

Appendix

Supplemental Information

The table below presents a reconciliation of net income in accordance with IFRS to Business Operating Profit for the quarters ended March 31, 2003 and 2002.

in USD millions	Quarter ended March 31	
	2003	2002
Net income	114	6
Adjusted for:		
Gains on disposals	-6	-7
Realized and unrealized capital gains and losses, including impairments	1,278	258
Policyholder allocation of realized and unrealized capital gains and losses and realized and unrealized capital losses related to Capital Markets & Banking	-807	-99
Tax expense, adjusting for U.K. life policyholder tax	206	233
Business Operating Profit	785	391

The table below presents the major impacts on our shareholders' equity in the first quarter of 2003.

Shareholders' equity (non-audited)

In USD millions	
Opening balance January 1, 2003	16,805
Changes in net unrealized gains on investments	-640
Cumulative translation adjustment	112
Treasury stock transactions and dividends	-17
Net income	114
Ending balance at March 31, 2003	16,374

Financial highlights by industry segment (non-audited)

for the quarters ended March 31 in USD millions	Non-life Insurance		Life Insurance		Farmers Management Services		Other Businesses		Corporate Center		Eliminations		Total	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
	Gross written premiums and policy fees	9,756	7,366	3,599	2,489	-	-	410	667	217	133	-482	-308	13,500
Net earned premiums and policy fees	5,941	4,528	3,401	2,321	-	-	310	341	53	60	-	1	9,705	7,251
Management fees	-	-	37	47	468	436	12	325	2	-	-2	-3	517	805
Net investment income and net realized and unrealized capital gains including impairments	383	470	3	829	16	19	370	236	-117	-112	-188	-165	467	1,277
Net gain on disposal of businesses	6	5	-	-	-	-	-	16	-	-14	-	-	6	7
Other income	90	70	191	63	-	-	4	56	84	74	-51	-57	318	206
Total revenues	6,420	5,073	3,632	3,260	484	455	696	974	22	8	-241	-224	11,013	9,546
Insurance benefits and losses	-4,359	-3,526	-3,313	-2,169	-	-	-233	-243	-37	-46	4	1	-7,938	-5,983
Policyholder dividends and participation in profits	-14	-15	736	-144	-	-	-141	-65	-21	-17	-	-	560	-241
Other costs and expense	-1,560	-1,308	-1,065	-716	-206	-211	-343	-613	-310	-311	237	223	-3,247	-2,936
Amortization of intangible assets	-19	-22	-44	-38	-21	-21	-3	-32	-	-19	-	-	-87	-132
Total benefits, losses and expenses	-5,952	-4,871	-3,686	-3,067	-227	-232	-720	-953	-368	-393	241	224	-10,712	-9,292
Net income/(loss)	311	116	-24	116	158	136	-41	8	-290	-370	-	-	114	6
Business Operating Profit	536	157	256	206	260	225	-103	-3	-164	-194	-	-	785	391
Farmers gross operating margin					56.3%	51.9%								

Statistical data per region

For the quarters ended March 31	North America Corporate		North America Consumer		Continental Europe		UKISA		Rest of the World		Global Business		Total	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
	Non life insurance information:													
Net loss ratio	73.3%	78.6%	67.6%	70.5%	72.8%	75.9%	77.2%	79.4%	58.9%	65.4%	85.4%	104.7%	73.4%	77.9%
Policyholder dividends and participation in profits ratio	0.1%	0.2%	0.0%	0.0%	0.6%	0.8%	0.0%	0.0%	0.6%	0.1%	0.0%	0.6%	0.2%	0.3%
Net expense ratio	22.8%	24.1%	31.0%	27.2%	24.7%	26.3%	22.6%	24.8%	35.6%	38.1%	25.1%	26.2%	24.6%	25.9%
Combined ratio	96.2%	102.9%	98.6%	97.7%	98.1%	103.0%	99.8%	104.2%	95.1%	103.6%	110.5%	131.5%	98.2%	104.1%
Life insurance information:														
Gross new business premiums annual premium equivalent (APE), in USD millions	-	-	67	80	179	87	184	188	73	44	-	-	503	399
New business profit, after tax, in USD millions	-	-	16	7	7	-2	13	14	-4	3	-	-	32	22
New business profit margin (APE)	-	-	23.8%	8.4%	4.2%	-2.1%	7.0%	7.6%	-6.0%	6.1%	-	-	6.3%	5.5%