

Zurich remains on track to deliver on 2016 strategic objectives

- **Group expects to deliver on targets for 2014-2016 strategic period**
- **Progress in all three cornerstones of the Group strategy but further actions needed**
- **Continuing focus on operating efficiency expected to deliver additional annual cost savings of USD 300 million by end of 2016 and at least USD 1 billion by end of 2018**
- **Data and digital central to Zurich's success in coming years**
- **USD 3 billion in excess capital expected to be deployed in next 18 months**

Zurich, May 21, 2015 – The management team of Zurich Insurance Group (Zurich) will today make a series of presentations to update investors and analysts on the progress of the company's strategy for 2014 to 2016, and its key priorities for the next 18 months. Presentations and a webcast of the event, starting 09:45 CEDT, will be made accessible on www.zurich.com.

Zurich Chief Executive Officer Martin Senn said: "We have made good progress in the execution of our strategy for 2014 to 2016, and despite headwinds in the external environment are confident that we will achieve our targets for the current period."

In December 2013, the company set three targets for the 2014-2016 strategic period:

- A business operating profit after tax return on equity of between 12% and 14%
- Solvency as measured by the Group's internal capital model, the Z-ECM ratio, of between 100% and 120%
- Net cash remittances to the Group after all central costs in excess of USD 9 billion over the three years



“As our recent results for the first three months of 2015 show, Zurich’s solvency position remains a source of strength, and we are well on the way to meeting our cash remittance target,” said Zurich’s Senn. “While we recognize that there is more to do, we remain a highly profitable and well capitalized global business with a strong competitive edge in our priority markets and a clear strategy for delivering attractive and sustainable returns to our investors.”

The company’s main priorities through to the end of 2016, will be to continue previously announced actions across each of its three strategic cornerstones.

Prioritizing investment in distinctive positions: Zurich has made good progress in Corporate, Commercial and select Retail markets, including more than doubling the number of new common customers across Global Corporate and Corporate Life and Pensions in 2014. It has entered into a number of new distribution arrangements, such as with Via Varejo in Brazil and the extension of the agreement with Banco de Sabadell, S.A. in Spain.

The focus over the next 18 months will be to build on these successes with further collaboration between corporate facing businesses, the roll out of ‘Big Data’ initiatives piloted in North America Commercial to other mid-tier commercial markets, and a continued focus on growth in priority retail markets.

Managing other businesses for value: Zurich has implemented in-force initiatives in four countries within Global Life and taken the first steps to unlock capital with the recently announced UK annuity transaction. The company has exited some channels and markets, such as Russia retail.

The business will continue to implement in-force initiatives in its Global Life back books while accelerating progress in turning around or exiting and releasing capital from under-performing business units. The company will also review its geographic footprint in the retail space.



Growing operating earnings: As previously announced, a restructuring of the organization above the business unit level is expected to deliver annual cost savings of USD 250 million by the end of 2015. Investment Management has deployed an additional USD 2 billion in risk capital and continues to increase investments in less liquid assets.

Further measures are planned to deliver on the goals of improving the combined ratio of the General Insurance business by two to three percentage points and increasing run-rate business operating profits in Global Life by at least USD 50 million a quarter in 2016. Part of the improvement in both businesses will come from additional efficiencies, which are expected to contribute USD 300 million of cost savings by the end of next year. Related accounting and restructuring charges are expected in a range of USD 400 million to USD 600 million, with the majority included in our 2015 results.

These efficiencies form part of a longer term transformation plan, as the company sees the opportunity to increase net new annual efficiency gains to at least USD 1 billion by the end of 2018 through a number of initiatives, including a systematic approach to lean processes and group wide shared services.

In addition, Zurich expects to redeploy USD 3 billion of excess capital by the end of 2016, either through M&A transactions or a return of capital to shareholders.

Zurich will provide the next update on its progress in its semi-annual report card, which will be published on August 6, 2015, alongside its half-year results for 2015.

Further information

Media conference call

A media conference call hosted by CEO Martin Senn will take place ahead of the Investor Day from 8:00 – 8:30 CEDT. The call will be held in English. Please click [here](#) to download the accompanying presentation. Please dial in to register approximately 10 minutes prior to the start of the call.

Dial-in numbers for media conference call and Investor Day

Europe	+41 (0)58 310 50 00
UK	+44 (0)203 059 58 62
USA	+1 (1)866 291 41 66

Investor Day

The Investor Day will start at 9:45 and will last until about 17:30 CEDT. The presentation will be available [here](#) from 7:15 CEDT. While the target audience for the event is analysts and investors, journalists interested in the topics are cordially invited to listen in by telephone (see dial-in numbers above) or to follow the event via real time webcast on our website www.zurich.com.

Program

09.45 – 10.00	On track to deliver our objectives, Martin Senn
10.00 – 11.00	Global Life, Kristof Terryn, Gary Shaughnessy & Nick Burnet
11.00 – 11.15	<i>Break</i>
11.15 – 12.05	General Insurance, Mike Kerner & Thomas Hürlimann
12.05 – 12.45	Group Operations, Robert Dickie
12.45 – 14.00	<i>Demonstrations and lunch</i>
14.00 – 15.45	Q&A sessions, Kristof Terryn, Mike Kerner & Robert Dickie
15.45 – 16.00	<i>Break</i>
16.00 – 16.25	Finance update, George Quinn
16.25 – 17.00	Q&A session, Martin Senn & George Quinn
17.00 – 17.05	Wrap-up, Martin Senn



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