

UBS Conference - Is there really an advantage in being global?

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What does 'Global' mean?



- Does global footprint define a company as being global...or is it more?
- Can a company be global if it operates in a single country or region?
- Does global consistency mean global advantage?
- Which is superior global or local?
- How does economic globalization impact the perception of being global?
- Is being global an option or an obligation for all companies/industries?

A global organization – the textbook view



	Advantages	...and potential pitfalls
Strategic	<ul style="list-style-type: none"> - competitive advantage - scale and influence 	<ul style="list-style-type: none"> ...diseconomies of scale ...cultural arrogance
Efficiency	<ul style="list-style-type: none"> - scalability through standardization - economies of scale, fixed, variable and unit costs 	<ul style="list-style-type: none"> ...lack of flexibility ...diseconomies of scale ...disconnected operations
Diversification of risk	<ul style="list-style-type: none"> - insurance, economic, operational 	<ul style="list-style-type: none"> ...Black Swan Theory
Talent	<ul style="list-style-type: none"> - learning - diversity of opportunities 	<ul style="list-style-type: none"> ...lack of innovation ...war on talent
Brand	<ul style="list-style-type: none"> - strength 	<ul style="list-style-type: none"> ...lose entrepreneurial spirit

Global trends impacting the insurance industry and their implications

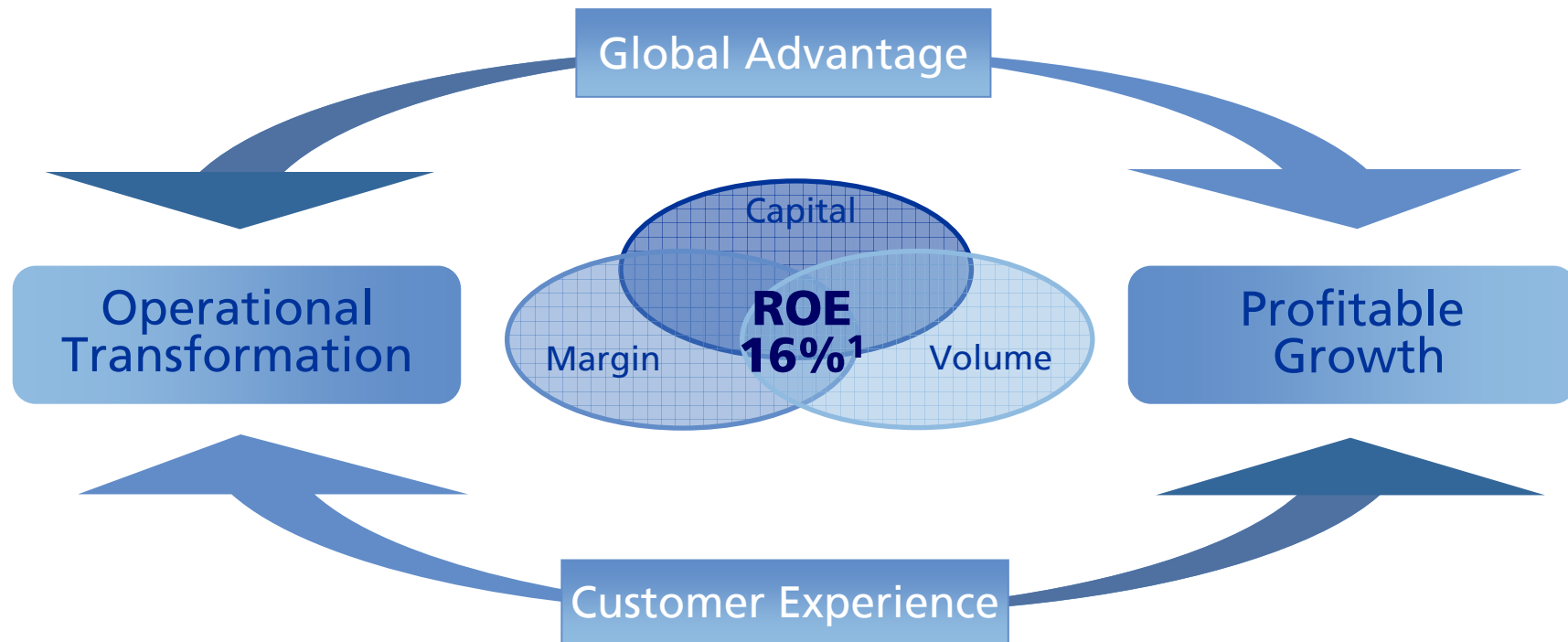


	Global Trends	Implications
<i>Rules of the Game</i>	The Rise of the Global Titans	Industry consolidation will increase scale of fewer global insurers
	The New Investors	Underperformance will not be tolerated by new breed of investors
<i>Growth & profitability</i>	Increasing War for Talent	Global industry talent shortage and perception of insurance companies
	Rise of BRICs	Growth of new economies; an insurance opportunity?
	Aging in Developed Countries	A challenge for developed economies and increased role for insurance
	The Primacy of Risk	Wider range of more complex risks with higher potential losses
	The Environmental Challenge	Enormous shifts in economies will generate new profit pools
	Industry Convergence	Significant channel shifts are likely as non-traditional competitors expand
	Industrialization	Significant reductions in cost necessary to compete in 21st century

Source: The Boston Consulting Group in conjunction with Zurich

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Our strategy leverages our global position and improves customer experience

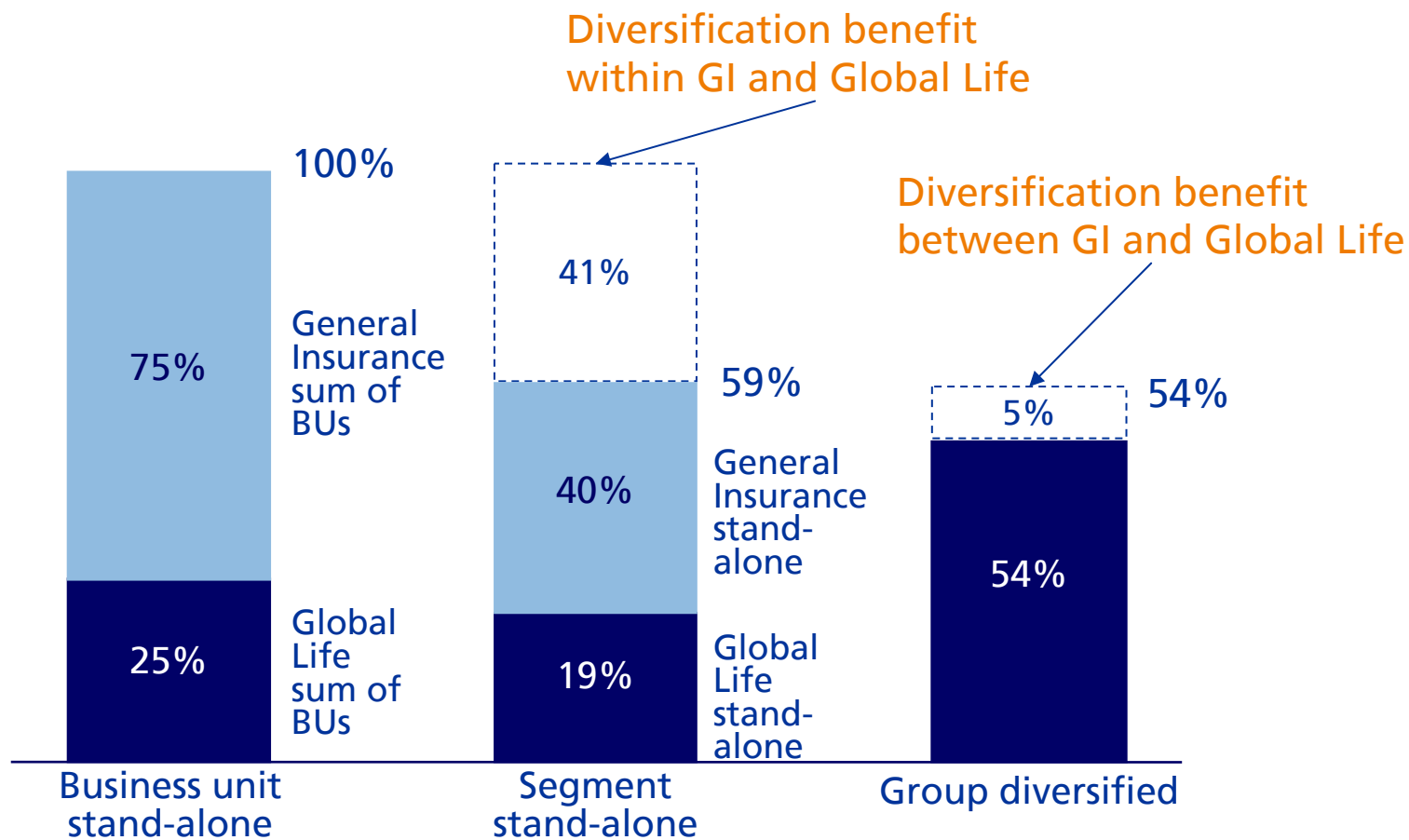


¹ Business operating profit (after tax) return on common shareholders' equity

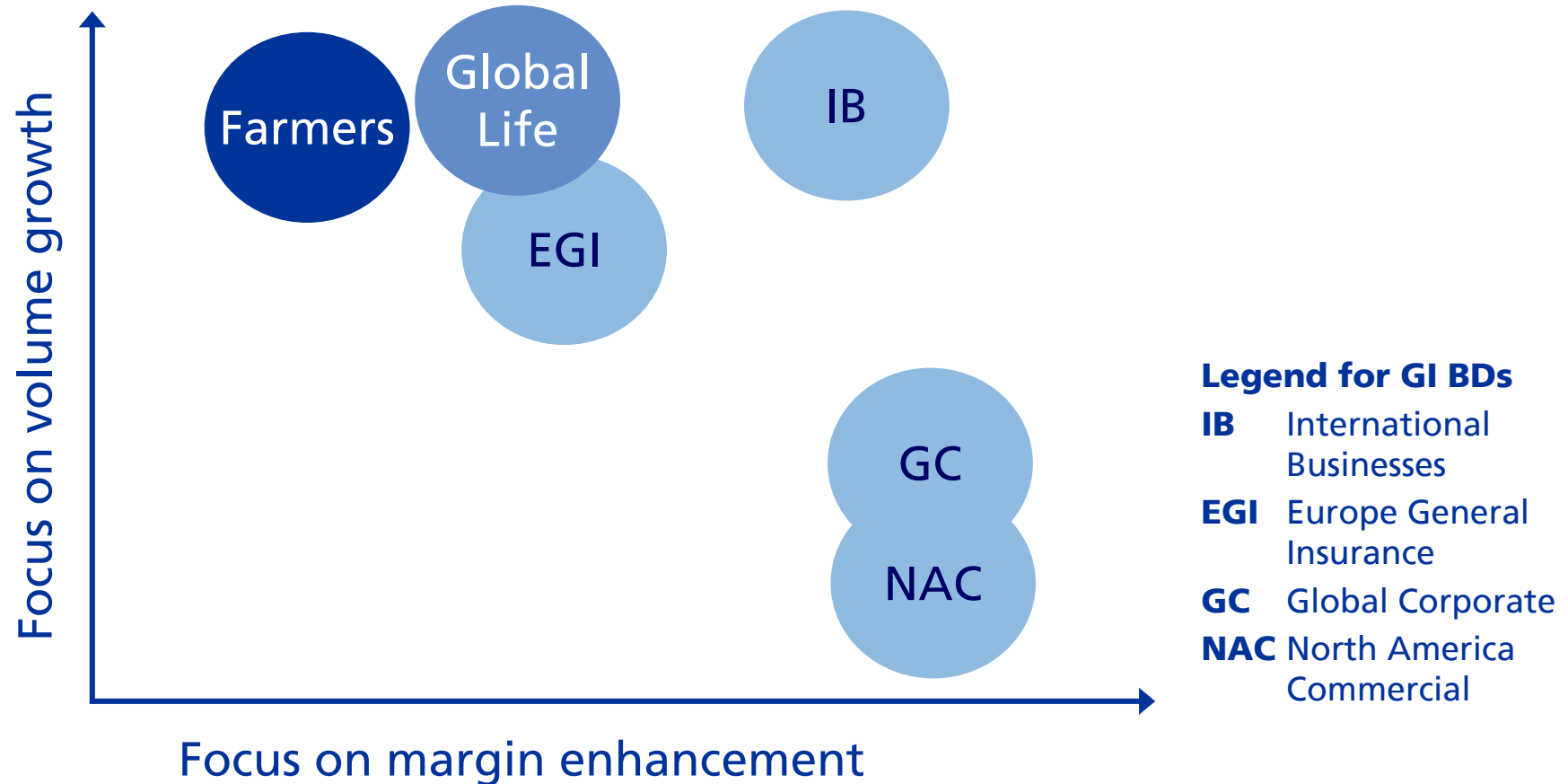
Group capital efficiency: diversification benefits of our global book



Group diversification benefits are significant



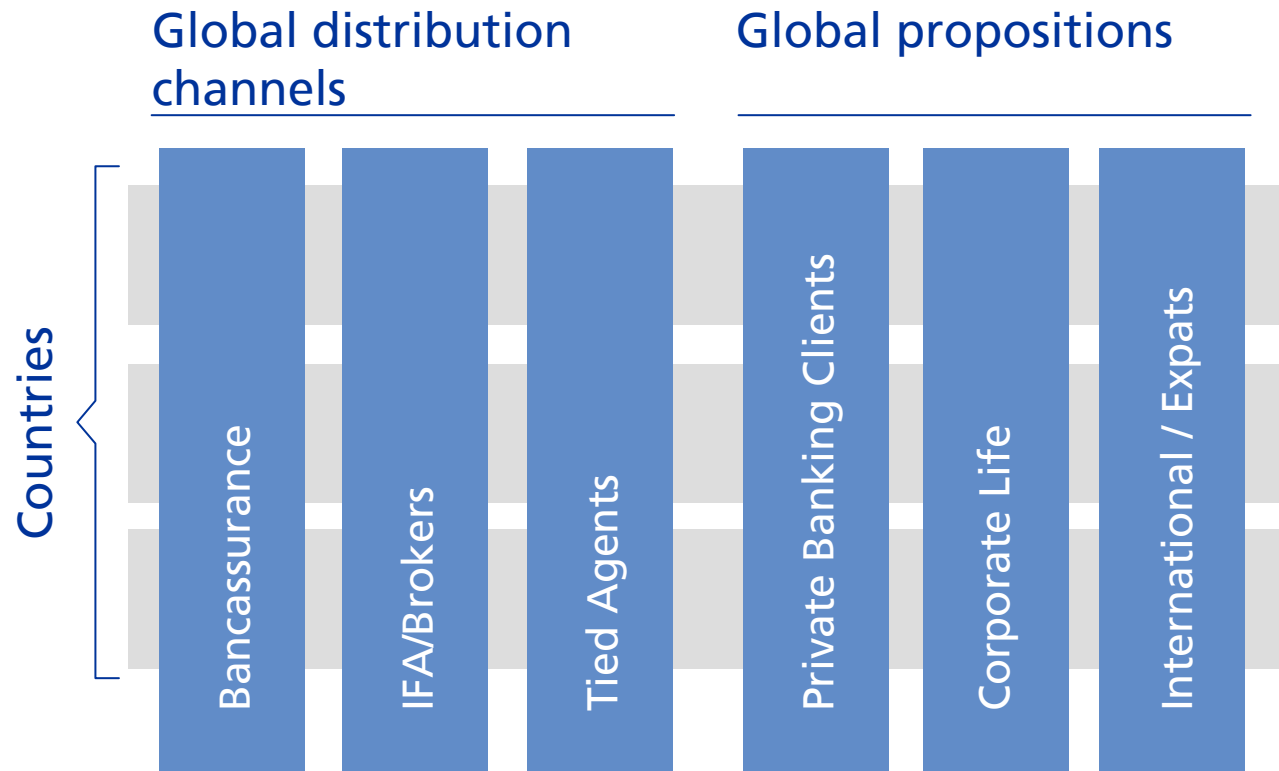
Zurich applies a differentiated focus to unlock and grow business value



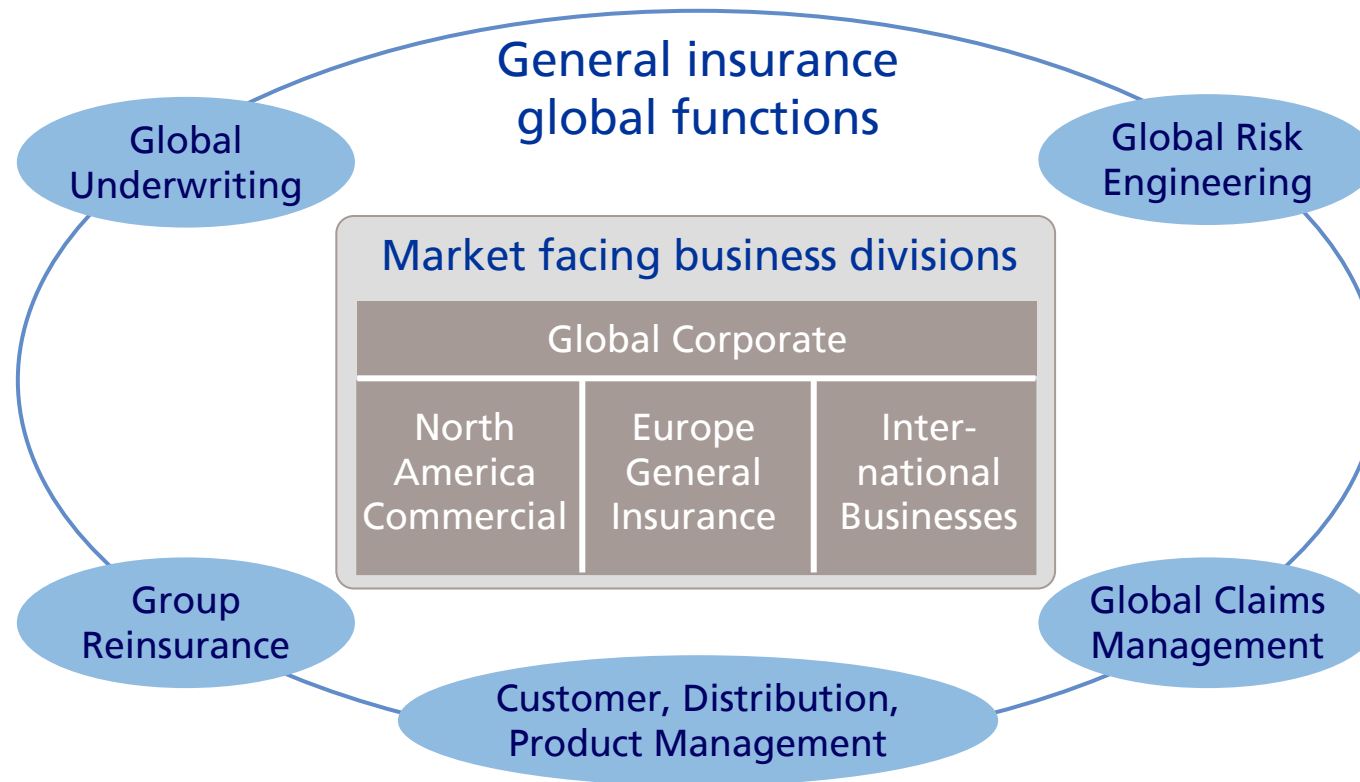
We take a global approach to our key life distribution channels and propositions



- A global approach to distribution will drive excellence in channel management
- Selected propositions are most effectively delivered on a global basis to meet customer needs



Zurich General Insurance operating model leverages global operations for local delivery



Group operating efficiency: Regional platforms

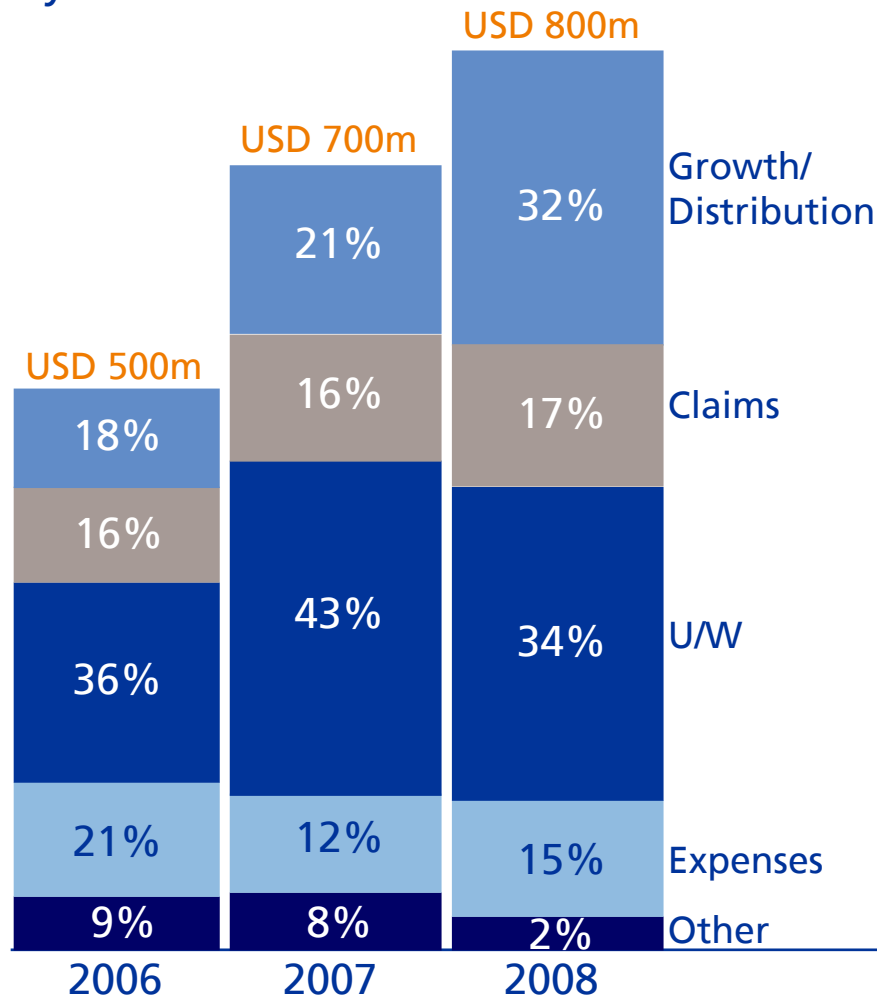


- Zurich has already implemented radical steps to optimize its capital pooling in Europe, and there is more to come.
- The use of Zurich Ireland as the one regulated entity for all EEA related general insurance businesses is efficient in terms of capital, administration and reporting.
- Zurich's industry leading one-balance-sheet approach boosts capital fungibility and cash management across Europe, and gives us a competitive edge.
- By simplifying our balance sheets we can simplify our structure. This reduces unnecessary inefficiency and allows us to focus on adding value to our customers and partners.

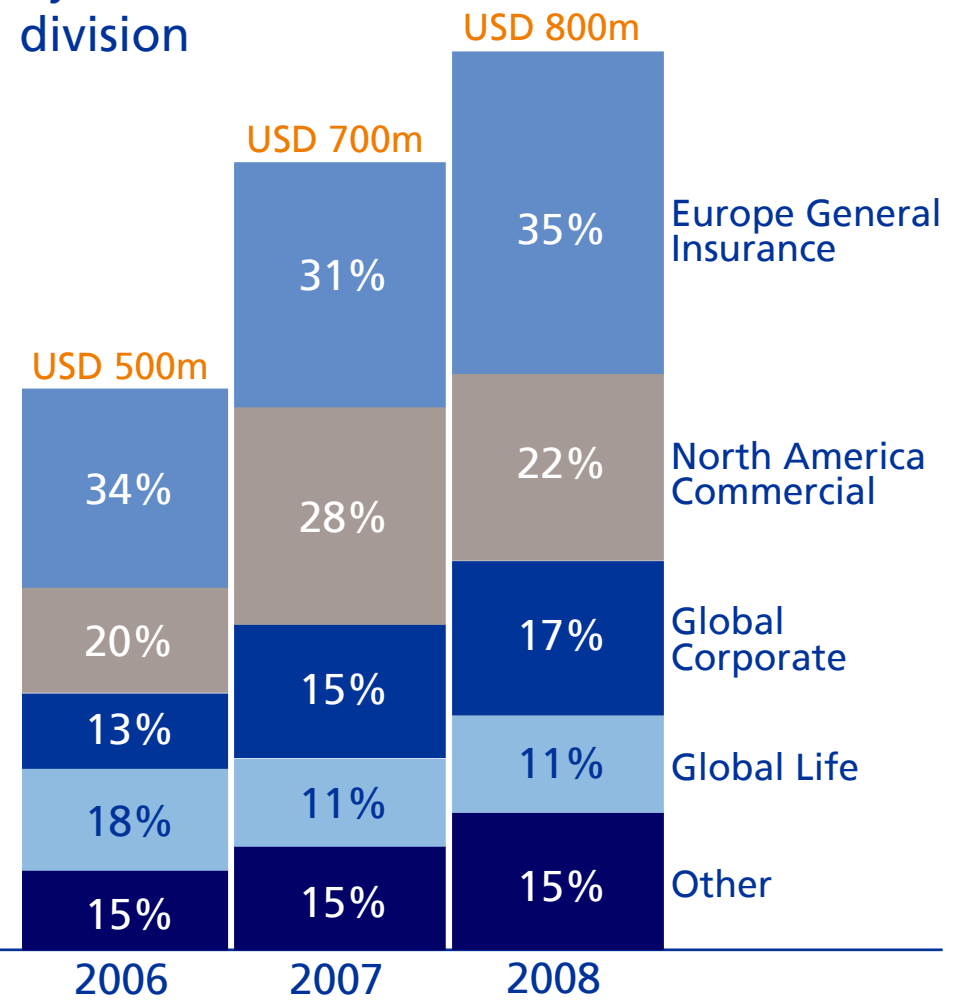
The Zurich Way initiatives – 2008 target



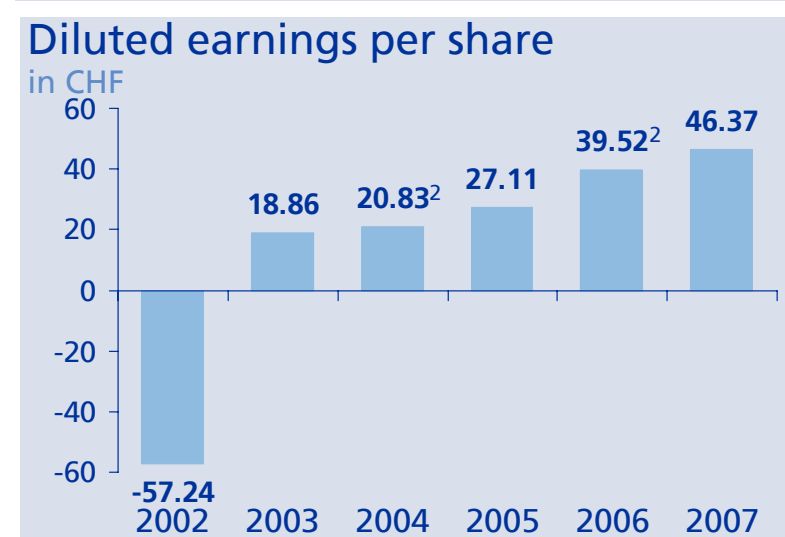
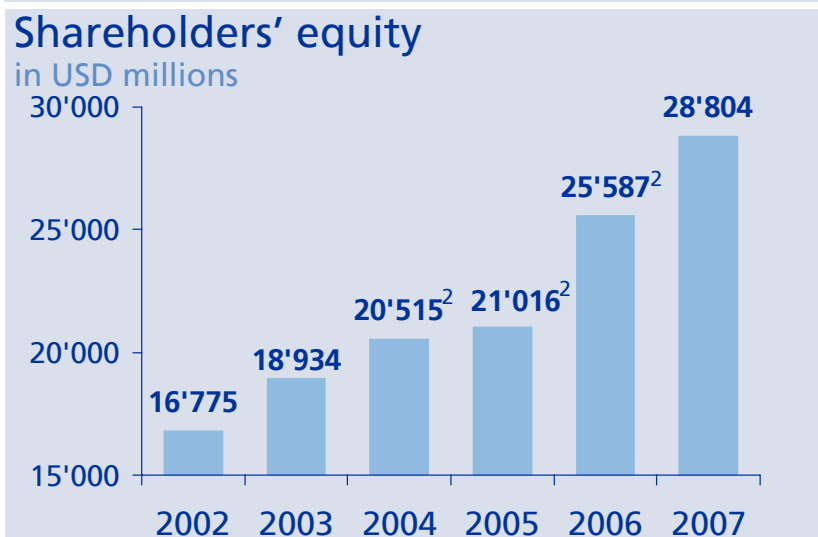
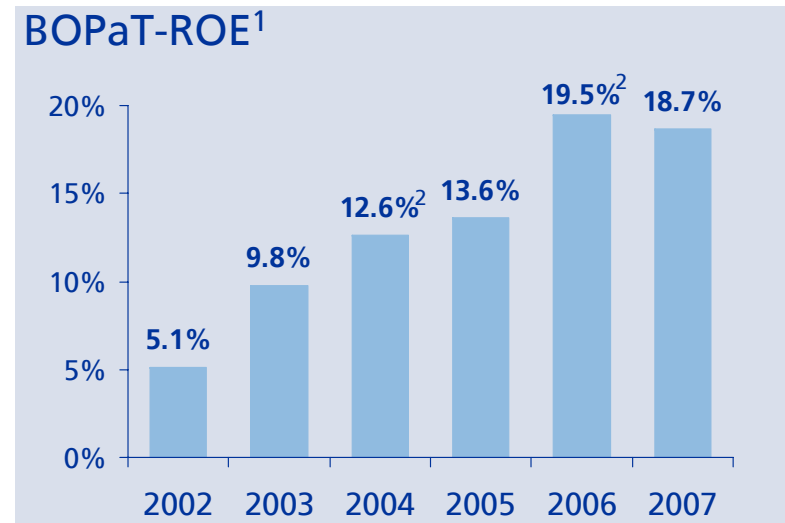
by function



by business division



A track record of performance improvements



¹ Business operating profit (after tax) return on common shareholders' equity

² Restated