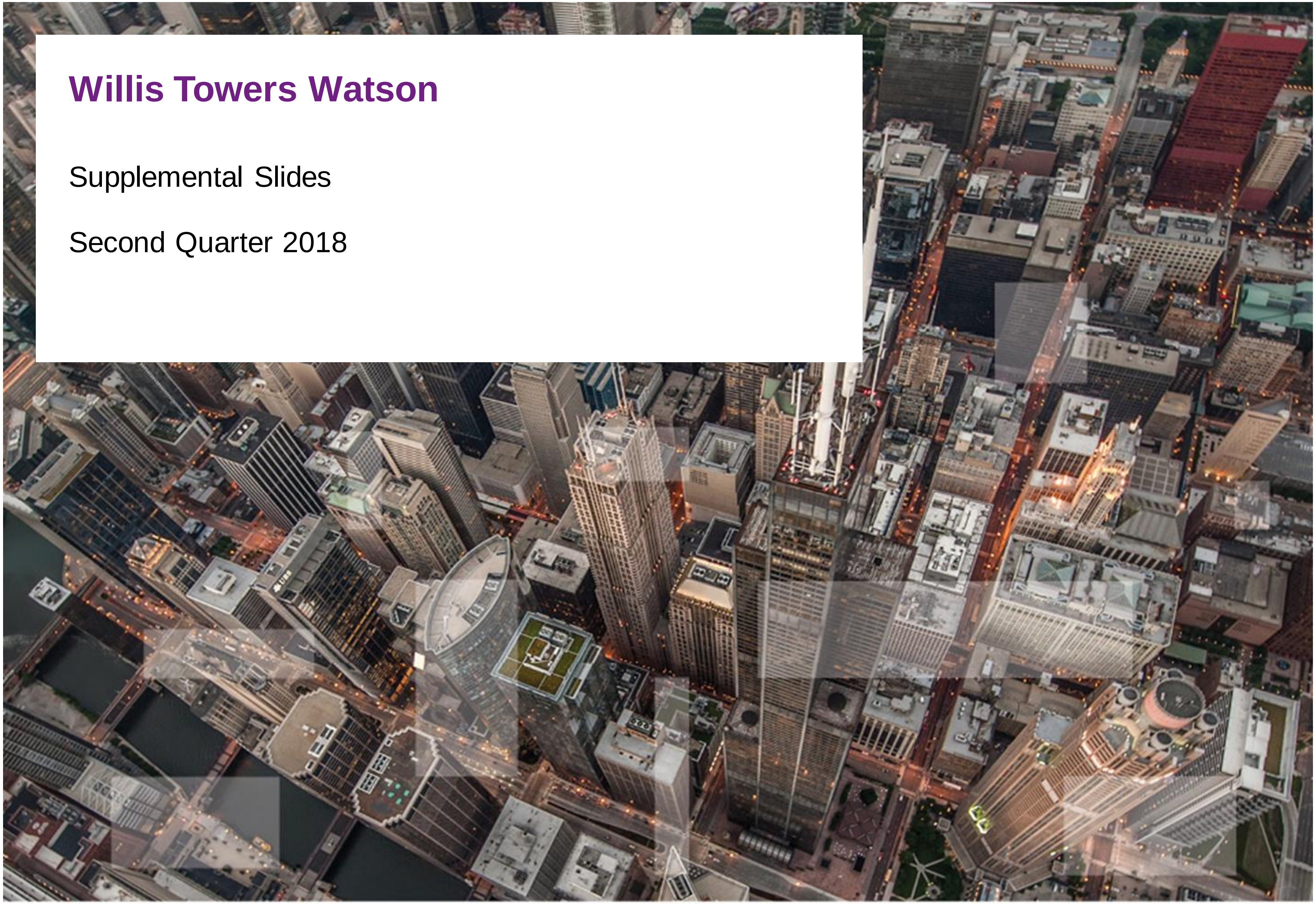

Willis Towers Watson

Supplemental Slides

Second Quarter 2018

Willis Towers Watson

New Revenue Standard ASC 606

Impact of adoption on condensed consolidated statement of income

Unaudited

	Three Months Ended June 30, 2018		
Statement of Comprehensive Income	**As Reported**	**Balances Without Adoption of ASC 606**	**Effect of Change**
Revenue	$ 1,990	$ 2,022	$ (32)
Costs of providing services			
Salaries and benefits	1,275	1,272	3
Depreciation	51	56	(5)
Income from operations	63	93	(30)
INCOME FROM OPERATIONS BEFORE INCOME TAXES	74	104	(30)
Provision for income taxes	(9)	(15)	6
NET INCOME	65	89	(24)
NET INCOME ATTRIBUTABLE TO WILLIS TOWERS WATSON	58	82	(24)
EARNINGS PER SHARE			
Basic earnings per share	$ 0.44	$ 0.62	$ (0.18)
Diluted earnings per share	$ 0.44	$ 0.62	$ (0.18)

New Revenue Standard ASC 606

Impact of adoption on condensed consolidated statement of income

Unaudited

Statement of Comprehensive Income	Six Months Ended June 30, 2018 As Reported	Six Months Ended June 30, 2018 Balances Without Adoption of ASC 606	Six Months Ended June 30, 2018 Effect of Change
Revenue	$ 4,282	$ 4,573	$ (291)
Costs of providing services			
Salaries and benefits	2,652	2,624	28
Depreciation	100	110	(10)
Income from operations	322	631	(309)
INCOME FROM OPERATIONS BEFORE INCOME TAXES	338	647	(309)
Provision for income taxes	(52)	(111)	59
NET INCOME	286	536	(250)
NET INCOME ATTRIBUTABLE TO WILLIS TOWERS WATSON	273	523	(250)
EARNINGS PER SHARE			
Basic earnings per share	$ 2.06	$ 3.95	$ (1.89)
Diluted earnings per share	$ 2.05	$ 3.94	$ (1.89)

New Revenue Standard ASC 606

Impacts of adoption on condensed consolidated balance sheet and cash flows

Unaudited

Balance Sheet	As of June 30, 2018 As Reported	Balances Without Adoption of ASC 606	Effect of Change
ASSETS			
Accounts receivable, net	$ 2,394	$ 2,406	$ (12)
Prepaid and other current assets	458	389	69
Fixed assets, net	924	1,022	(98)
Other non-current assets	468	415	53
LIABILITIES			
Deferred revenue and accrued expenses	1,357	1,464	(107)
Other current liabilities	814	873	(59)
Deferred tax liabilities	691	592	99
Provision for liabilities	546	534	12
EQUITY			
Retained earnings	1,270	1,203	67

Statement of Cash Flows	Six Months Ended June 30, 2018 As Reported	Balances Without Adoption of ASC 606	Effect of Change
Net cash from operating activities	$ 395	$ 419	$ (24)
Capitalized software costs	(25)	(49)	24

This change is a result of moving a portion of capitalized software related to client system implementations from Investing activities to Operating activities within the Statement of Cash Flows.

New Revenue Standard ASC 606

Impact of adoption on reportable segments

Unaudited

	Three Months Ended June 30, 2018			Six Months Ended June 30, 2018		
	As Reported	Balances Without Adoption of ASC 606	Effect of Change	As Reported	Balances Without Adoption of ASC 606	Effect of Change
HCB						
Revenue	$ 780	$ 750	$ 30 *a*	$ 1,612	$ 1,772	$ (160) *a*
Operating income	149	119	30 *a, e*	342	503	(161) *a, e*
CRB						
Revenue	674	669	5 *b*	1,414	1,427	(13) *b*
Operating income	97	85	12 *b, f*	222	231	(9) *b, f*
IRR						
Revenue	385	379	6 *c*	959	918	41 *c*
Operating income	89	86	3 *c, f*	350	327	23 *c, f*
BDA						
Revenue	119	195	(76) *d*	241	390	(149) *d*
Operating (loss)/income	(31)	49	(80) *d, e*	(63)	91	(154) *d, e*

a. Revenue recognition for certain arrangements in our Health and Benefits broking business will now be recognized more evenly over the year to reflect the nature of the ongoing obligations to our customers, as well as receipt of the monthly commissions. These contracts are monthly or annual in nature and are considered complete as of the transition date for all contracts entered into for 2017 and prior years. The total change to revenue as a result of this accounting change for the three and six months ended June 30, 2018 was an increase of $35 million and a decrease of $155 million, respectively.

b. Revenue recognition for certain affinity broking arrangements that was recognized at a point in time on the effective date of the policy is now being recognized over the policy year to reflect the ongoing nature of our services.

c. The most significant change in our IRR segment results is due to the change in accounting for our proportional treaty reinsurance broking arrangements. The revenue recognition for proportional treaty reinsurance broking commissions has moved from recognition upon the receipt of the monthly or quarterly treaty statements from the ceding insurance carriers, to the recognition of an estimate of expected commissions upon the policy effective date. For the three and six months ended June 30, 2018, ASC 606 revenue was higher than ASC 605 revenue by approximately $5 million and $29 million, respectively, related to this adjustment.

d. The majority of revenue recognition within our Medicare broking arrangements in Individual Marketplace has moved from monthly ratable recognition over the policy period, to recognition upon placement of the policy. Consequently, the Company will now recognize approximately two-thirds of one calendar year of expected commissions during the fourth quarter of the preceding calendar year. The remainder of the revenue is recognized consistently with methods used prior to the adoption of ASC 606. During the three and six months ended June 30, 2018, the accounting for this revenue stream under ASC 606 resulted in a reduction of revenue from ASC 605 of $78 million and $151 million, respectively.

e. *System implementation activities* — For those portions of the business that previously deferred costs, the length of time over which we amortize those costs will extend to a longer estimated contract term. For the 2017 calendar year and prior, these costs were amortized over a typical period of 3-5 years in accordance with the initial stated terms of the customer agreements. Additionally, the composition of deferred costs has been adjusted to reflect the guidance in ASC 606. These adjustments resulted in an increase in expenses of $2 million and $4 million for the three and six months ended June 30, 2018, respectively.

f. Other arrangements — This guidance now applies to our broking arrangements. The costs deferred for our broking arrangements will typically be amortized within one year. For the three and six months ended June 30, 2018, these changes resulted in expenses decreasing by $4 million and increasing by $14 million, respectively.

New Revenue Standard ASC 606

Unaudited - Prior Period Comparative of Segment Changes & ASC 606

	For the Year Ended December 31, 2017									
	As Recast					New Revenue Standard-Unaudited*				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Human Capital & Benefits (1)										
Revenue	$ 949	$ 726	$ 733	$ 768	$ 3,176	$ 778	$ 754	$ 767	$ 818	$ 3,117
Operating Expenses	$ 604	$ 604	$ 589	$ 603	$ 2,400	$ 605	$ 603	$ 591	$ 605	$ 2,404
Operating Margin	$ 345	$ 124	$ 144	$ 165	$ 776	$ 173	$ 151	$ 176	$ 213	$ 713
Operating Margin Percentage	36.3%	16.8%	19.7%	21.5%	24.4%	22.2%	19.9%	23.0%	26.1%	22.9%
Corporate Risk & Broking (2)										
Revenue	$ 672	$ 644	$ 600	$ 793	$ 2,709	$ 663	$ 647	$ 602	$ 797	$ 2,709
Operating Expenses	$ 555	$ 540	$ 552	$ 579	$ 2,226	$ 560	$ 533	$ 546	$ 587	$ 2,226
Operating Margin	$ 117	$ 104	$ 48	$ 214	$ 483	$ 103	$ 114	$ 56	$ 210	$ 483
Operating Margin Percentage	17.5%	16.1%	8.0%	27.0%	17.8%	15.6%	17.6%	9.3%	26.5%	17.8%
Investment, Risk & Reinsurance (3)										
Revenue	$ 491	$ 374	$ 321	$ 288	$ 1,474	$ 519	$ 379	$ 308	$ 268	$ 1,474
Operating Expenses	$ 277	$ 285	$ 289	$ 294	$ 1,145	$ 295	$ 289	$ 292	$ 269	$ 1,145
Operating Margin	$ 214	$ 89	$ 32	$ (6)	$ 329	$ 224	$ 90	$ 16	$ (1)	$ 329
Operating Margin Percentage	43.6%	23.7%	10.0%	-2.2%	22.3%	43.3%	23.7%	5.3%	-0.7%	22.3%
Benefits Delivery & Administration (4)										
Revenue	$ 181	$ 178	$ 180	$ 194	$ 733	$ 114	$ 106	$ 113	$ 405	$ 738
Operating Expenses	$ 142	$ 143	$ 144	$ 150	$ 579	$ 144	$ 146	$ 149	$ 156	$ 595
Operating Margin	$ 39	$ 35	$ 36	$ 44	$ 154	$ (30)	$ (40)	$ (36)	$ 249	$ 143
Operating Margin Percentage	21.1%	19.3%	20.2%	22.5%	21.0%	-27.3%	-38.3%	-31.4%	61.4%	19.4%
Total WTW Segments										
Revenue	$ 2,293	$ 1,922	$ 1,834	$ 2,043	$ 8,093	$ 2,074	$ 1,885	$ 1,790	$ 2,288	$ 8,038
Move to non-reportable segment	$ 3	$ 4	$ 1	$ 3	$ 11	$ 3	$ 4	$ 1	$ 3	$ 11
Total Recast Revenue	$ 2,296	$ 1,926	$ 1,835	$ 2,046	$ 8,104	$ 2,078	$ 1,889	$ 1,791	$ 2,291	$ 8,049
Operating Expenses	$ 1,578	$ 1,572	$ 1,574	$ 1,626	$ 6,350	$ 1,604	$ 1,572	$ 1,578	$ 1,616	$ 6,370
Move to non-reportable segment	$ (13)	0	$ (5)	$ (14)	$ (32)	$ (13)	$ 0	$ (5)	$ (14)	$ (32)
Total Recast Expenses	$ 1,565	$ 1,572	$ 1,569	$ 1,612	$ 6,318	$ 1,591	$ 1,572	$ 1,573	$ 1,602	$ 6,338
Operating Margin	$ 731	$ 350	$ 266	$ 434	$ 1,786	$ 487	$ 317	$ 218	$ 689	$ 1,711
Operating Margin Percentage	31.8%	18.2%	14.5%	21.2%	22.0%	23.4%	16.8%	12.2%	30.1%	21.3%
Adjusted Tax Rate**	15.6%	29.1%	32.1%	20.6%	21.9%	19.0%	30.2%	39.9%	13.1%	20.9%
US GAAP Tax Rate	11.5%	16.8%	-53.0%	-221.4%	-20.5%	13.0%	0.5%	-20.3%	-50.7%	-31.7%

*As if the new revenue standard was applied to Willis Towers Watson's 2017 recast results. The 2017 recast was a realignment of teams and a refinement of allocations which resulted in some movement of revenues and costs between Segments.
**Non-GAAP measure. See second quarter 2018 press release for definition.

(1) HCB - Reflects effects of H&B Broking moving from point in time revenue recognition more heavily weighted to Q1, to a more ratable method throughout the year. Approximately $59 million of the H&B Broking revenue was excluded from the revenues due to the method of adoption the Company is undertaking. Also reflects lower cost deferrals, partially offset by longer amortization periods for implementation activities such as in PAG and Hosting.

(2) CRB - Primarily reflects effects of the adjustment for the broking cost deferrals, in that the placement costs are expensed when the revenue is recognized at the inception of the policy periods, with the heaviest activity occurring in the first and fourth quarters.

(3) IRR - Revenue reflects effects of the acceleration of proportional treaty reinsurance and software license sales. Operating expenses reflect the effects of the broking cost deferrals and the expensing at the policy inception dates.

(4) BDA - Reflects adjustments for the acceleration of the Individual Marketplace ("IM") revenues and lower cost deferrals, partially offset by longer amortization periods related to Benefits Outsourcing. IM revenues reflect Q4 placement activity and only about a 30% allocation to the call center activity which is recognized evenly throughout the year.