

Half Year Results Reporting 2004 Financial Supplement (unaudited)¹

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¹ This information should be read in conjunction with the Group's half year consolidated financial statements 2004. Certain amounts have been restated for implementation of a new accounting standard, and certain reclassifications have been made to conform to the current presentation.

Operating statements by business segment

Q2 2004 – three months (unaudited)

in USD millions, for the three months ended June 30	General Insurance		Life Insurance		Farmers Management Services		Other Businesses		Corporate Center		Eliminations		Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Revenues														
Direct written premiums and policy fees	8,191	7,827	2,593	2,829	–	–	33	10	1	(5)	7	6	10,825	10,667
Assumed written premiums	1,274	1,725	24	15	–	–	266	384	185	171	(434)	(377)	1,315	1,918
Gross written premiums and policy fees	9,465	9,552	2,617	2,844	–	–	299	394	186	166	(427)	(371)	12,140	12,585
Less premiums ceded to reinsurers	(2,156)	(2,154)	(194)	(204)	–	–	(20)	(16)	(183)	(161)	427	371	(2,126)	(2,164)
Net written premiums and policy fees	7,309	7,398	2,423	2,640	–	–	279	378	3	5	–	–	10,014	10,421
Net change in reserves for unearned premiums	5	(208)	6	6	–	–	91	3	2	1	–	–	104	(198)
Net earned premiums and policy fees	7,314	7,190	2,429	2,646	–	–	370	381	5	6	–	–	10,118	10,223
Management fees	–	–	4	49	495	467	8	5	2	1	(2)	(2)	507	520
Net investment income	579	500	1,575	1,502	19	25	209	253	183	97	(214)	(206)	2,351	2,171
Net capital gains/(losses) on investments and impairments	4	266	128	3,638	–	–	(88)	134	129	(27)	–	–	173	4,011
Net (loss)/gain on divestments of businesses	(12)	(32)	4	–	–	–	(1)	27	(2)	–	–	–	(11)	(5)
Other income	147	140	192	184	–	–	53	86	131	72	(112)	(65)	411	417
Total revenues	8,032	8,064	4,332	8,019	514	492	551	886	448	149	(328)	(273)	13,549	17,337
Benefits, losses and expenses														
Losses and loss adjustment expenses	5,257	5,299	(11)	20	–	–	304	342	36	125	(123)	(42)	5,463	5,744
Life insurance death and other benefits	19	71	2,471	2,144	–	–	146	141	4	14	119	34	2,759	2,404
(Decrease)/increase in future life policyholders' benefits	4	3	(148)	600	–	–	(55)	87	(49)	(75)	(1)	1	(249)	616
Insurance benefits and losses	5,280	5,373	2,312	2,764	–	–	395	570	(9)	64	(5)	(7)	7,973	8,764
Policyholder dividends and participation in profits	2	5	607	3,734	–	–	3	128	–	(111)	–	–	612	3,756
Underwriting and policy acquisition costs	1,286	1,262	591	238	–	–	80	99	3	(1)	–	–	1,960	1,598
Administrative and other operating expenses	676	688	305	351	231	206	90	165	231	91	(97)	(56)	1,436	1,445
Amortization of intangible assets	24	28	48	33	23	23	2	2	2	43	–	–	99	129
Interest expense on debt	45	45	9	12	–	10	24	52	187	171	(190)	(178)	75	112
Interest credited to policyholders and other interest	40	30	193	258	(3)	–	32	68	6	5	(36)	(32)	232	329
Total benefits, losses and expenses	7,353	7,431	4,065	7,390	251	239	626	1,084	420	262	(328)	(273)	12,387	16,133
Net income/(loss) before income taxes and minority interests	679	633	267	629	263	253	(75)	(198)	28	(113)	–	–	1,162	1,204
Net income/(loss)	523	459	173	411	167	155	(105)	(205)	(40)	(186)	–	–	718	634
Business operating profit	681	397	232	304	263	253	(70)	(297)	(128)	(93)	–	–	978	564

Statistical data per region – General Insurance

Q2 2004 – three months (unaudited)

in USD millions, for the three months ended June 30	North America Corporate		North America Consumer		Continental Europe		UKISA		Rest of the World		Centrally Managed Businesses		Eliminations		Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Gross written premiums and policy fees	4,029	4,029	851	1,132	2,048	2,086	2,094	1,935	577	480	117	150	(251)	(260)	9,465	9,552
Net earned premiums and policy fees	2,601	2,227	691	1,220	2,273	2,124	1,367	1,243	351	288	31	88	–	–	7,314	7,190
Insurance benefits and losses	2,084	1,700	404	778	1,619	1,578	1,016	916	193	163	(36)	238	–	–	5,280	5,373
Policyholder dividends and participation in profits	1	2	–	–	–	–	–	–	1	3	–	–	–	–	2	5
Total net technical expenses	509	443	257	422	536	502	299	269	137	110	29	17	–	–	1,767	1,763
Net underwriting result	7	82	30	20	118	44	52	58	20	12	38	(167)	–	–	265	49
Net investment income	182	144	25	23	168	176	142	93	19	20	55	45	(12)	(1)	579	500
Net capital gains/(losses) on investments and impairments	–	139	–	(2)	1	118	(3)	1	6	10	–	–	–	–	4	266
Net non-technical result	(28)	8	(1)	–	(71)	(74)	(44)	(50)	–	1	(37)	(68)	12	1	(169)	(182)
Net income / (loss) before income taxes and minority interests	161	373	54	41	216	264	147	102	45	43	56	(190)	–	–	679	633
Net income / (loss)	156	279	48	34	167	216	67	69	25	30	60	(169)	–	–	523	459
Business operating profit	161	234	55	41	247	171	148	132	36	33	34	(214)	–	–	681	397

Statistical data per region – Life Insurance

Q2 2004 – three months (unaudited)

in USD millions, for the three months ended June 30	North America Consumer		Continental Europe		UKISA		Rest of the World		Centrally Managed Businesses		Eliminations		Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Gross written premiums, policy fees and insurance deposits	284	792	1,990	2,269	1,922	1,399	289	409	249	–	(2)	(4)	4,732	4,865
Gross written premiums and policy fees	139	321	1,602	1,813	622	509	176	204	80	–	(2)	(3)	2,617	2,844
Net earned premiums and policy fees	106	174	1,574	1,790	571	495	162	187	16	–	–	–	2,429	2,646
Management fees	–	–	1	–	–	47	3	2	–	–	–	–	4	49
Net investment income	95	175	712	732	723	564	35	31	10	–	–	–	1,575	1,502
Net capital gains/(losses) on investments and impairments	(3)	(13)	4	353	129	3,278	6	20	(8)	–	–	–	128	3,638
Other income (incl. net gain on divestments of businesses)	1	26	100	109	62	40	21	10	12	–	–	(1)	196	184
Total revenues	199	362	2,391	2,984	1,485	4,424	227	250	30	–	–	(1)	4,332	8,019
Insurance benefits and losses	55	76	1,785	2,072	340	474	118	142	14	–	–	–	2,312	2,764
Policyholder dividends and participation in profits	1	2	(37)	320	635	3,399	7	13	1	–	–	–	607	3,734
Underwriting and policy acquisition costs	18	22	301	144	221	30	40	42	11	–	–	–	591	238
Administrative and other operating expenses	16	49	105	93	125	174	41	36	18	–	–	(1)	305	351
Amortization of intangible assets	4	11	15	15	27	5	2	2	–	–	–	–	48	33
Interest expense on debt and other interest	43	108	123	129	33	30	–	3	3	–	–	–	202	270
Total benefits, losses and expenses	137	268	2,292	2,773	1,381	4,112	208	238	47	–	–	(1)	4,065	7,390
Net income/(loss) before income taxes and minority interests	62	94	99	211	104	312	19	12	(17)	–	–	–	267	629
Net income/(loss)	40	69	73	195	59	139	13	8	(12)	–	–	–	173	411
Business operating profit	64	107	100	65	60	124	15	8	(7)	–	–	–	232	304

Statistical data per region – General Insurance: Continental Europe by subregion

Q2 2004 year-to-date (unaudited)

in USD millions, for the six months ended June 30	Switzerland		Germany		Spain		Italy		Rest of Europe		Continental Europe Corporate		Eliminations		Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Gross written premiums and policy fees	1,158	1,079	1,896	1,684	822	676	766	665	883	1,252	2,064	1,542	(1,089)	(854)	6,500	6,044
Net earned premiums and policy fees	806	780	1,074	955	414	413	631	502	653	656	873	751	–	–	4,451	4,057
Net underwriting result	22	(27)	69	49	23	8	39	17	(36)	(4)	62	(3)	–	1	179	41
Business operating profit	75	56	125	104	51	34	72	43	(6)	51	95	1	–	–	412	289
<i>Ratios, as % of net earned premiums and policy fees:</i>																
Loss ratio	71.9%	76.8%	70.7%	71.7%	70.3%	73.7%	71.8%	71.9%	79.6%	73.8%	70.7%	79.0%	n/a	n/a	72.3%	74.6%
Expense ratio ¹	25.5%	26.7%	22.9%	23.1%	24.2%	24.4%	22.1%	24.8%	25.7%	26.8%	22.3%	21.4%	n/a	n/a	23.7%	24.4%
Combined ratio	97.4%	103.5%	93.6%	94.8%	94.5%	98.1%	93.9%	96.7%	105.3%	100.6%	93.0%	100.4%	n/a	n/a	96.0%	99.0%

¹ Including policyholder dividends and participation in profits.

Statistical data per region – Life Insurance: Continental Europe by subregion

Q2 2004 year-to-date (unaudited)

in USD millions, for the six months ended June 30	Switzerland		Germany		Spain		Italy		Rest of Europe		Eliminations		Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Gross written premiums and policy fees	1,658	2,193	1,772	1,659	116	107	199	176	134	250	–	–	3,879	4,385
Net earned premiums and policy fees	1,649	2,185	1,727	1,631	102	101	204	184	120	233	–	–	3,802	4,334
Net investment income	421	433	754	664	74	66	104	92	59	174	–	–	1,412	1,429
Business operating profit	83	76	22	1	15	14	12	14	32	29	–	–	164	134

Further statistical data (unaudited)

Centre contribution to operating statements (summarized, unaudited) Q2 2004 year-to-date

in USD millions, for the six months ended June 30	2004	2003
Revenues		
Net earned premiums and policy fees	592	638
Net investment income	189	298
Net capital gains on investments and impairments	(23)	154
Other income (incl. net gain on divestments of businesses)	92	68
Total revenues	850	1,158
Benefits, losses and expenses		
Insurance benefits and losses	466	796
Policyholder dividends and participation in profits	48	221
Underwriting and policy acquisition costs	184	174
Other expenses	227	242
Total benefits, losses and expenses	925	1,433
Net income / (loss) before income taxes and minority interests	(75)	(275)
Net income / (loss)	(83)	(287)
Business operating profit	(79)	(328)

Centre contribution to balance sheets (summarized, unaudited)

in USD millions, as of	06/30/04	12/31/03
Total investments	8,263	8,480
Reinsurance assets	539	618
Deposits made under assumed reinsurance contracts	1,299	1,310
Other segment assets	938	982
Total segment assets after consolidation of investments in subsidiaries	11,039	11,390
Insurance reserves, gross	7,715	8,190
Total debt	813	597
Other segment liabilities	2,369	2,451
Total segment liabilities	10,897	11,238
Minority interests	8	7
Segment equity	134	145

Foreign exchange impact on key financial figures – General Insurance (unaudited)

for the six months ended June 30, 2004 variance over six months ended June 30, 2003	% change in local currency	FX impact	% change in USD
Gross written premiums and policy fees	1%	5%	6%
Net investment income	10%	7%	17%
Net capital gains/(losses) on investments and impairments	(51%)	–	(51%)
Insurance benefits and losses	3%	5%	8%

Foreign exchange impact on key financial figures – Life Insurance (unaudited)

for the six months ended June 30, 2004 variance over six months ended June 30, 2003	% change in local currency	FX impact	% change in USD
Gross written premiums, policy fees and insurance deposits	(11%)	9%	(2%)
Insurance deposits	–	10%	10%
Gross written premiums and policy fees	(18%)	8%	(10%)
Net investment income	(8%)	9%	1%
Net capital gains/(losses) on investments and impairments	(19%)	10%	(9%)
Insurance benefits and losses	(22%)	7%	(15%)

Reconciliation of net income and business operating profit by business segment

Q2 2004 year-to-date (unaudited)

in USD millions, for the six months ended June 30	General Insurance		Life Insurance		Farmers Management Services		Other Businesses		Corporate Center		Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Net income/(loss)	981	782	393	382	344	313	(89)	(237)	(181)	(488)	1,448	752
<i>Adjusted for:</i>												
Net capital (gains)/losses on investments and impairments, excluding capital markets and banking activities	(92)	(187)	(850)	(932)	(1)	2	23	(156)	(90)	213	(1,010)	(1,060)
Policyholder allocation of net capital gains/(losses) including unit-linked products	–	–	805	908	–	–	(29)	102	–	–	776	1,010
Tax expense/(benefit), adjusting for life policyholder tax	367	332	141	105	206	198	24	11	(8)	2	730	648
Net loss/(gain) on divestments of businesses	46	26	(36)	–	–	–	2	(27)	2	–	14	(1)
Realized (gain) on sale of non-operating assets	–	–	–	–	(10)	–	–	–	–	–	(10)	–
Restructuring provision	–	–	–	–	–	–	–	(23)	–	–	–	(23)
Business operating profit	1,302	953	453	463	539	513	(69)	(330)	(277)	(273)	1,948	1,326

Additional information

Effect of new accounting standards and adjustments implemented in 2003 and 2004

As described in the Annual Report 2003 (note 3), two new accounting standards were implemented in 2003 relating to share-based payment transactions ("IFRS 2" previously referred to as "ED 2") and the separation of certain embedded derivative-linked components of reinsurance contracts ("DIG B36"). In 2004, SOP 03-01 was implemented as discussed in note 3 of the Half Year Report 2004. Net income for the half year 2003 was restated as summarized in the table below.

Adjustments to net income as published for the six months ended June 30, 2003

in USD millions

Net income, as published for the six months ended June 30, 2003	701
Implementation of new accounting standards in 2003 (IFRS 2, DIG B36) ¹	78
Implementation of new accounting standard in 2004 (SOP 03-01) ²	(27)
Net income, restated	752

¹ As discussed in note 3 of the Annual Report 2003.

² As discussed in note 3 of the Half Year Report 2004.

Business operating profit, as disclosed in 2003, has been restated for the half year of 2003 by USD 62 million recognizing the impact on net income of IFRS 2 and DIG B36 that were implemented in 2003, and by USD (29) million for SOP 03-01 implemented in 2004. In addition, the policyholder allocation of net capital gains on investments was adjusted by USD 25 million. These changes together with other minor adjustments have resulted in an increase of USD 61 million in business operating profit to USD 1,326 million compared with the previously published USD 1,265 million. From January 1, 2004, the method for calculating the return on business operating profit was changed so that an effective tax rate is used whereas in prior periods an assumed tax rate of 30% has been applied.

Adjustments to business operating profit as published for the six months ended June 30, 2003

in USD millions

Business operating profit, as published for the six months ended June 30, 2003	1,265
Implementation of new accounting standards in 2003 (IFRS 2, DIG B36) ¹	62
Implementation of new accounting standard in 2004 (SOP 03-01) ²	(29)
Policyholder allocations	25
Effects of segment shifts	3
Business operating profit, restated	1,326

¹ As discussed in note 3 of the Annual Report 2003.

² As discussed in note 3 of the Half Year Report 2004.

Equity securities (including trading equity portfolios in capital markets and banking activities) as of	Group investments			
	06/30/04	12/31/03		
	USD millions	% of total	USD millions	% of total
Common stocks, including equity unit trusts	9,340	5.4%	11,319	6.4%
Unit-trusts (debt securities, real estate, short-term investments)	2,178	1.3%	2,270	1.4%
Common stock portfolios backing the participating with-profit policyholder contracts	1,645	0.9%	1,599	0.9%
Trading equity portfolios in capital markets and banking activities	2,840	1.6%	4,303	2.4%
Total	16,003	9.2%	19,491	11.1%