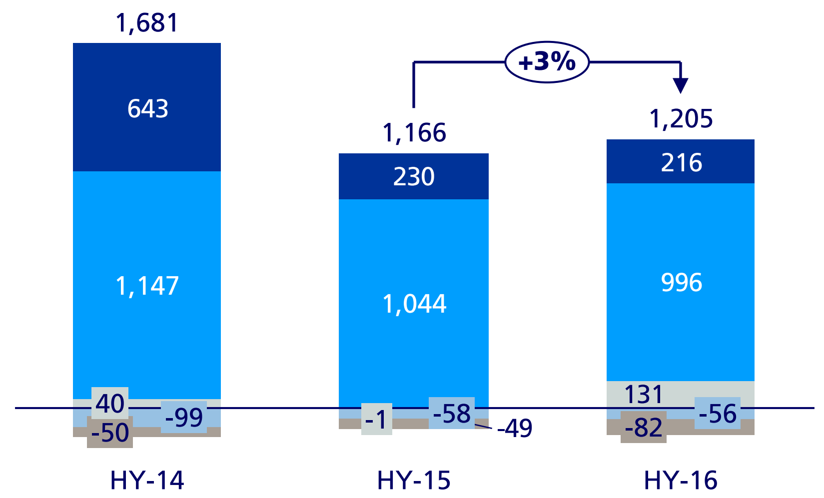


1 Realized capital gains/losses.
2 Includes restructuring provisions and other restructuring charges.
3 Shareholder taxes (income tax expense attributable to shareholders).

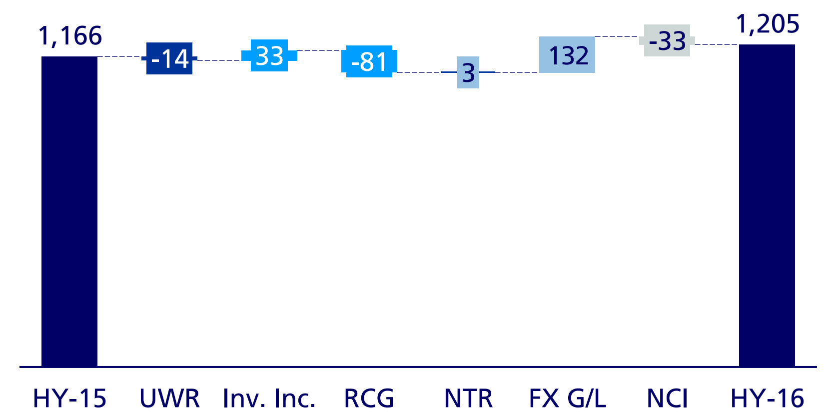
GI – HY-16 BOP components

BOP up 3% on a half-year basis

BOP BREAK DOWN (USDm)



KEY DRIVERS (USDm)

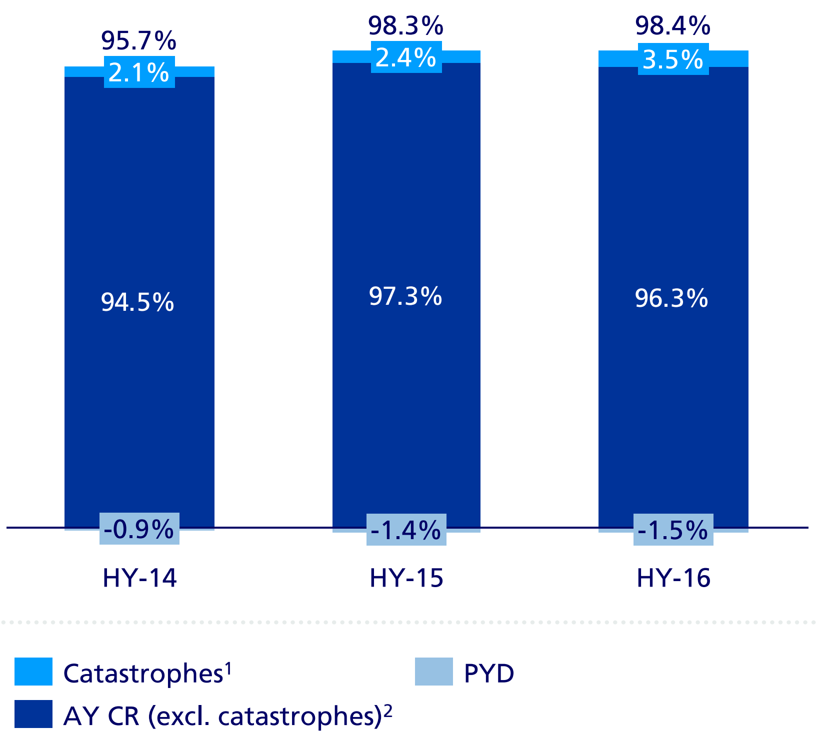


- Underwriting result (UWR)
- Investment income (Inv. inc.) / Realized capital gains (RCG)
- Non-technical result (NTR), excl. FX gain/loss
- FX gain/loss
- Non-controlling interest (NCI)

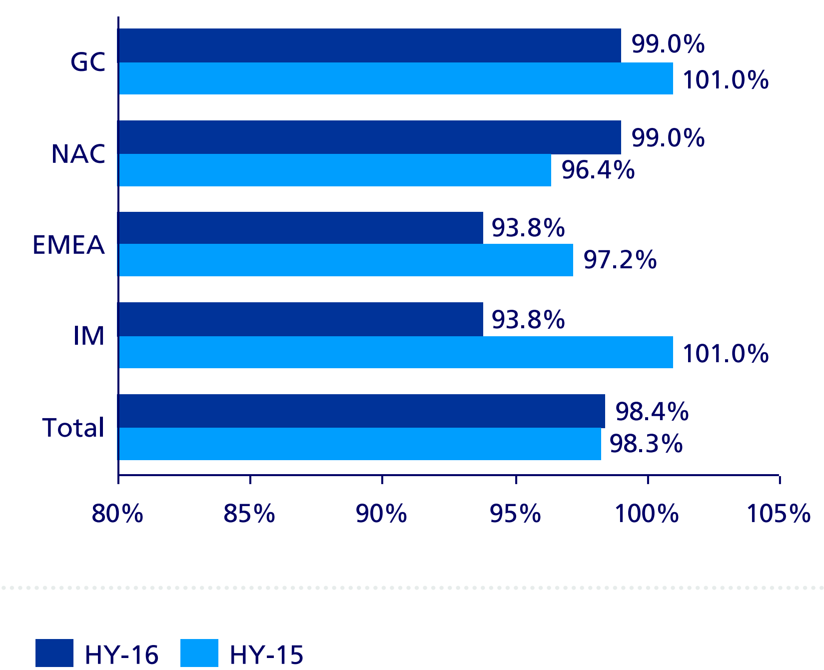
GI – HY-16 Combined ratio

AY CR ex-cat improving

COMBINED RATIO SPLIT (%)



COMBINED RATIO BY REGION (%)

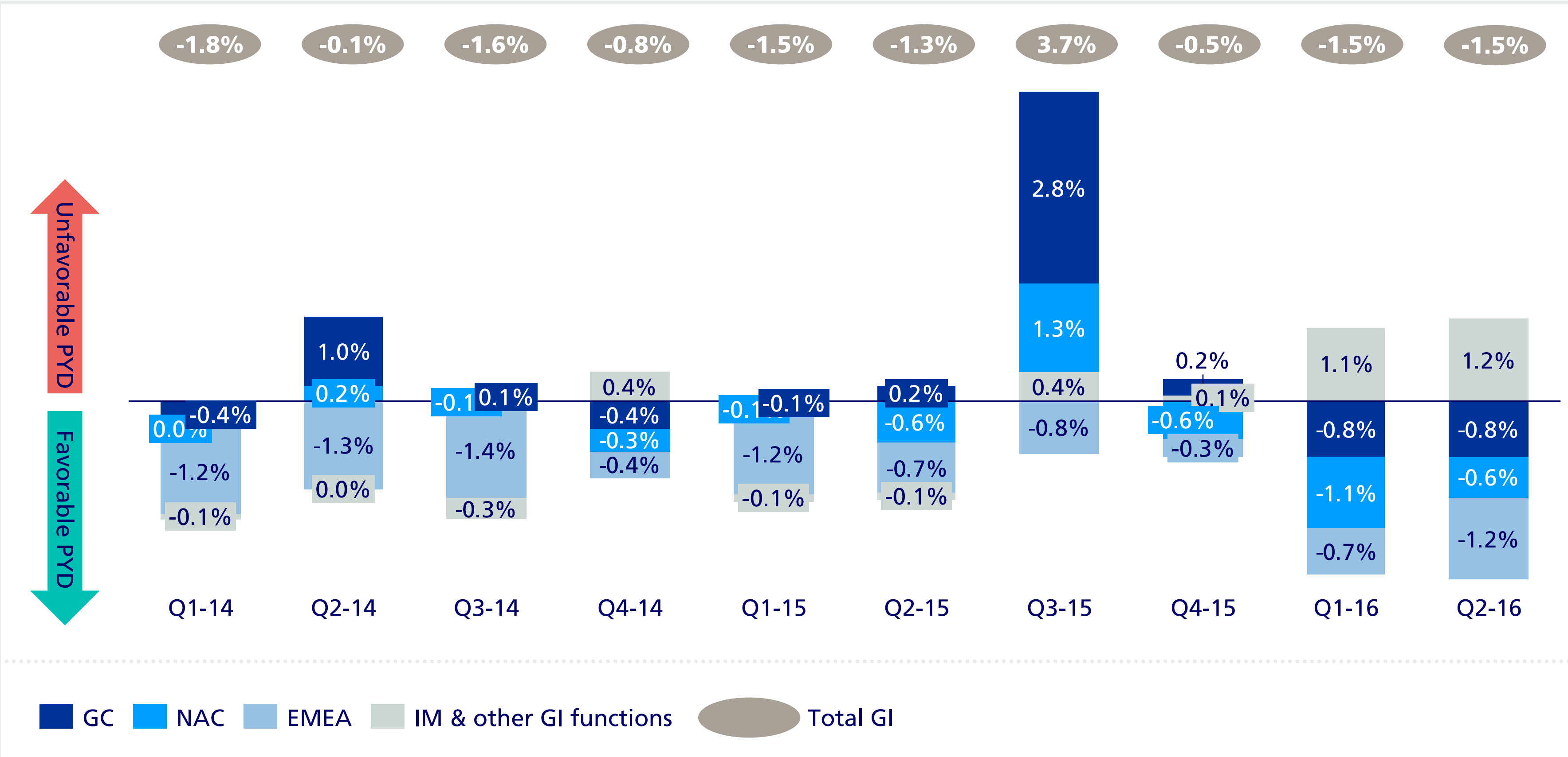


1 Catastrophes include major and mid-sized catastrophes, including significant weather related events.
2 Accident year combined ratio (AY CR) excludes prior year reserve development (PYD).

GI – Prior year development (PYD) by region

Q1-16 and Q2-16 PYD within expected range

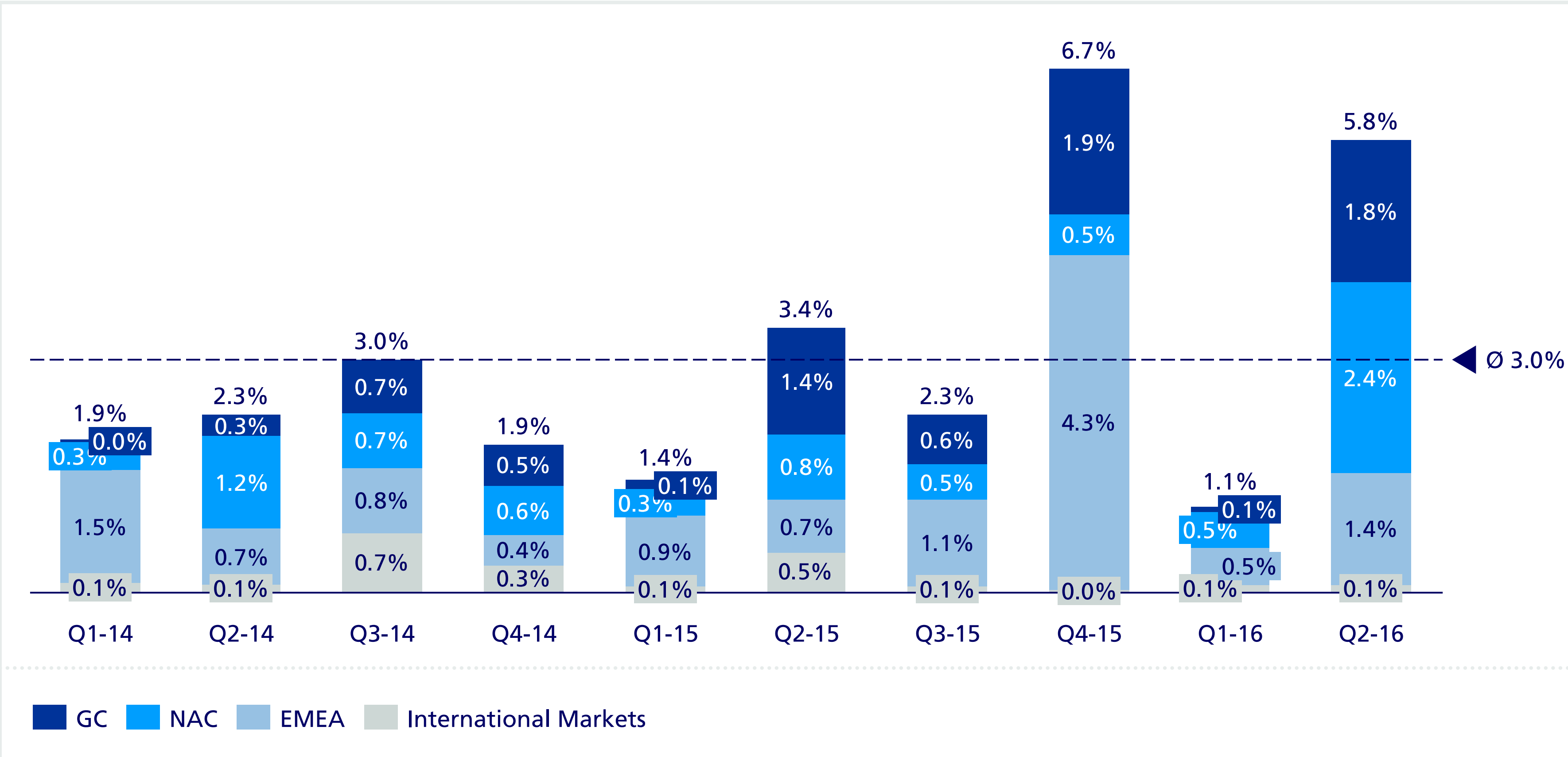
PYD (% OF NET EARNED PREMIUM)



GI – Catastrophes split by region

HY-16 catastrophes overall in line with expectations

CATASTROPHES (% OF NET EARNED PREMIUM)[1]

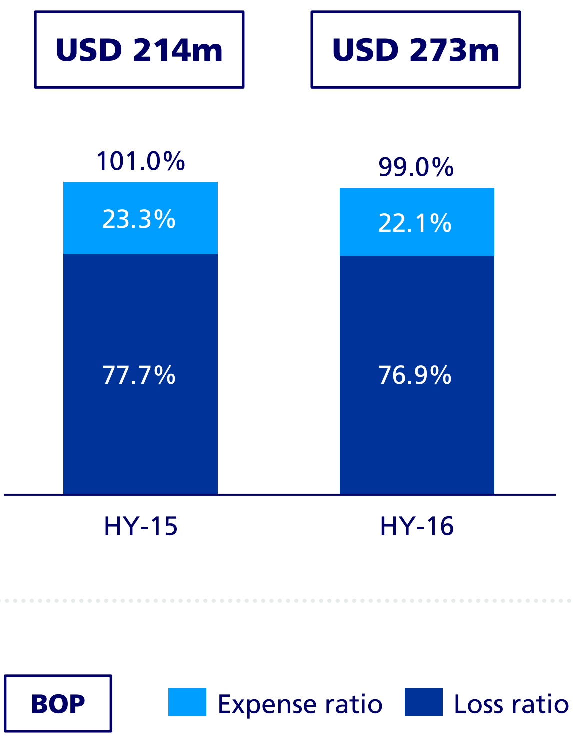


1 Catastrophes include major and mid-sized catastrophes, including significant weather related events. Q3-15 excludes Tianjin loss.

GI Global Corporate – KPIs

Stabilization vs FY-15, further improvements expected

HY-16 KEY FINANCIALS



GWP Growth[1]	Zurich rate change[2]	Combined Ratio
-12%	1%	99%

KEY DRIVERS

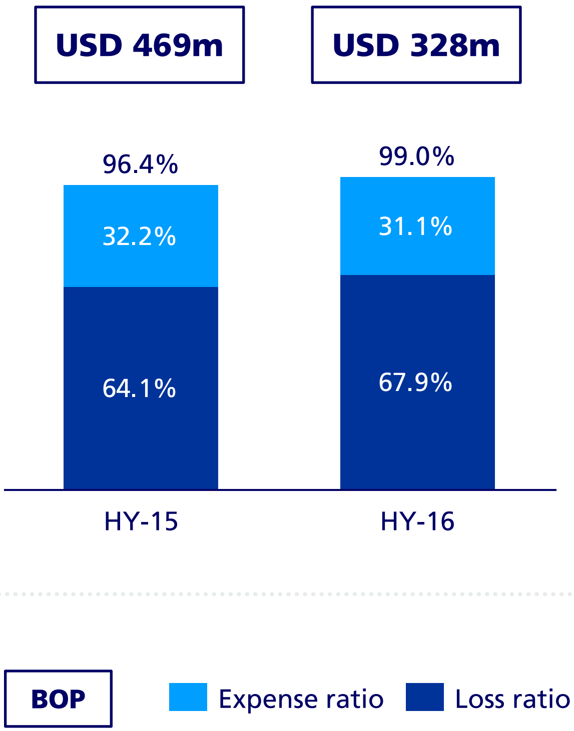
- GWP down mainly as a result of lower retention and new business volumes, also due to profitability actions
- Achieved rate increases through rigorous execution on tiering plans
- Improved CR vs. FY-15, mainly driven by the favorable impact from PY reserves and lower level of cat and large losses; actions taken to reduce CR further

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 – KPIs

CR impacted by large losses and cat, ex. RCIS attr. LR improving

HY-16 KEY FINANCIALS



GWP Growth[1]	Zurich rate change[2]	Combined Ratio
2%	1%	99%

KEY DRIVERS

- Excluding RCIS, growth driven by timing effect and captives, underlying premium level is declining slightly due to tiering actions and market conditions
- Pressure on rate changes continues
- LR impacted by higher catastrophes and large losses, ongoing actions aimed at further improving AY combined ratio excluding catastrophes

1 In local currency and excluding RCIS (incremental to existing 25% quota share reinsurance).
2 GWP development due to premium rate change as a percentage of the renewed portfolio against the comparable prior year period.

Q2-16 P&L impact of RCIS acquisition

Incremental GWP of USD 1.1bn, different CR composition

Q2-16 IMPACT GENERAL INSURANCE

	Total GI	RCIS[1]	GI excl. RCIS
GWP (USDm)	9,402	1,116	8,286
NEP (USDm)	6,775	128	6,647
LR (%)	68.8%	94.5%	68.3%
ER (%)	30.3%	0.1%	30.8%
CR (%)	99.0%	94.7%	99.1%
BOP (USDm)	663	7	656

Q2-16 IMPACT NAC

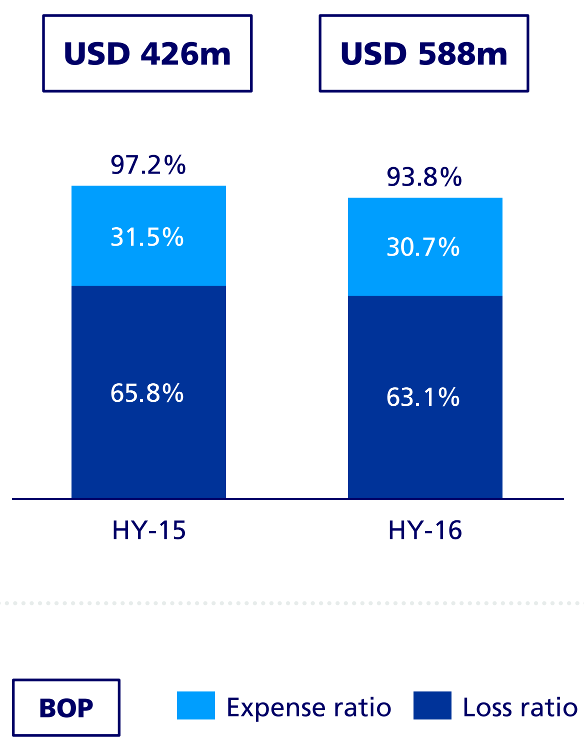
	Total NAC	RCIS[1]	NAC excl. RCIS
GWP (USDm)	4,247	1,116	3,131
NEP (USDm)	2,097	128	1,970
LR (%)	71.4%	94.5%	69.9%
ER (%)	29.9%	0.1%	31.8%
CR (%)	101.2%	94.7%	101.7%
BOP (USDm)	149	7	142

[1] Reflects Q2-16 incremental impact of consolidation vs existing 25% quota share reinsurance.

GI EMEA – KPIs

Good start to the year

HY-16 KEY FINANCIALS



GWP Growth[1]	Zurich rate change[2]	Combined Ratio
-4%	3%	94%

KEY DRIVERS

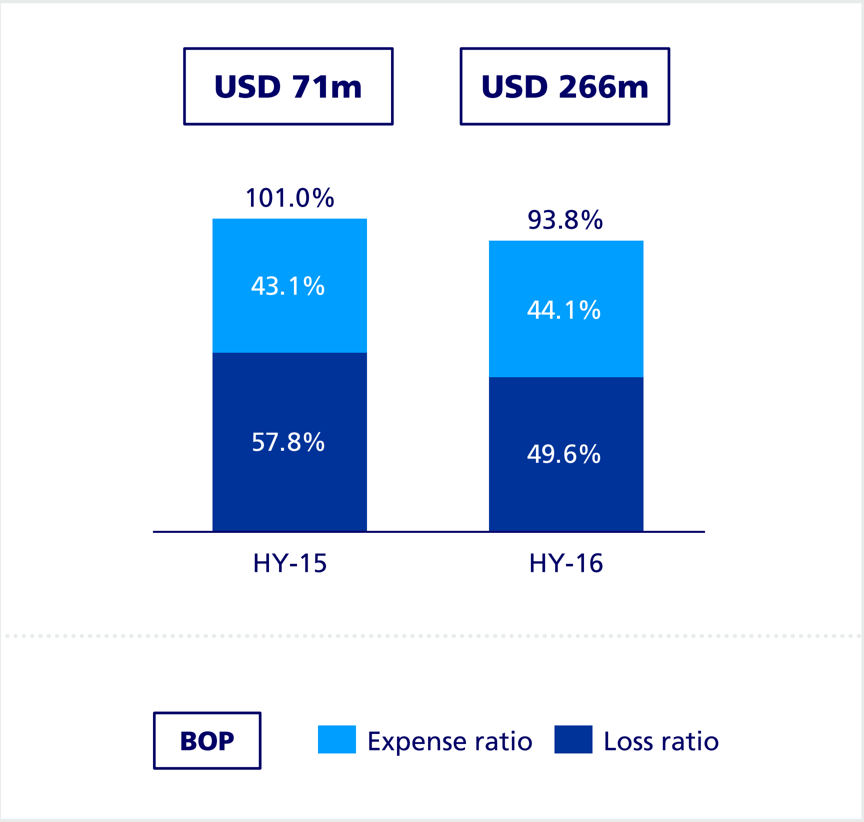
- GWP down mainly driven by lower new business in UK, Germany, Switzerland and Italy and the sale of the retail portfolio in the Netherlands
- Slightly higher rate changes driven by focus on bottom line
- Combined ratio improvement driven by lower attritional losses and a lower level of man-made large losses

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 – KPIs

AY loss ratio continues to improve, growth impacted by exits

HY-16 KEY FINANCIALS



GWP Growth[1]	Zurich rate change[2]	Combined Ratio
6%	1%	94%

KEY DRIVERS

- Growth in Latin America is partly offset by the exit of lines of business in Australia that did not meet profitability requirements
- Lower combined ratio mainly driven by higher level of favorable PYD and improved attritional loss ratios in Latin America and Asia Pacific, partly off set by higher commissions driven by business mix

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

Rate increases driven by re-underwriting actions

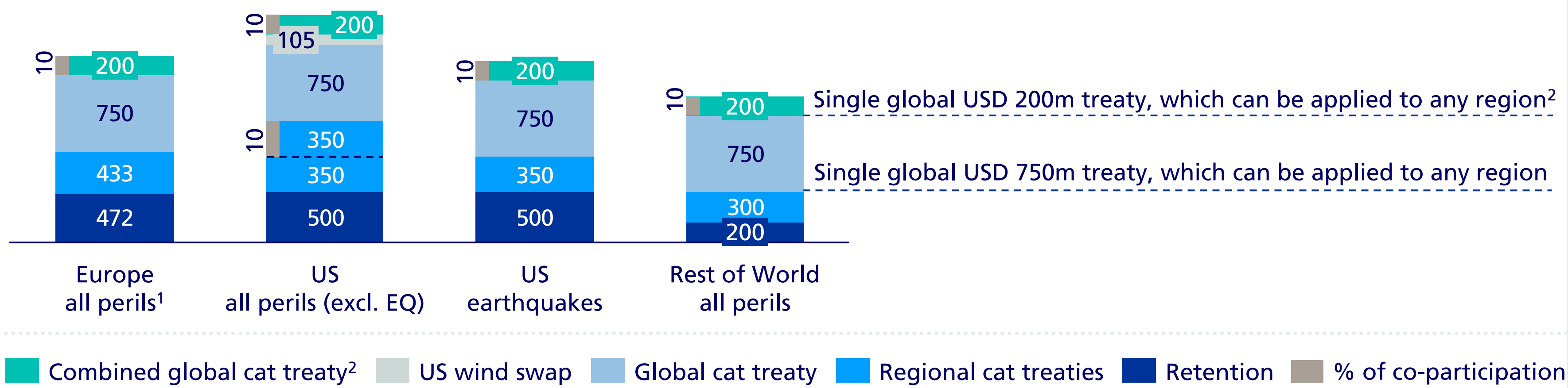
Q2-16 ZURICH RATE CHANGE ASSESSMENT

Business	Assessment
Group	Solid rate increases above prior year levels reflecting focus on re-underwriting with lower levels in the US due to market pressures.
Global Corporate	Higher rates in the US and in EMEA reflecting focus on re-underwriting and de-risking with rates dropping in Q2.
North America Commercial	Continued positive rate increases, slightly above prior year levels with challenging market conditions in property and workers compensation lines.
EMEA	Fairly stable rate increases, above prior year levels and with different local market dynamics.
UK	Rate increases above prior year levels, particularly in liability, motor and property.
Germany	Solid rate increases above prior year levels, particularly in motor.
Switzerland	Solid rate increases, ahead of prior year, in line with our expectations.
Italy	Positive rate increases above prior year, with pressure on motor.
Spain	Strong rate increases above expectations and prior year mainly supported by motor.
International Markets	Increases in APAC, particularly in Australia, but overall below prior year levels.

GI – Catastrophe reinsurance

Program further benefitted from lower reinsurance prices

CATASTROPHE REINSURANCE TREATIES (USDm)



GLOBAL AGGREGATE CAT TREATY

1 Europe Cat Treaty calculated with EUR/USD exchange rate as of June 30, 2016.

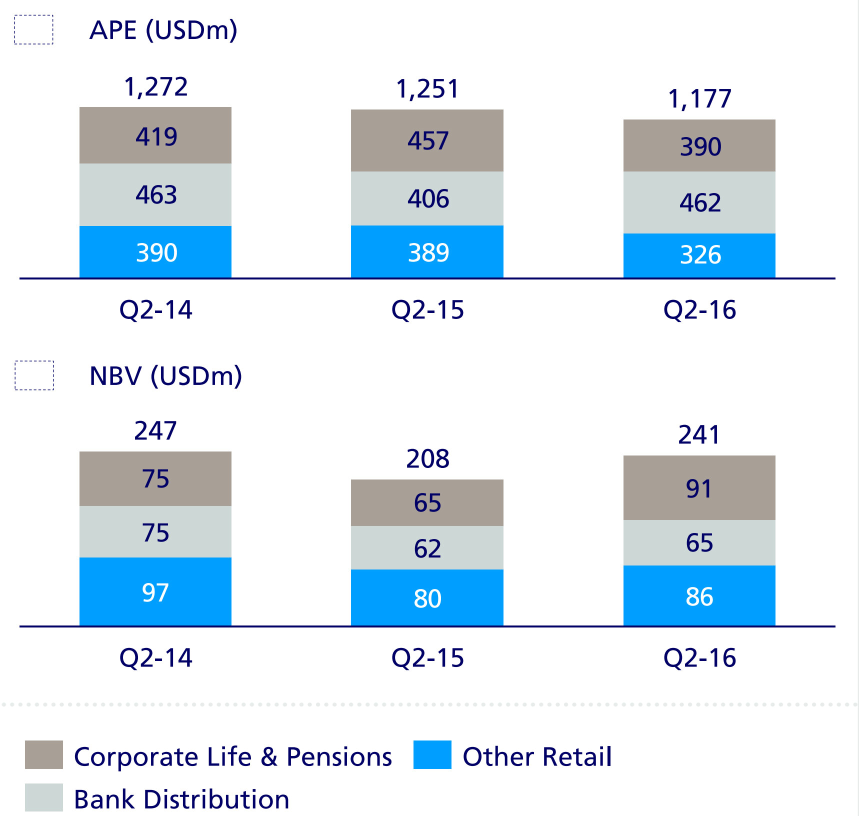
2 This USD 200m cover is the same combined global occurrence / aggregate treaty presiding over the global catastrophe treaty. This cover can be used only once, either for aggregated losses or for an individual occurrence or event.

3 For Canada earthquake losses the attachment point of the combined occurrence / aggregate treaty is USD 1,450m.

GL – New business by pillar

Higher NBV across all the pillars but mainly in CLP business

Q2-16 KEY FINANCIALS[1]



NBM	PVNBP	CLP single premium
24%	USD 14bn	USD 1.3bn

KEY DRIVERS

NBV increased mainly from favorable business mix and higher margins, partially offset by FX effects:

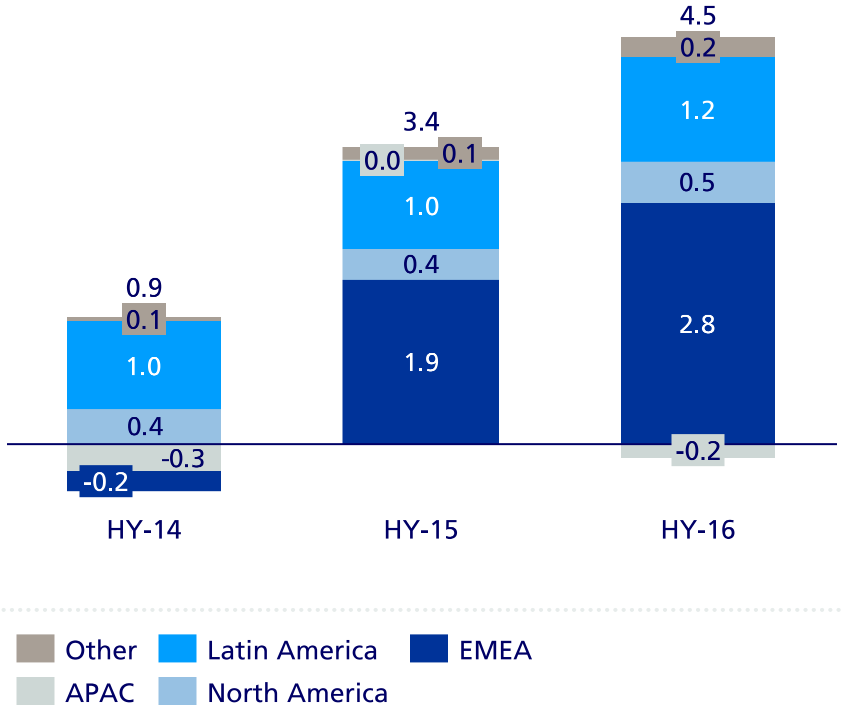
- In Corporate Life & Pensions, from better business mix particularly in UK and Switzerland and modeling refinements in Switzerland.
- In Other Retail thanks to the launch of a new protection product in North America and higher new business contribution in Italy and Germany, partially offset by Japan and UK.
- In Bank Distribution from higher sales of protection business in Spain and higher new business contribution in Germany, partially offset by Italy.

[1] APE is reported before non-controlling interests. NBM and NBV are reported net of non-controlling interests.

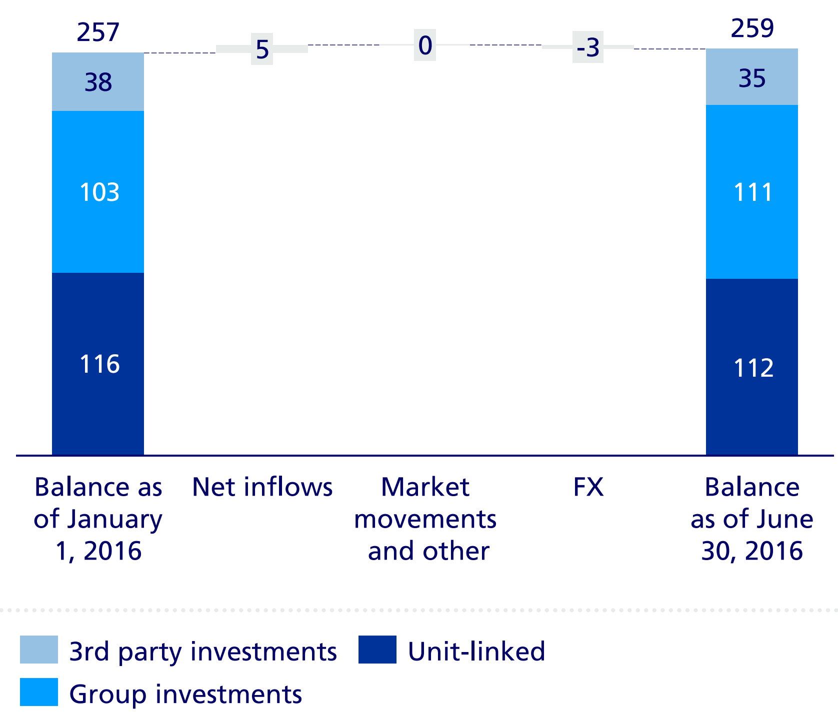
GL – Net inflows & Assets under management

Higher net inflow partially offset by FX

NET INFLOWS BY REGION (USDbn)[1]



AUM DEVELOPMENT (USDbn)[2]

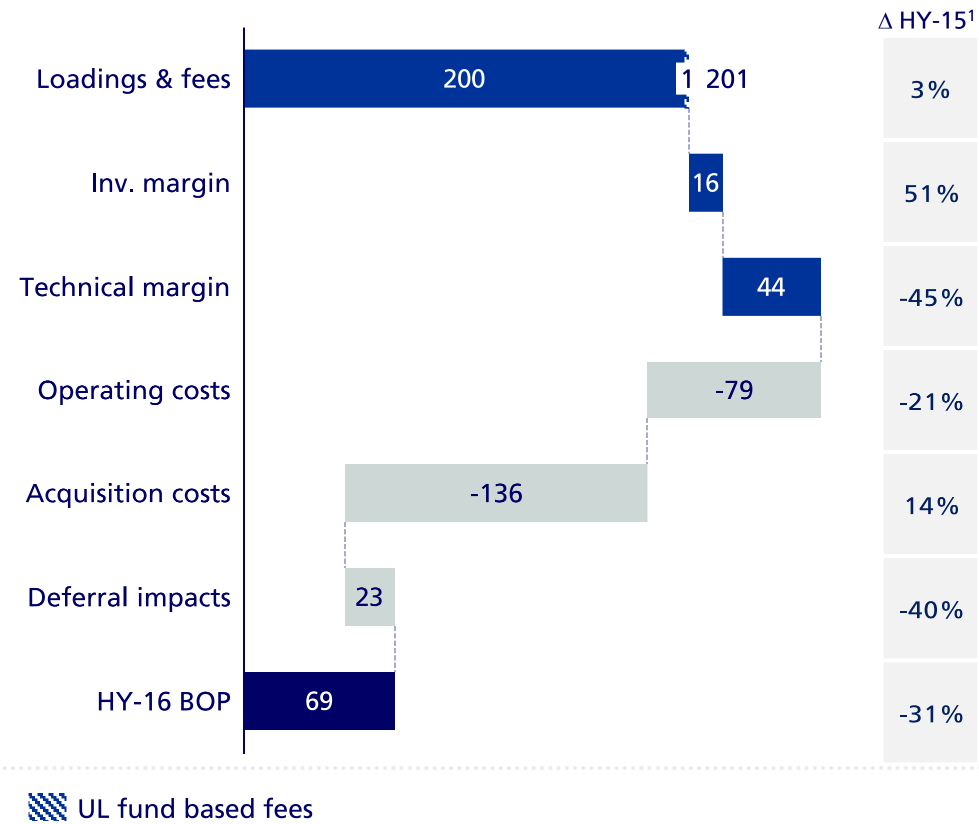


1 2014 figures have been restated to reflect the change in regional structure from Europe/APME to EMEA/APAC.
2 Market movements and other include the de-consolidation of a UK based distributor of Global Life business.

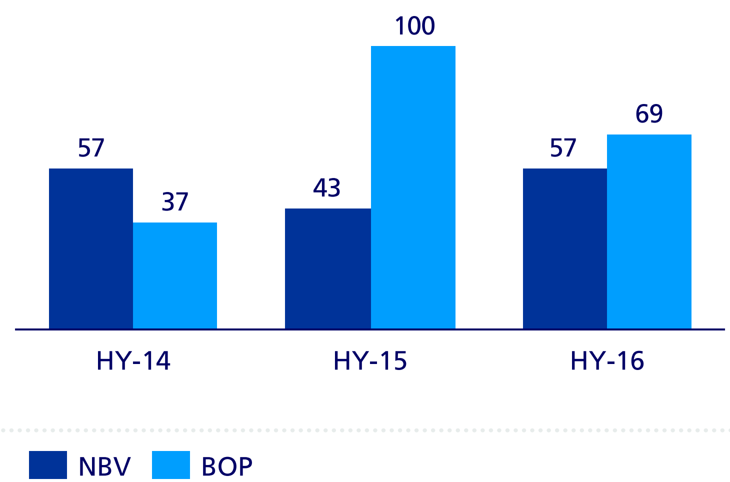
GL North America – Key financials

Revenue increase offset by mortality and growth investments

BOP BY SOURCE OF EARNINGS (USDm)



KEY FINANCIALS & KPI (USDm)



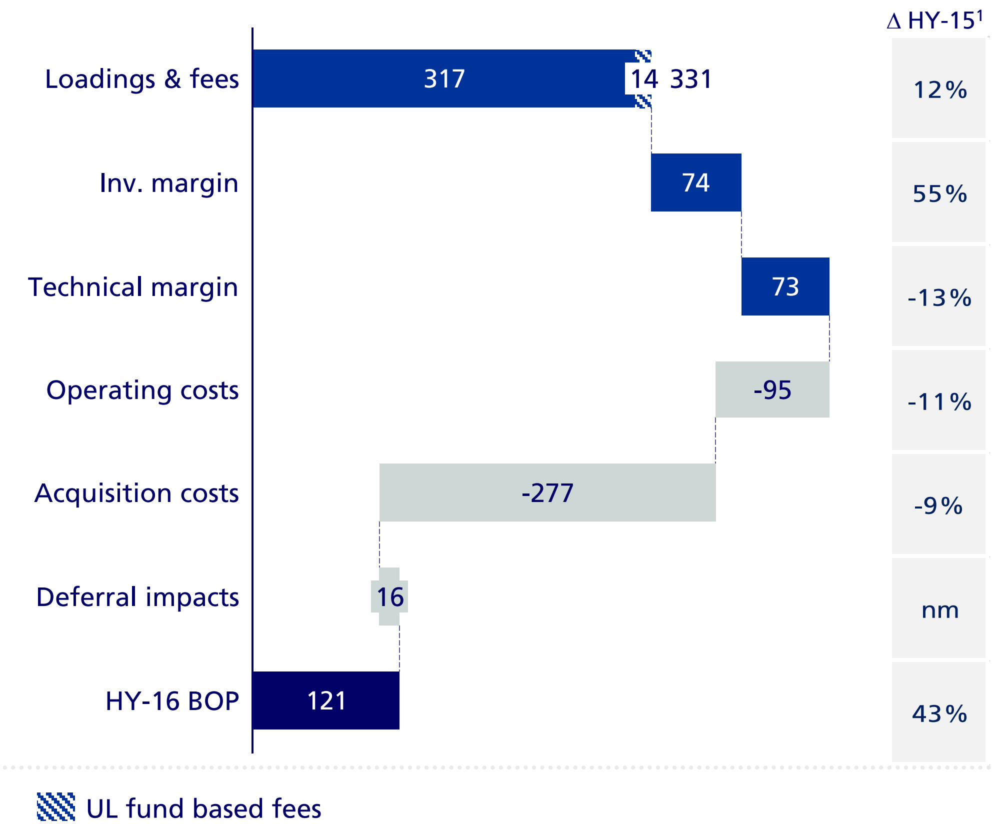
KPI	HY-15[1]	HY-16[1]	As a % of
UL fund based fees	0.1%	0.1%	Average UL AuM
Other loadings	28%	26%	GWP & Deposits
Investment margin	0.4%	0.6%	Average NL reserves
Operating costs	1.9%	2.2%	Average reserves
Acquisition costs	181%	165%	APE

1 Adjusted for distorting impacts – refer to Global Life Source of earnings briefing document for details; HY-15 deltas at constant FX.

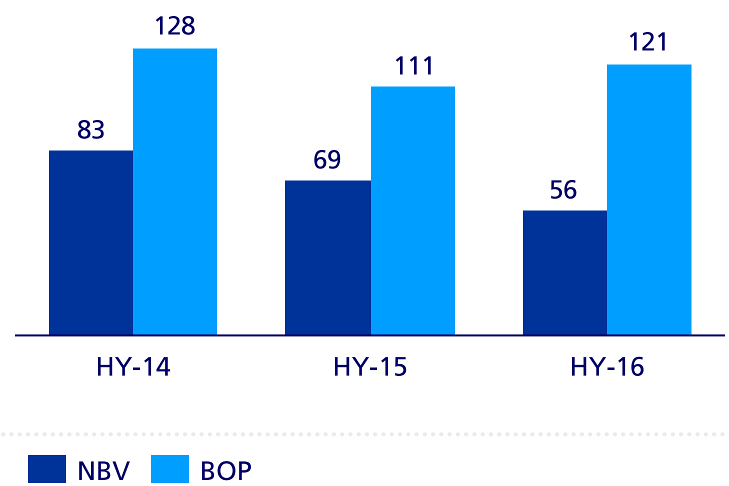
GL Latin America – Key financials

Local currency BOP growth with strong revenue increase

BOP BY SOURCE OF EARNINGS (USDm)



KEY FINANCIALS & KPI (USDm)



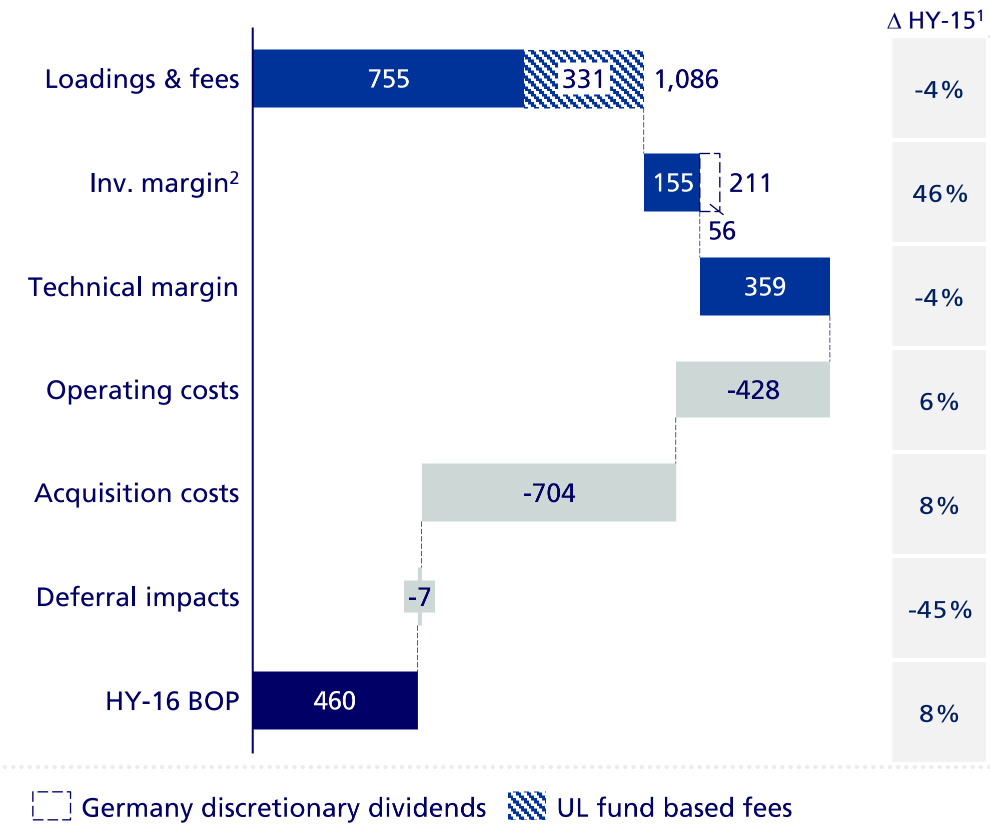
KPI	HY-15[1]	HY-16[1]	As a % of
UL fund based fees	0.5%	0.5%	Average UL AuM
Other loadings	30%	26%	GWP & Deposits
Investment margin	3.4%	4.3%	Average NL reserves
Operating costs	2.4%	2.2%	Average reserves
Acquisition costs	104%	96%	APE

1 Adjusted for distorting impacts – refer to Global Life Source of earnings briefing document for details; HY-15 deltas at constant FX.

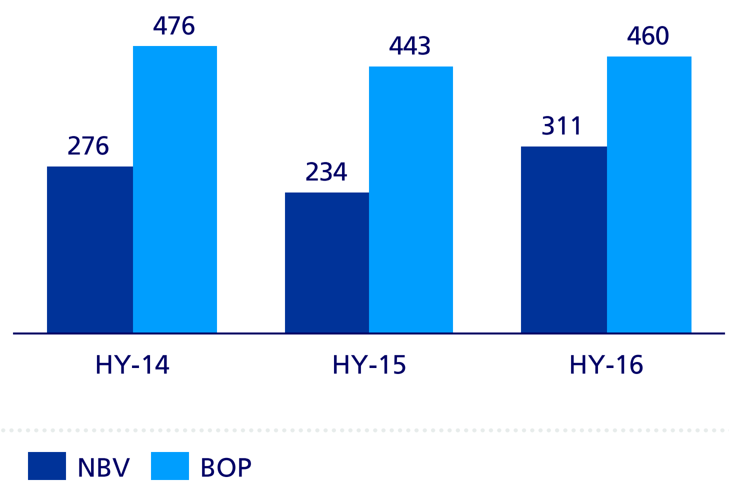
GL EMEA – Key financials

Local currency BOP increase supported by expense efficiencies

BOP BY SOURCE OF EARNINGS (USDm)



KEY FINANCIALS & KPI (USDm)



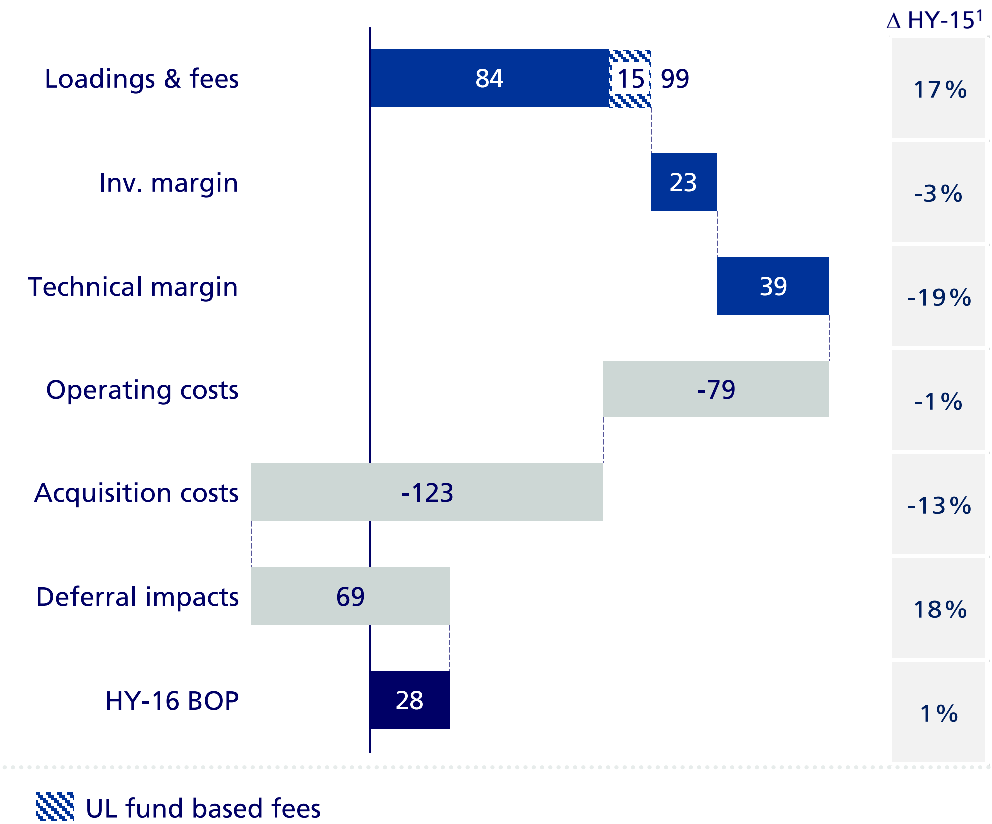
KPI	HY-15[1]	HY-16[1]	As a % of
UL fund based fees	0.6%	0.6%	Average UL AuM
Other loadings	7%	7%	GWP & Deposits
Investment margin[3]	0.5%	0.4%	Average NL reserves
Operating costs	0.6%	0.5%	Average reserves
Acquisition costs	47%	47%	APE

1 Adjusted for distorting impacts – refer to Global Life Source of earnings briefing document for details; HY-15 deltas at constant FX.
2 Adjusted for German discretionary dividends.

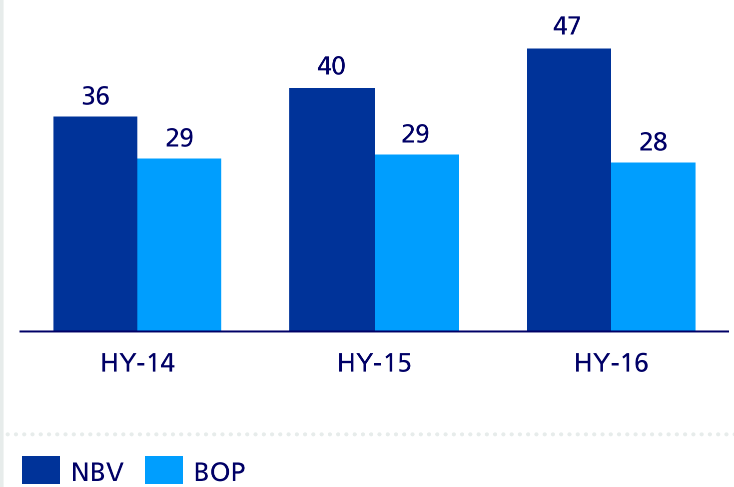
GL APAC – Key financials

Volume driven growth offset by acquisition costs

BOP BY SOURCE OF EARNINGS (USDm)



KEY FINANCIALS & KPI (USDm)



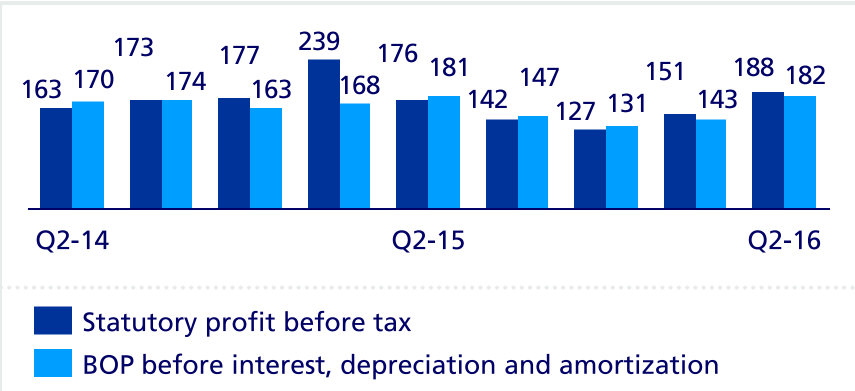
KPI	HY-15[1]	HY-16[1]	As a % of
UL fund based fees	0.7%	0.8%	Average UL AuM
Other loadings	18%	20%	GWP & Deposits
Investment margin	1.8%	1.7%	Average NL reserves
Operating costs	3.4%	3.8%	Average reserves
Acquisition costs	152%	170%	APE

[1] Adjusted for distorting impacts – refer to Global Life Source of earnings briefing document for details; HY-15 deltas at constant FX.

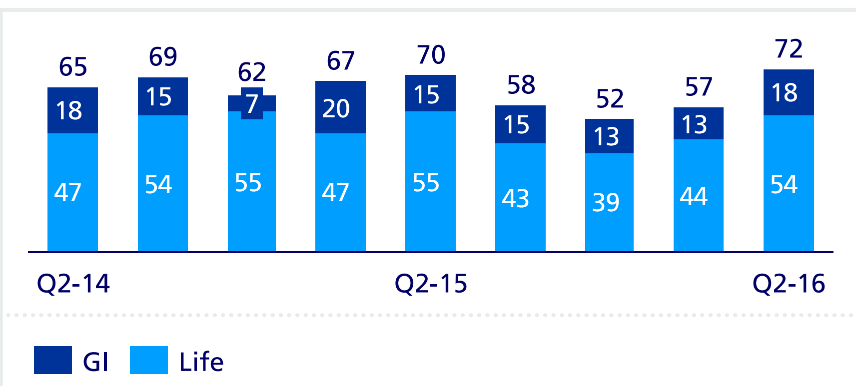
Zurich Santander – Quarterly results

Continued growth offset in USD by adverse FX development

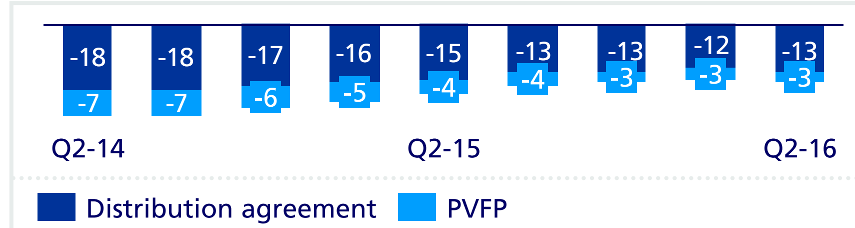
PROFIT BEFORE TAX GI & LIFE (100%)



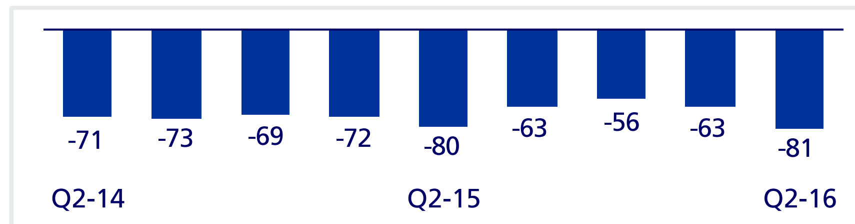
CORE SEGMENT BOP GI & LIFE (51%)



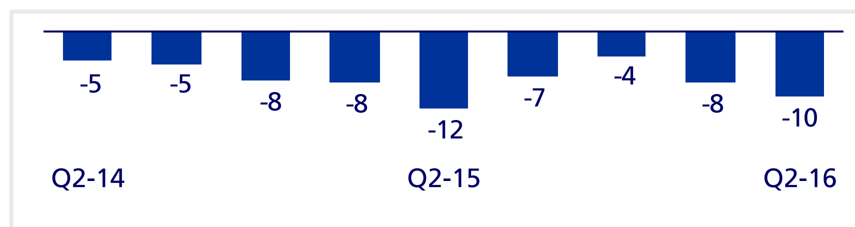
INTANGIBLES AMORTIZATION (100%)



MINORITY ADJUSTMENT (-49%)



EARN-OUT & PPA ADJUSTMENTS (51%)

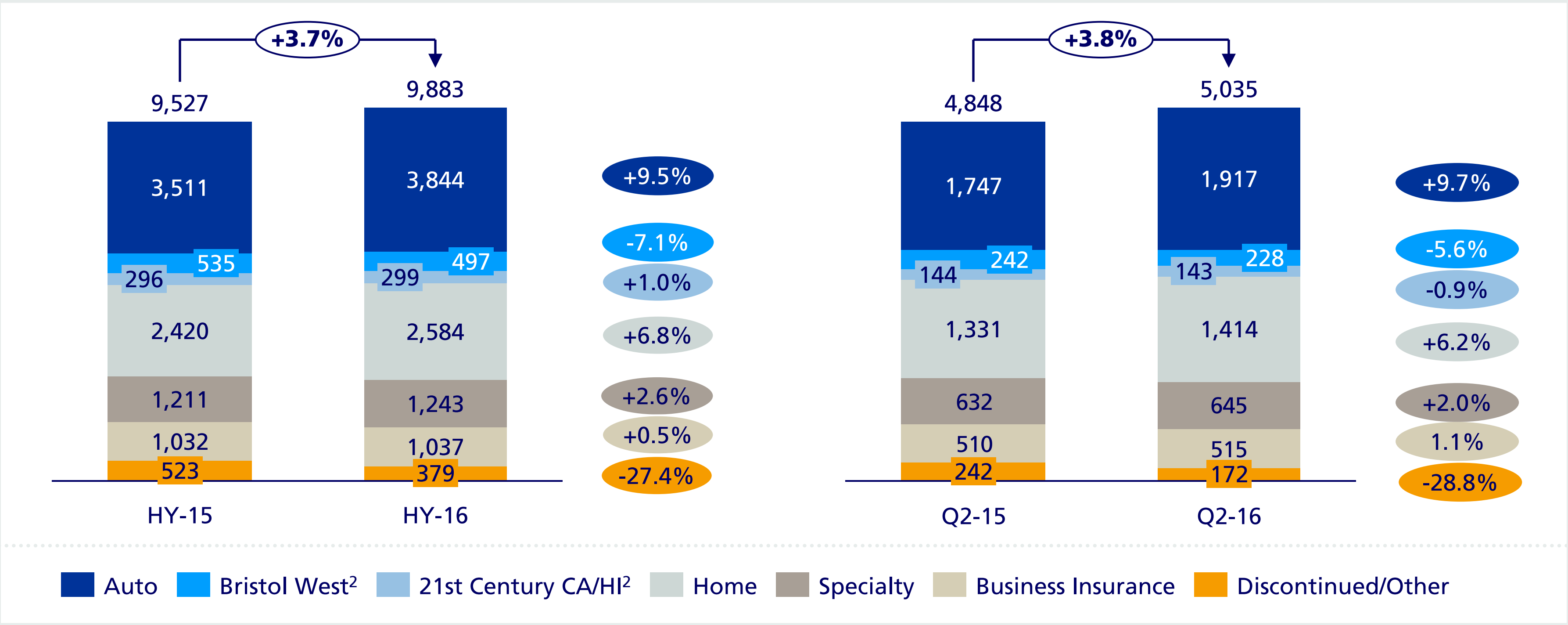


Farmers Exchanges[1] – GWP

Growth primarily driven by rate

FARMERS INSURANCE

DEVELOPMENT OF GWP BY BUSINESS LINE (USDm)



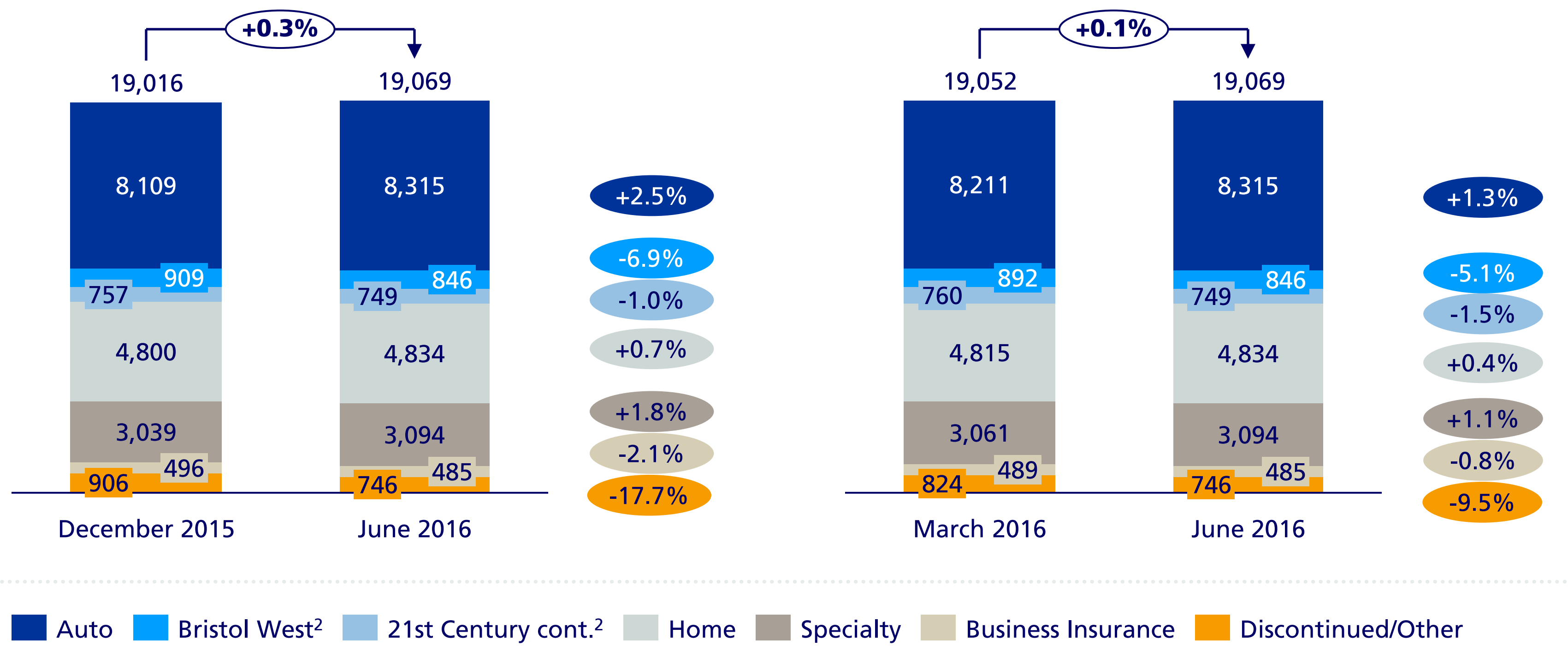
[1] Provided for informational purposes only. Zurich Insurance Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc., a wholly owned subsidiary of the Group, provides administrative and management services to the Farmers Exchanges as its attorney-in-fact and receives fees for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

[2] Bristol West writes non-standard Auto business. 21st Century CA/HI are continuing operations in California and Hawaii.

Farmers Exchanges – PIF/VIF[1]

VIF growth in Auto business slowing down

DEVELOPMENT OF PIF/VIF BY BUSINESS LINE (THOUSANDS)

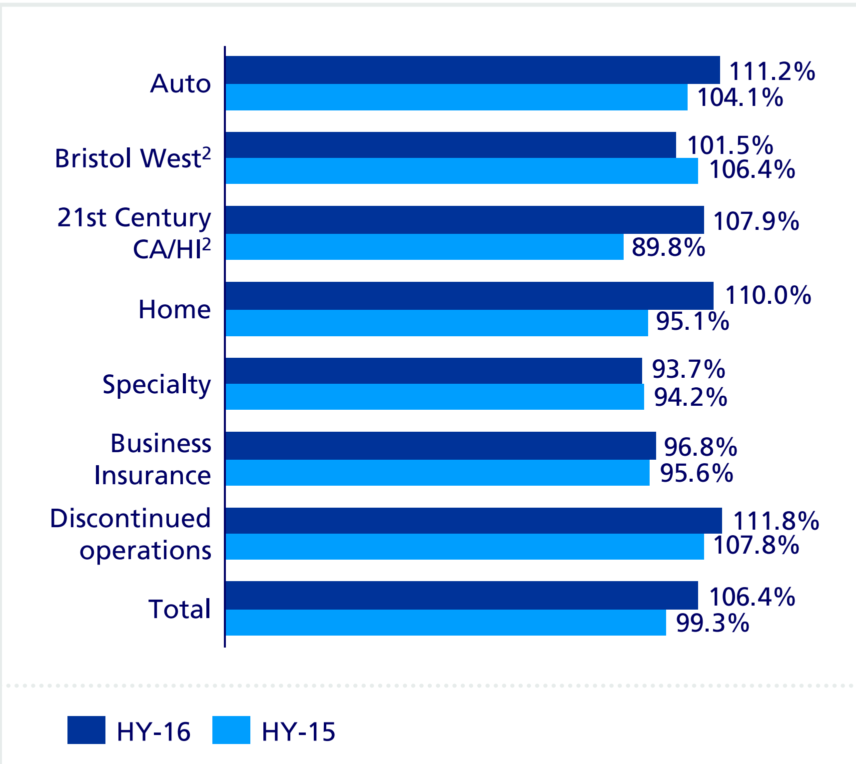


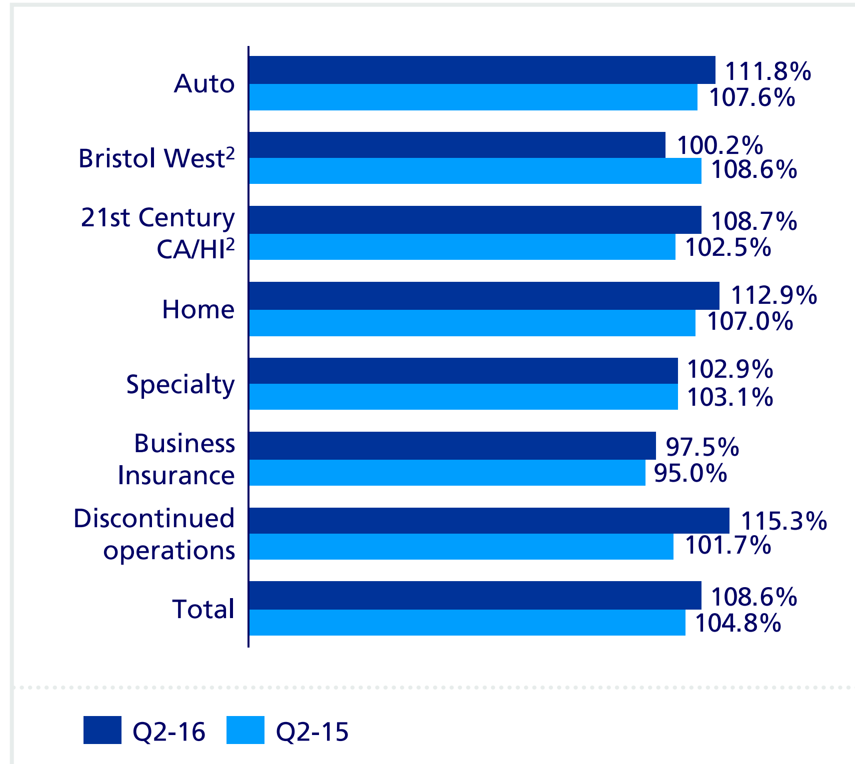
1 Policies-in-force (PIF) or Vehicle-in-force (VIF) for Auto businesses.
2 Bristol West writes non-standard Auto business. 21st Century CA/HI are continuing operations in California and Hawaii.

Farmers Exchanges – Combined ratio

Continued impact of unfavorable claim trends in Auto business

COMBINED RATIO[1] BY BUSINESS LINE (%)



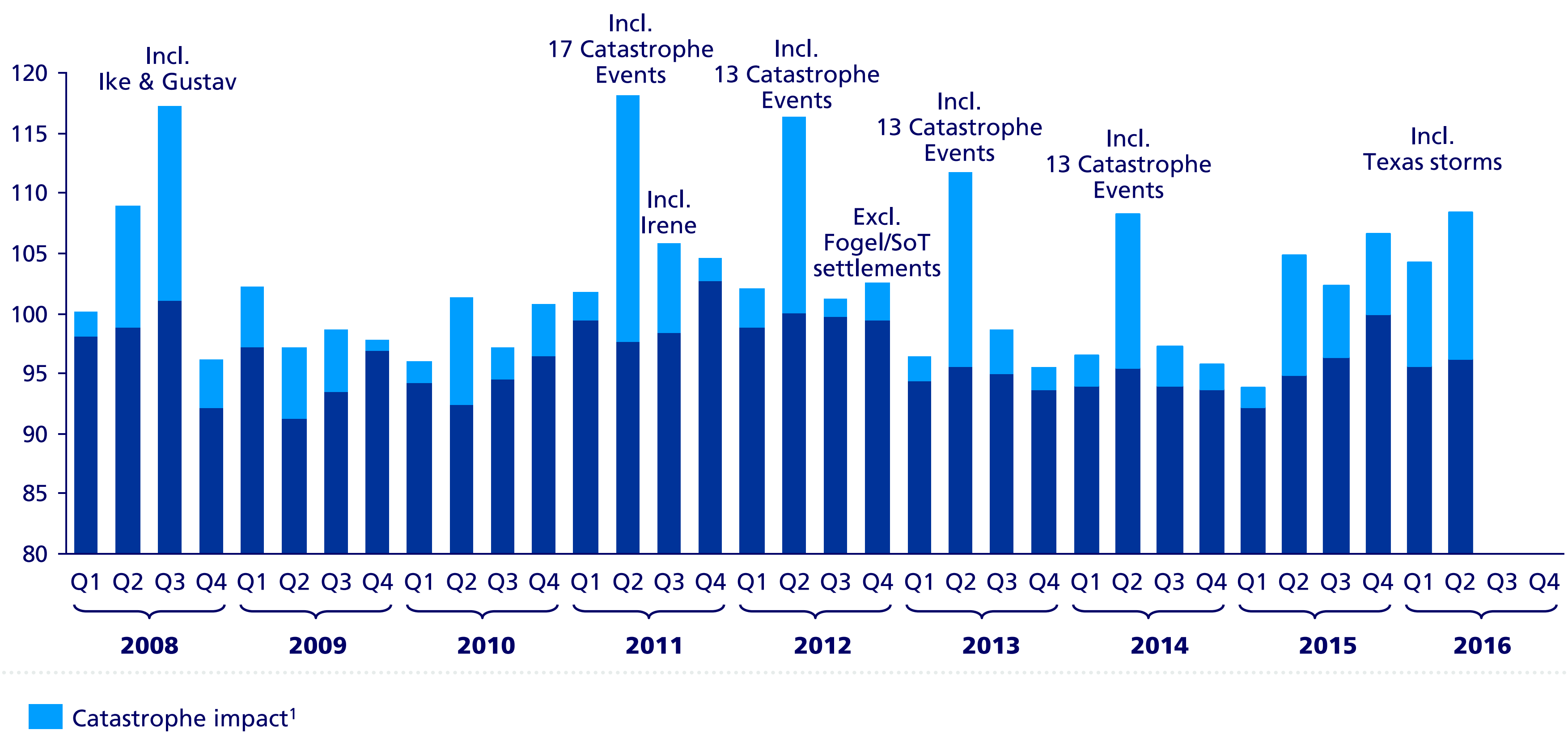


1 Combined ratio before quota share reinsurance.
2 Bristol West writes non-standard Auto business. 21st Century CA/HI are continuing operations in California and Hawaii.

Farmers Exchanges – Combined ratio history

Texas storms drive bulk of HY-16 catastrophe losses

QUARTERLY COMBINED RATIO (%)

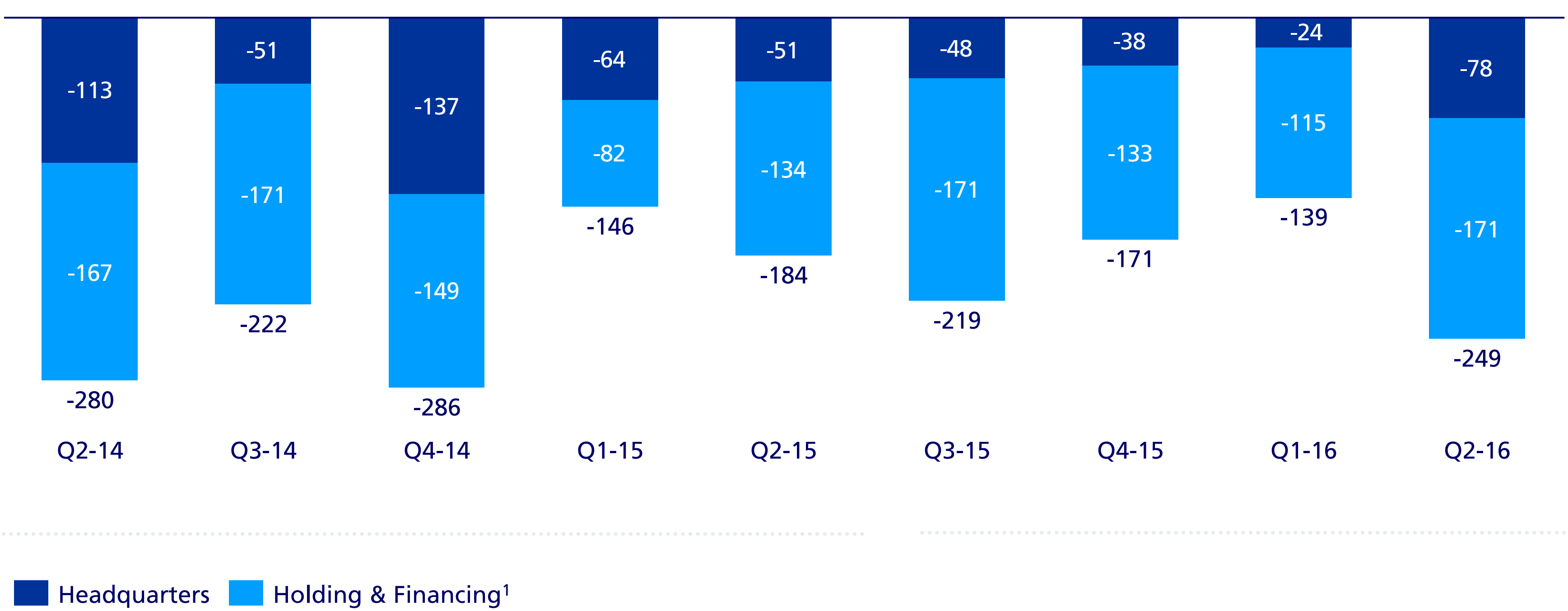


[1] Farmers Exchanges adopted industry standard ISO defined catastrophes as per July 2011.

Other Operating Businesses

Timing effects and one-off items impact quarterly results

QUARTERLY BOP SPLIT (USDm)



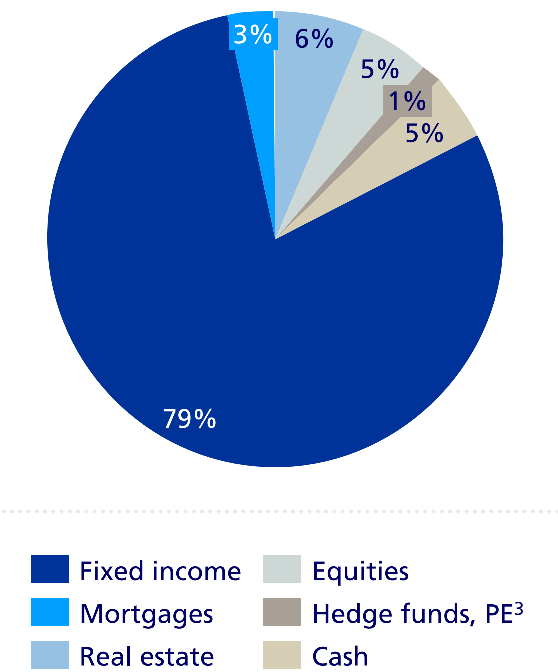
[1] Includes Alternative Investments.

Group Investments – Asset allocation

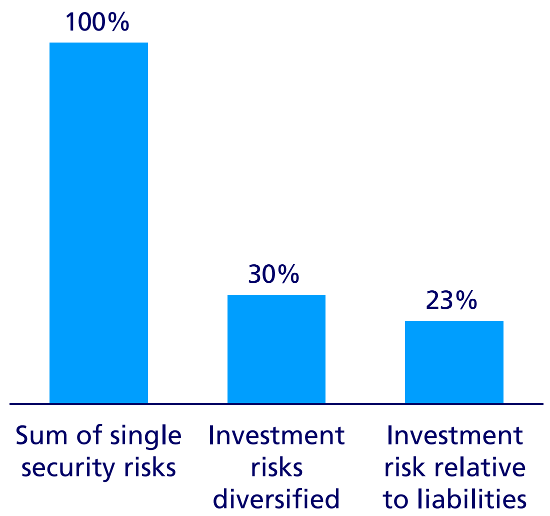
Sources of investment risk and return are balanced

ASSET ALLOCATION[1]

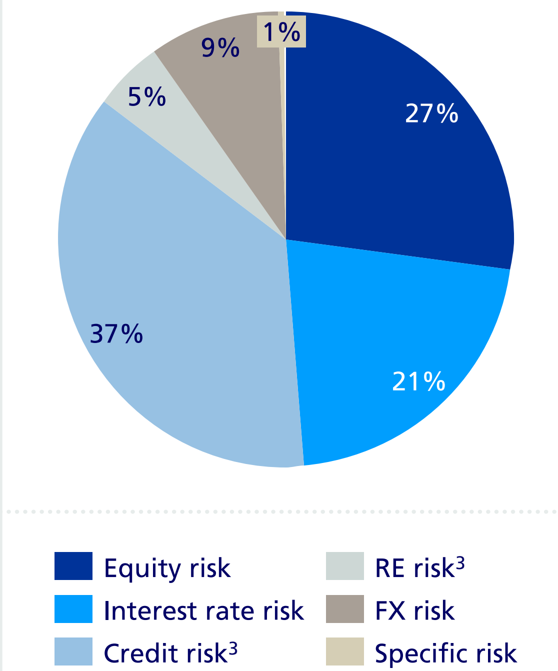
Total Group Investments: USD 199bn



RISK DIVERSIFICATION



RISK DRIVERS[2]



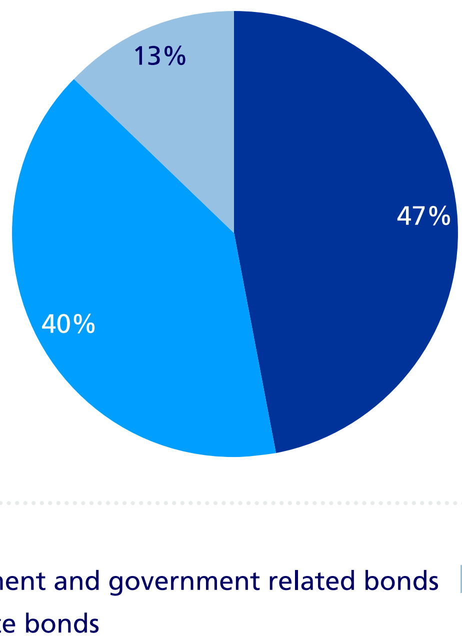
1 Economic view.
2 Risk drivers of Market risk (at Expected Shortfall 99% based on Monte Carlo simulation) show marginal contribution to the total Market risk.
3 PE = Private equity, RE = Real estate. Credit risk consists of swap spread risk, credit spread risk and credit default risk.

Group Investments – Debt securities portfolio[1]

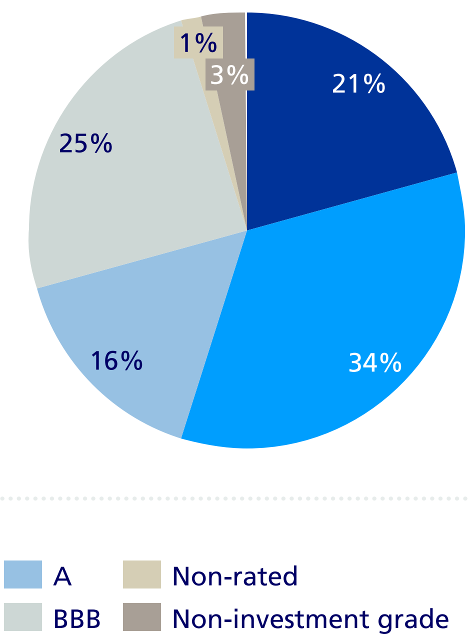
Debt securities portfolio is of a high quality

BY CATEGORY

Total debt securities: USD 147bn



BY RATING



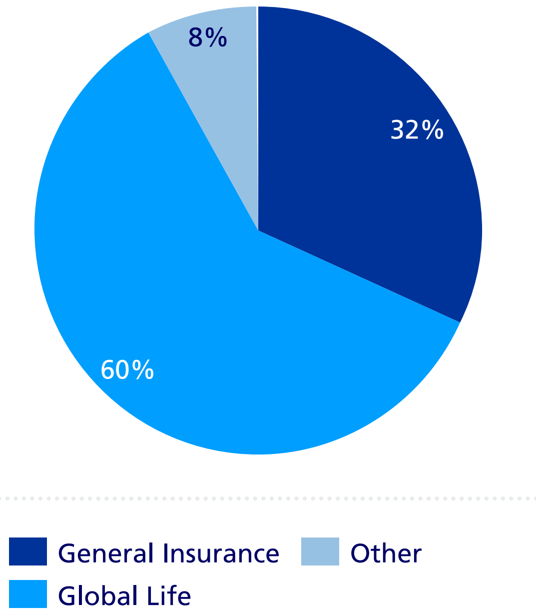
1 Accounting view.
2 MBS = Mortgage backed securities, ABS = Asset backed securities.

Group Investments – Bond portfolio[1]

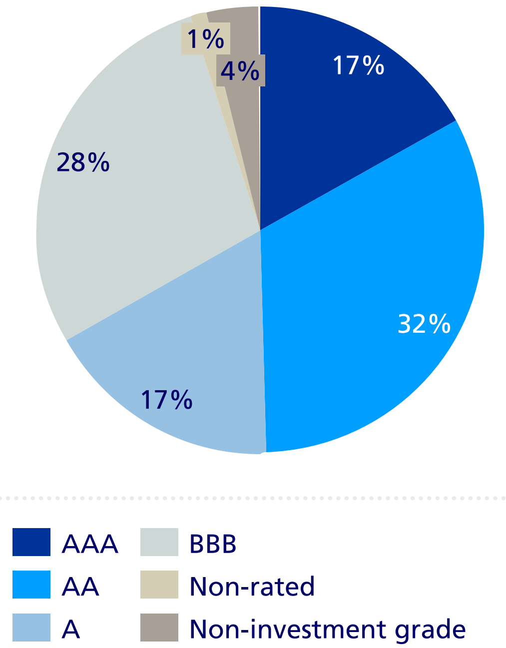
High quality and well diversified

BY SEGMENT

Total bonds: USD 128bn



BY RATING



BY COUNTRY

- 25% USA
- 9% United Kingdom
- 9% Italy
- 9% France
- 9% Germany
- 8% Switzerland
- 7% Spain
- 3% Netherlands
- 2% Australia
- 2% Belgium
- 2% Austria
- 2% Canada
- 2% Chile
- 11% Rest of World[2]

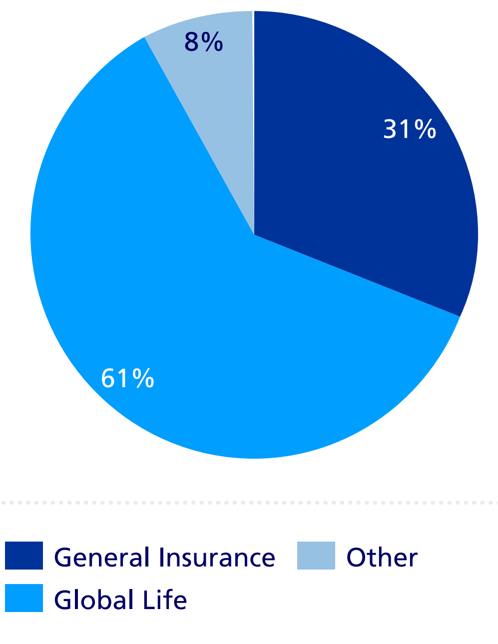
1 Accounting view.
2 All items with 1% share or lower.

Group Investments – Government bonds & Other[1]

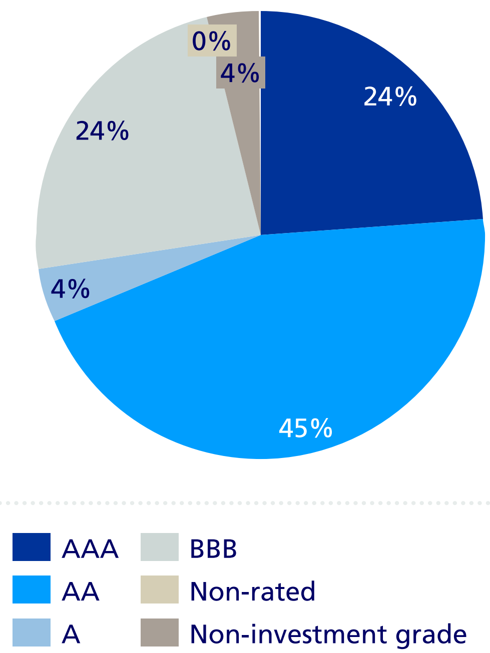
High quality and well diversified

BY SEGMENT

Total government bonds: USD 69bn



BY RATING



BY COUNTRY

- 19% USA
- 14% Italy
- 11% Germany
- 9% Spain
- 9% France
- 8% Switzerland
- 8% United Kingdom
- 3% Belgium
- 3% Austria
- 2% Brazil
- 2% Canada
- 2% Netherlands
- 1% Australia
- 9% Rest of World[2]

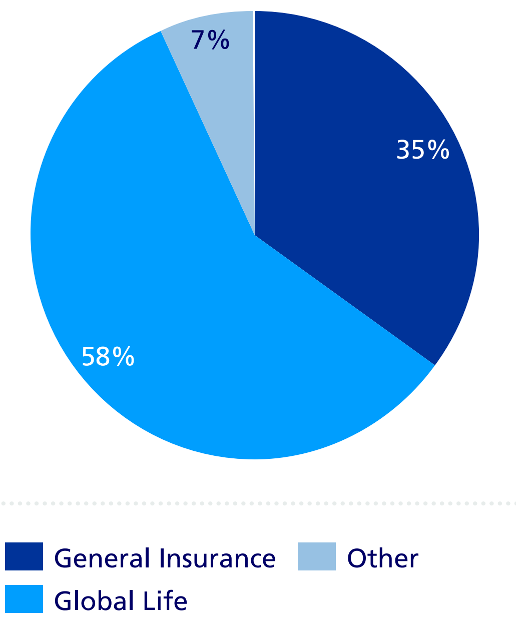
1 Accounting view.
2 All items with 1% share or lower.

Group Investments – Corporate bonds[1]

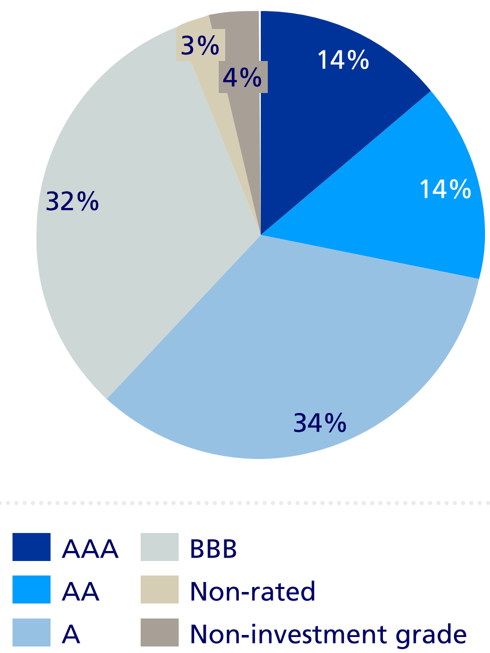
High quality and well diversified

BY SEGMENT

Total corporate bonds: USD 59bn



BY RATING



BY INDUSTRY

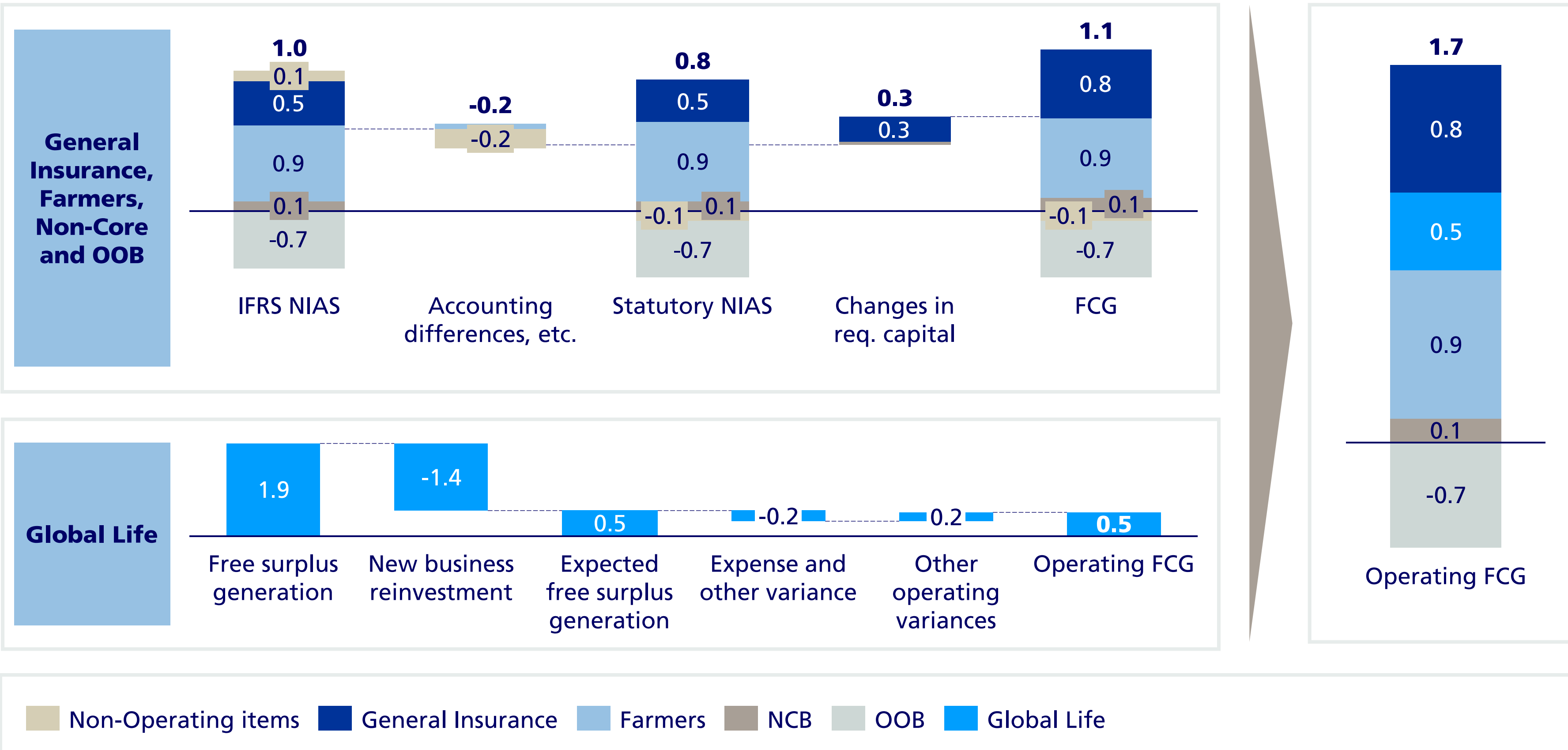
- 48% Financial Institutions
  o/w 89% Banks
  o/w 5% Insurance
- 18% Manufacturing
- 8% Utilities
- 4% Oil & Gas
- 4% Telecom
- 3% Chemicals & Pharmaceuticals
- 3% Transportation
- 3% Real Estate
- 2% Business Services & Products
- 2% Structured Finance
- 5% Others[2]

1 Accounting view.
2 All items with 1% share or lower.

Group – Free capital generation

Low 2015 FCG reflects underperformance of General Insurance

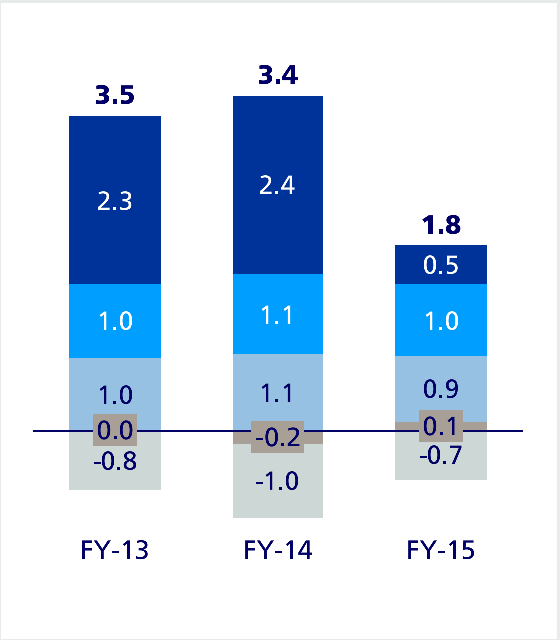
2015 FREE CAPITAL GENERATION (USDbn)



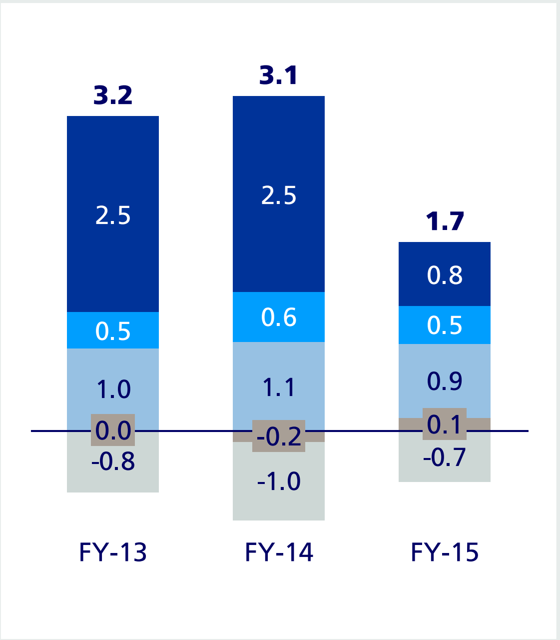
Group – Net cash remittances

Expect more than USD 10bn in remittances in the 2014-16 period

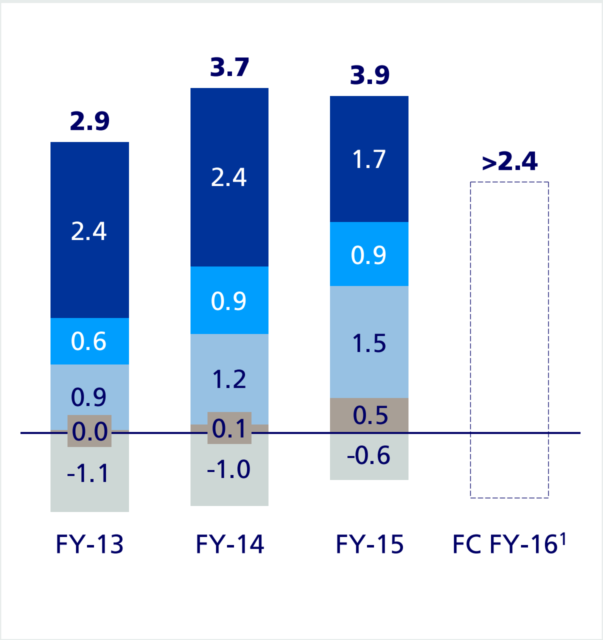
BOPAT (USDbn)



OPERATING FCG (USDbn)



CASH REMITTANCES (USDbn)



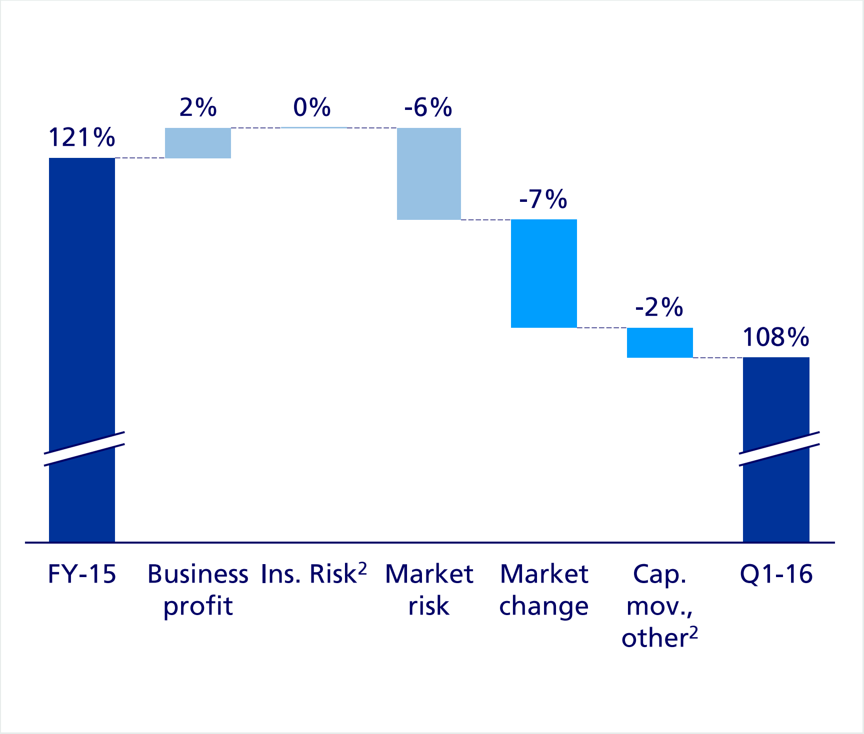
General Insurance | Global Life | Farmers | NCB | OOB

[1] Estimated full year 2016 cash remittances, subject to change.

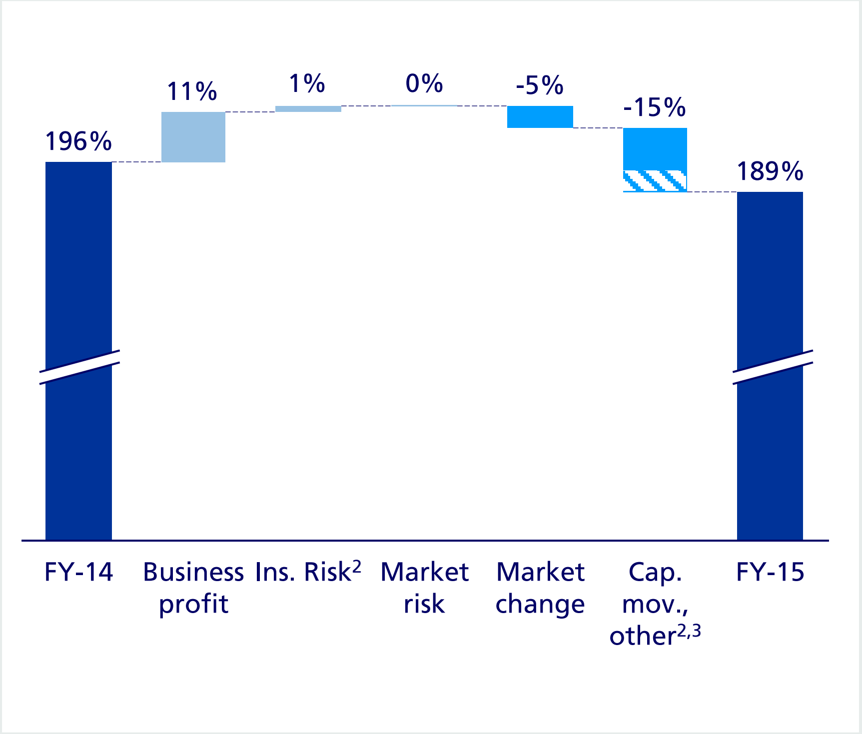
Group – Economic capital models

Resilient capital position across all metrics

Z-ECM RATIO DEVELOPMENT (%)



SST[1] RATIO DEVELOPMENT (%)



1 The Swiss Solvency Test (SST) ratio 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 ratio is filed with FINMA at the full year and is subject to its approval.

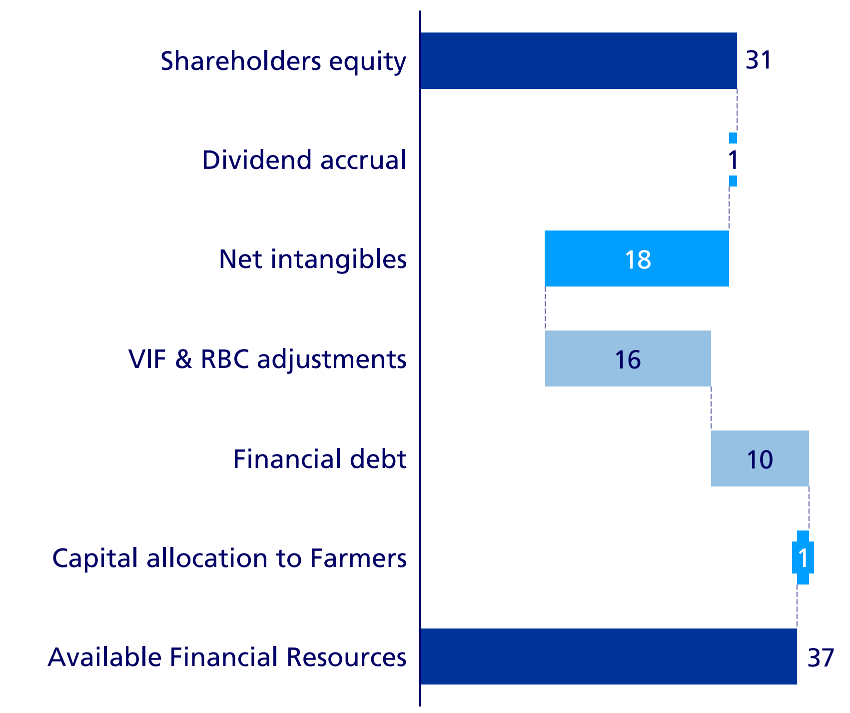
2 Insurance risk, capital movements, model changes and change in diversification benefit.

3 Shaded area refers to FINMA yield curve changes contributing a negative 4ppts impact.

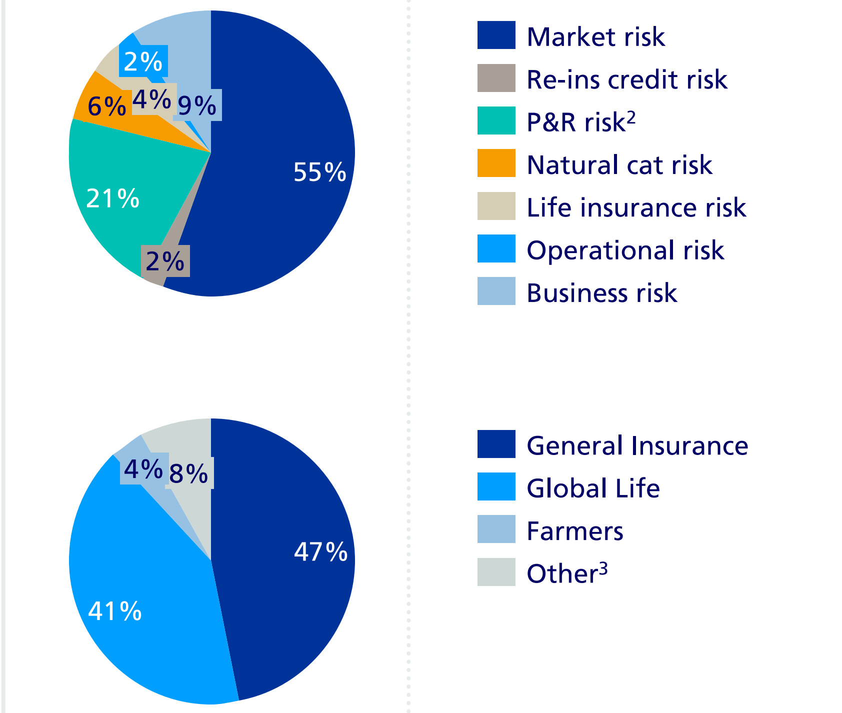
Group – Z-ECM components

Well diversified capital base by risk type

Q1-16 AFR[1] COMPOSITION (USDbn)



RBC[1] BY RISK TYPE AND BUSINESS

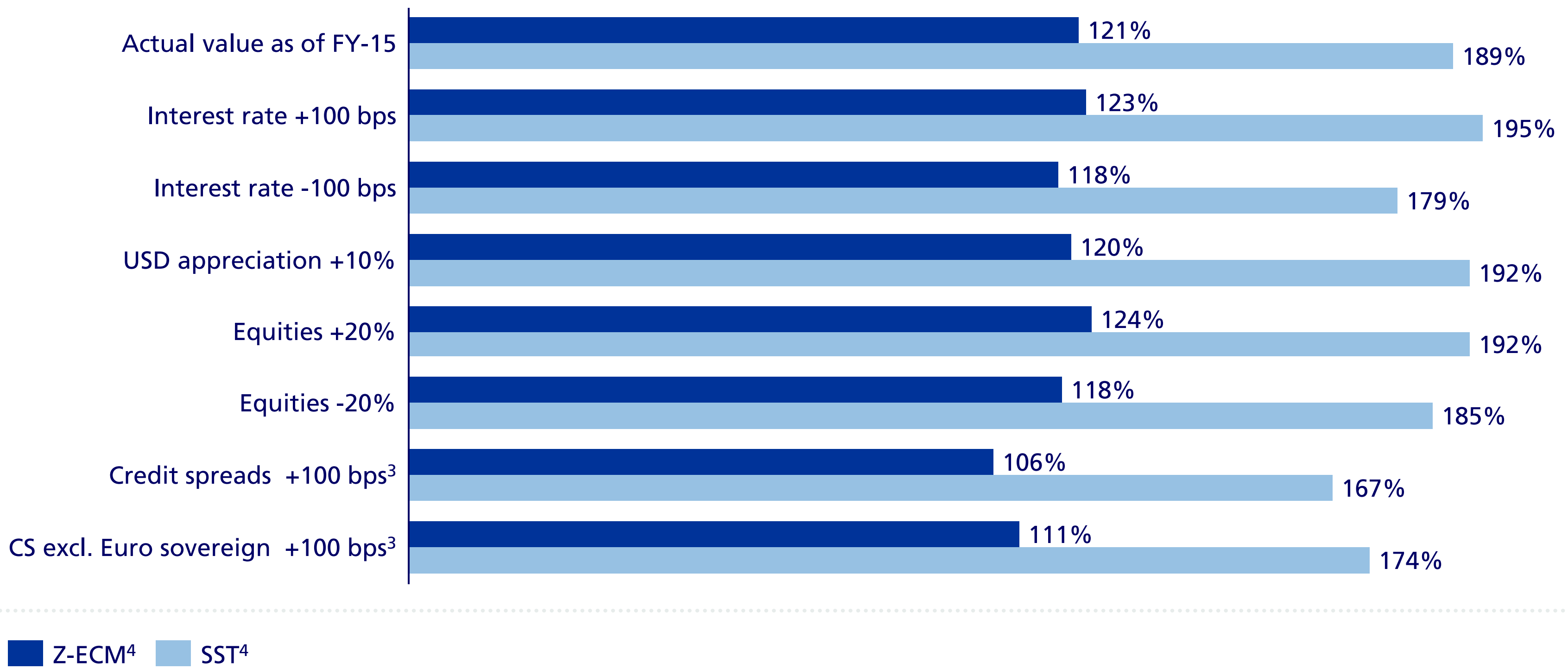


1 Available Financial Resources (AFR); Risk Based Capital (RBC).
2 Premium & reserving risk (P&R).
3 Includes Other Operating Businesses and Non Core Businesses.

Group – Solvency ratio sensitivities[1]

Solvency ratios resilient to market movements

SOLVENCY RATIO IMPACT[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 incl./excl. Euro sovereign spreads. Z-ECM sensitivity is net of profit sharing with policyholders.
4 Z-ECM: 99.95% Value at Risk; SST: 99.00% Expected Shortfall.

Group – EPS, BVPS and ROE calculations[1]

EPS AND BVPS (CHF)

No., CHF	FY-15	HY-16
Common shares issued	150.40m	150.53m
Treasury shares	1.24m	1.21m
Common shares outst.	149.16m	149.32
WAvg for basic EPS	148.96m	149.24
Dilution impact	0.36m	0.82m
WAvg diluted EPS	149.32m	150.06m
NIAS (USDm)	**1,842**	**1,613**
Avg USD/CHF rate	1.040	1.019
Basic EPS	**11.89**	**10.61**
Diluted EPS	**11.86**	**10.55**
BVPS[3]	**209.27**	**206.62**

BOPAT ROE AND ROE (%)

USDm, %	FY-15	HY-16
SHE	**31,178**	**31,632**
Net URGL / CF hedges	2,850	4,998
Adj. SHE	28,328	26,635
Avg. adj. SHE[2]	28,785	27,142
BOP	**2,916**	**2,194**
SH effective income tax rate	36.6%	29.9%
BOP after tax	**1,849**	**1,538**
NIAS	1,842	1,613
BOPAT ROE[2]	**6.4%**	**11.3%**
NIAS ROE[2]	6.4%	11.9%

1 Earnings per share (EPS), Book value per share (BVPS), Business Operating Profit after Tax (BOPAT), Shareholders equity (SHE), Unrealized gains/losses (URGL), Average (Avg), Weighted average (WAvg).
2 Denominator is calculated as the sum of each quarterly average, divided by the number of quarters.
3 Based on common shares outstanding and end-period USD/CHF rates of 0.999 and 1.025.

Group – Currency impact

Unfavorable FX impact in Global Life results

HY-16 KEY RESULTS

	KPI	USDm	reported	at constant currency
Group	BOP	2,194	-2%	-2%
	NIAS	1,613	-22%	-22%
General Insurance	GWP	18,517	-1%	+3%
	NEP	13,227	-5%	-1%
	Net underwriting result	216	-6%	-1%
	Investment income	1,020	+3%	+8%
	BOP	1,205	+3%	+1%
Global Life	APE	2,249	-8%	0%
	NBV	495	+20%	+28%
	BOP	667	-1%	+7%
OOB	BOP	-388	-18%	-22%

Commentary

Page 4: Key messages

Zurich's underlying results continued to improve in the second quarter as a result of management actions outlined previously. The Q2-16 result also benefited from some currency gains, reported in the GI non-technical result, and other one-time effects.

General Insurance (GI) is showing underlying improvement throughout the first half of 2016 driven by the actions taken on the portfolio, with further improvement expected as the year progresses.

Global Life (GL) continues to deliver consistent results in line with previous guidance.

The Farmers Exchanges, which are owned by their policyholders, have continued to deliver growth, with this reflected in fee income at Farmers Management Services.

The Group has made progress on simplifying the group organizational structure, while reducing costs leading to an improved GI expense ratio. The Group has announced exits from Morocco, Taiwan and South Africa as well as the completion of the acquisition of Rural Community Insurance Services (RCIS), MAA Takaful Berhad and the announced acquisition of Macquarie Group's retail life protection business.

The Group's capital position remains resilient, with the Z-ECM ratio comfortably within the target range at the end of the second quarter.

In summary, this result confirms the start of the turnaround in operating performance with further improvement expected over the remainder of the year.

Page 5: Key financials

Q2-16 Business operating profit (BOP) for the Group was USD 1.1bn and net income attributable to shareholders (NIAS) was USD 0.7bn, with BOP in line with the first quarter despite higher levels of natural catastrophes, and well ahead of the run rates achieved in the second half of 2015.

Lower levels of realized gains combined with higher restructuring charges relating to the Group's profit improvement plans and a higher effective tax rate account for the 22% decline in NIAS year to date.

These results demonstrate that execution of the plans for 2016 are well underway, with further underlying improvement expected for the second half of the year as the measures taken earn fully into results.

The capital position of the Group remains resilient, with the Z-ECM ratio at the end of June estimated to be around 107%.

In addition to the usual financials, the Group has today disclosed a supplemental pack providing additional detail on non-life reserves on both a line of business and regional level. Management continues to view the Group as adequately reserved. A separate Q&A call relating to this new disclosure will be held on Friday 12th August at 1pm CET.

Page 6: Report card – General Insurance

ZURICH

In GI good progress has been made in executing on the actions taken in the second half of last year to restore profitability. Results are visible in the HY-16 figures.

GWP is up 2% in local currency compared to HY-15, due to the inclusion of RCIS. Excluding this acquisition the premium level has reduced, driven by profitability actions especially in Global Corporate. BOP is up significantly, especially compared to the second half of last year. The actions taken – mainly centered around restoring technical excellence, enhancing governance and acceleration of the expense program – are reflected in the bottom line already in the first half of this year.

Additionally, decisions were taken during the year to improve the Group's footprint. This included the sale of the retail and commercial business in South Africa, Morocco and Taiwan. These transactions, together with the previously announced sale of the Middle East GI business, are expected to close by Q4-16, subject to regulatory approvals.

The Group remains committed to further improvement in the performance of GI. This will be achieved through further management actions together with the investments made in the priority markets, the Zurich brand, people and platforms.

Page 7: Report card – Global Life

Global Life continued to deliver underlying growth for the first half of 2016, despite market headwinds and the challenges of a low yield environment.

The increase in new business value of 28% in local currency reflects profitable growth in most areas, including success in bank joint ventures and the improved business mix of Corporate Life and Pensions business in the UK.

Business Operating Profit increased by 7% in local currency, driven by bank joint ventures, which continue to show steady growth, and emerging markets, which benefitted from improved results in the Zurich branded businesses in Latin America.

The Global Life retail footprint has been strengthened through the announced purchase of the Macquarie Life in-force book in Australia as well as the completion of the acquisition of MAA Takaful Berhad, which will further contribute to Global Life results in the coming quarters.

While the macro environment continues to prove challenging, the life business has delivered on expectations with further progress expected in the second half of 2016.

Page 8: Report card – Farmers Exchanges

The Farmers Exchanges continue to show progress in the execution of their strategy with further improvement in the Net Promoter score and continued growth in the agency force laying the foundation for future premium growth.

Retention overall has remained flat over recent quarters, despite ongoing rate increases to restore the profitability of the Farmers Auto book, while new business production picked up over the first half reflecting the ongoing roll-out of Farmers new Auto and Home products. These products are designed for the target customer – the confident planner – and provide greater flexibility to account for individual needs.

Page 10: Group – BOP and NIAS

ZURICH

Q2-16 BOP is up 17% compared to Q2-15 driven mainly by GI, while for the first half BOP declined slightly with growth in GI and FMS offset principally by lower results at Farmers Re and an increased loss in OOB.

Lower levels of realized gains coupled with higher levels of restructuring charges relating to the Group's profit improvement plans and a higher effective tax rate account for the 22% decline in NIAS year to date.

As previously communicated restructuring charges are expected to be skewed to the second half of the year, with FY-16 restructuring charges expected to be within the previously communicated USD 500m guidance.

The shareholders' effective tax rate for the half year was 29.9% with the full year tax rate expected to be around this level.

Page 11: General Insurance – Topline

In Q2-16 the topline for GI increased because of the first-time inclusion of RCIS. The acquisition of RCIS, which closed on March 31, added USD 1.1bn of GWP in Q2-16 to GI in total and North America Commercial (NAC). Further details on the RCIS impact on the results can be found in the appendix.

Excluding RCIS, Q2-16 GWP declined by 1% in local currency and by 4% for the HY-16, in line with the Q1-16 trend and driven by ongoing focus on profitability and the impact of the broader soft market conditions. Rate increases on renewal business were 2% with increases across all regions. Retention and new business development remained in line with Q1-16.

Global Corporate's gross written premiums were down 13% in local currency for Q2-16 and 12% for HY-16. This decline is largely a result of actions taken to improve performance as well as lower new business volumes, and is expected to continue throughout the year.

For NAC, and excluding RCIS, gross written premiums increased in local currency for Q2-16, driven largely by growth in captives and some timing effects in the existing crop business. Excluding these the premium level declined 2% as a result of tiering actions and broad market conditions.

Gross written premiums for EMEA declined 4% in local currency for Q2-16, driven by the competitive environment mainly in the UK and the sale of the retail business in the Netherlands.

In International Markets premiums for Q2-16 increased by 11% in local currency. Growth in Latin America was partly offset by the exit of lines of business in Australia that did not meet the required profitability levels.

Page 12: General Insurance – Tiering results

Updated tiering results for the Group continue to be encouraging. Overall rate increases on renewal business were 2% for HY-16, with substantial variation in the level of increases achieved across the various tiers of the portfolio. The focus on the lowest tier has produced double-digit rate increases with a significant reduction in retention. Similar results are seen across most regions and are in line with the plans set at the end of last year.

This demonstrates good progress has been made in terms of the actions taken last year, with results already visible in HY-16, and gives confidence for further combined ratio improvements in the upcoming quarters.

Page 13: General Insurance – Loss ratio over time

The actions taken since the end of last year have continued to lead to improvement in the development of the underlying loss ratios. The accident year (AY) loss ratio excluding catastrophes for Q2-16 improved to 64.4%, 2.1 percentage points lower than in Q1-16.

The AY loss ratio excluding catastrophes for HY-16 was 65.4%, 2.0 percentage points better than FY-15. The reduction has been driven by management actions and is split roughly equally across both the attritional and the large loss ratios, with improvements across all regions.

The Q2-16 loss ratio returned to levels seen in 2014.

Page 14: General Insurance – Combined ratio details

Looking at the loss ratio in more detail, large man-made losses in Q2-16 were 0.5 percentage points lower than in Q2-15 and 1.7 percentage points better than in Q1-16. The HY-16 position is 1.0 percentage point lower than FY-15. Non-catastrophe large losses in Q2-16 were broadly in line with expectations.

Actions implemented towards the end of last year delivered a 1.0 percentage point improvement in the attritional loss ratio compared to FY-15, with reductions in all regions. The Q2-16 discrete attritional loss ratio is 0.4 percentage points better than in Q1-16. Adjusting for the inclusion of RCIS, which runs at a higher loss ratio and a lower expense ratio, the improvement would have been roughly 1 percentage point.

Natural catastrophes and other weather events contributed 5.8 percentage points to the combined ratio in Q2-16, significantly more than the normal yearly run-rate and above Q1-16 and Q2-15. The main events were the Canadian wildfires, European floods and hail storms in Texas, and altogether these equated to approximately USD 200m in the Q2-16 result.

Prior year reserves developed favorably in all major regions, with the 1.5 percentage point reduction in the combined ratio in line with the expected range of 1-2%.

The expense ratio of 30.3% for Q2-16 benefits from the inclusion of RCIS by roughly 0.5 percentage points, as well as from some positive one-offs in the order of USD 30m (0.4ppts) as well as some underlying improvement in the quarter.

Underlying expenses are expected to continue to reduce over the second half of the year, with the HY-16 expense ratio of 31% more indicative of the level expected for the second half of the year.

Page 15: General Insurance – Regional combined ratios

GI's combined ratio (CR) was 99.0% in the discrete second quarter, with the AY CR excluding natural catastrophes at 94.7%. This represents a 3.4 percentage point improvement over Q1-16 and is more than 4 percentage points lower than the FY-15.

The combined ratio is in-line with expectations and reflects strong execution of the plans in GI. In the second half of the year more improvement is expected.

Looking at the performance by region it makes more sense to compare the HY-16 combined ratio vs. FY-15.

Global Corporate's combined ratio of 99.0% for HY-16 is significantly lower than for FY-15. This is mainly driven by a favorable impact from prior year reserves and some improvement in both the expense and attritional loss ratios. The higher level of natural catastrophes in Q2-16 is more than offset by more benign large losses.

NAC's combined ratio increased by 0.9 percentage points compared to FY-15. Favorable prior year reserve development is more than offset by higher catastrophe related losses and an uptick in large losses.

The reduction in EMEA's combined ratio of more than 7 percentage points is driven by a sharp improvement in the AY combined ratio ex-cat and lower catastrophe losses.

In International Markets, the reduction in the combined ratio of 9.5 percentage points compared to FY-15 is mainly driven by improved attritional loss ratios in Latin America and Asia Pacific, a higher level of favorable PYD and lower expenses as Latin America had some non-recurring items in 2015.

Page 16: General Insurance – BOP components

The GI BOP for the quarter was USD 663m, a sharp improvement compared to the material losses in Q3-15 and Q4-15 and USD 542m of BOP in Q1-16.

Compared to Q2-15, the increase in the GI underwriting result is reflected in the decrease of the combined ratio by 1.0 percentage point.

Investment income is up 4% on a reported basis and up 8% in local currency compared to the prior year, mainly as a result of higher allocation to equities and less liquid assets. In Q2-16 hedge fund investments generated a gain of USD 39m after a loss of USD 63m in Q1-16 which resulted from high market volatility.

The non-technical result excluding FX movements of USD 21m was slightly below the guidance given. The Q2-16 result includes a currency benefit of USD 99m for Q2-16, with a related and partly offsetting impact on the non-controlling interests. This benefit results mainly from the devaluation of the Venezuelan Bolivar and the Group's prudent approach of investing in USD assets to back insurance liabilities in countries with high levels of inflation.

Page 17: Global Life – New business & Net inflows

Q2-16 Global Life new business APE volumes were flat in local currency compared to the prior year quarter, with increases in Latin America offset by a decrease in EMEA. By line of business, protection, unit linked and corporate pensions business accounted for 78% of new business sales as the Group continues to have limited exposure to guarantee products.

The new business value increased 21% in local currency year on year, driven by a 5.3 percentage point increase in the new business margin on a reported basis, compared to the prior year quarter.

In EMEA local currency new business value increased by 35% year on year. Benefits from mix shifts in the UK and modeling refinements in Switzerland for Corporate Life and Pensions business, combined with higher sales of protection products in the joint venture with BancSabadell more than offset the overall decrease in volumes in the region.

Latin America new business value increased 10% in local currency, with positive contributions from both Zurich Santander and the Zurich branded businesses.

In North America a mix shift to sales of higher margin products resulted in the new business value increasing 30% for the region despite a slight decrease in sales.

Analyzed by pillar and in local currency, Corporate Life and Pensions new business value was up 46% compared to the prior year, while Bank Distribution values increased 13% year on year and Retail new business value increased 8%.

New business value is calculated using swap rates at the end of the immediately preceding quarter. Looking forward, the lower rates experienced the end of Q2 will have a negative impact to reported Q3 new business value.

Net inflows were positive for the quarter, reflecting sales of profitable individual savings business in Italy and Spain.

Page 18: Global Life – BOP by region

Global Life BOP increased 4% in local currency, but decreased 1% compared to the prior year quarter in US dollars, to USD 349m.

In EMEA, local currency BOP earnings increased by 7%, growing 5% in USD, where a strong result in Italy and one-off gains in the UK outpaced a positive prior year quarter one-off in Germany.

In Latin America Zurich Santander earnings increased by 24% in local currency, while the Zurich branded business benefitted from some FX gains following the devaluation of the Argentine Peso.

Asia Pacific profits reduced by 50% in local currency or 51% in US dollars, where current quarter one-off costs and a prior year quarter favorable reserve true up in Japan drove the difference.

And in North America earnings were down 25% compared to the prior year quarter, mainly due to reserve assumptions updates in the Farmers New World Life business.

Page 19: Global Life – Source of earnings

Adjusting for various one-off factors, and as explained in the half-year 2016 Sources of Earnings briefing document, overall revenues were flat in local currency in the first half of 2016.

While all regions except EMEA saw increases in loadings, a decline in fund-based fees offset this growth to leave overall loadings and fees flat in local currency compared to the first half of the prior year. The decrease in EMEA is largely driven by market movements' impact to fund-based fees, and lower loadings due to a mix shift to lower margin Corporate business as the Retail book runs off.

Adjusting for one-off factors and in local currency, the investment margin increased by 41% due to higher yields in Latin America, some re-risking in Switzerland and lower policyholder crediting rates. The technical margin when adjusted for one-off items decreased by 15% in local currency, mainly as a result of adverse claims experience in North America.

Overall, expense items decreased by 2% in local currency on an adjusted basis. Within this, operating costs decreased by 3%, driven by expense savings programs in EMEA and reduced central costs, while acquisition costs, excluding the impact of deferrals, decreased by 3% as commissions related to higher sales in Japan and LatAm were offset by mix-related reductions in EMEA.

Taken together, and adjusting for various one-offs factors, BOP increased by 7% on a local currency basis.

Overall this is a good result for the Global Life business, where strong underlying growth continues to be achieved despite continued pressures exerted by the macro environment.

Page 20: Farmers Exchanges – KPIs

At the Farmers Exchanges, which are owned by their policyholders, the second quarter followed the same path as the first quarter, with good premium growth driven by rate increases but weak underwriting results as a result of high catastrophe losses concentrated in Texas and continued poor performance of the Auto businesses given unfavorable industry claims trends.

Continuing operations saw growth of 5.5% in the second quarter, in-line with the first quarter and driven by higher average premiums in Auto and Home combined with stable retention.

Further rate actions are planned, however, given the competitive nature of many product lines, it remains to be seen whether these will continue to feed directly into premium growth as in the first half of the year.

The performance of Farmers Auto businesses remains challenged as reflected in a further increase of the combined ratio excluding catastrophes. This has been driven by continuing elevated frequency and an increase in auto physical damage severity inline with broader industry trends.

Restoring the profitability of the Auto line is expected to take time as rate and underwriting actions earn through the book.

Continued growth in premiums together with the negative impact of catastrophe losses and weak results in auto have resulted in the surplus ratio moving back into the near term target range of 33-36%. The Farmers Exchanges aggregate catastrophe reinsurance cover would be expected to have a dampening impact on catastrophe losses over the second half of the year.

Page 21: Farmers – KPIs

Farmers Management Services BOP increased by 7% in the second quarter as management fees continued to grow in line with earned premiums. There were some one-off elements in management expenses and other income which largely offset each other.

Farmers Re BOP is sensitive to catastrophe losses and thus the second quarter performance has been weak over past years given the prevailing seasonal weather patterns. While catastrophe losses were more severe than in the prior year quarter there also was deterioration in the combined ratio excluding catastrophes, mainly driven by the deterioration in the underlying results in the Farmers Exchanges' auto book. While catastrophe losses reached USD 79m in first half, they are capped at USD 100m for the year.

Page 22: Group Investments – Investment income yield

Annualized new money yields for debt securities were around 2.0% for General Insurance and around 1.7% for Life. Compared to Q1-16 the gap to the annualized accounting yield has widened slightly reflecting strong bond markets.

Higher dividend income combined with continued investments in less liquid assets have supported investment income in 2016.

Page 23: Group – Balance sheet and capital

Shareholders’ equity increased by USD 0.8 billion to USD 31.6 billion in the quarter. Falling yields drove unrealized capital gains of USD 0.9 billion but also an increase in defined benefit pension liabilities. The weakness of the British pound and the euro against the US dollar in the wake of the UK referendum on Europe was the main driver of movement in the cumulative foreign currency translation adjustment.

Z-ECM is estimated to be at 107% end of June. The slight decrease since end of March mainly is due to a reduction in Available Financial Resources caused by a further decline in yields and partly offset by the issuance of dated subordinated debt in May. Unlike Solvency II the Z-ECM does not benefit from the use of an ultimate forward rate (UFR) or other adjustments to the yield curve such as the volatility balancer that can have a dampening impact on falls in yield. This further demonstrates the resilience of the Group’s capital position.

An update on 2015 Free Capital Generation is included in the Appendix, while management continues to expect cash remittances to exceed USD 10bn for the 2014-2016 period.

Page 24: Key messages

In summary, this result continues to build on the good start to the year and the improvement in underlying results.

GI's underlying combined ratio is improving in-line with expectations, while prior year development is in line with our expectations of 1-2pts. Actions taken to improve GI operating performance are expected to further enhance the performance as the year progresses.

Global Life delivered continued underlying improvement, in part masked by US dollar strengthening, while the Farmers Exchanges were able to grow further in their continuing operations, which is reflected in the fee income of Farmers.

The Group has made progress on simplifying the Group structure, while improving its focus through a number of disposals aimed at simplifying the footprint, coupled with targeted acquisitions to strengthen positions in key markets.

The Group's capital position remains resilient, with the Z-ECM ratio comfortably within the target range at the end of the second quarter.

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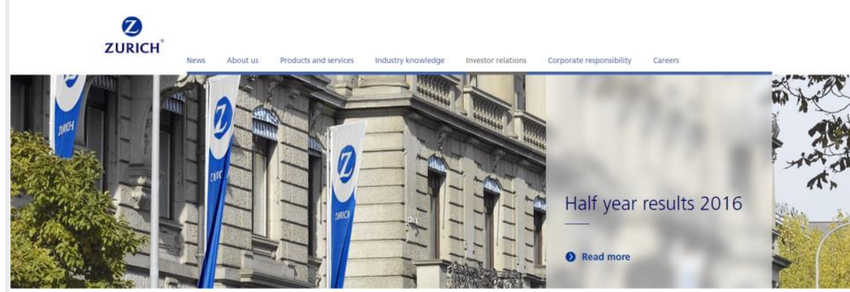

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Calendar:

- September 27-29, Bank of America Merrill Lynch conference, London
- November 10, 2016, Results for the nine months to September 30, 2016
- November 17, 2016, Investor Day, London
- February 9, 2017, Annual Results 2016