

Annual Results Reporting 2005

Analysts' presentation

Zurich, February 16, 2006

Disclaimer and cautionary statement



Certain statements in this document are forward-looking statements, including, but not limited to, statements that are predications of or indicate future events, trends, plans or objectives. Forward-looking statements include statements regarding our targeted profit improvement, return on equity targets, expense reductions, pricing conditions, dividend policy and underwriting claims improvements. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and Zurich Financial Services' plans and objectives to differ materially from those expressed or implied in the forward looking statements (or from past results). Factors such as (i) general economic conditions and competitive factors, particularly in our key markets; (ii) performance of financial markets; (iii) levels of interest rates and currency exchange rates; (iv) frequency, severity and development of insured claims events; (v) mortality and morbidity experience; (vi) policy renewal and lapse rates; and (vii) changes in laws and regulations and in the policies of regulators may have a direct bearing on Zurich Financial Services' results of operations and on whether Zurich Financial Services will achieve its targets. Zurich Financial Services undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

It should be noted, that past performance is not a guide to future performance. Persons requiring advice should consult an independent adviser.

Agenda



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- Overview
 - Annual results 2005
 - Closing remarks
 - Q&A

James J. Schiro

Patrick O'Sullivan

James J. Schiro

Overview

James J. Schiro
Chief Executive Officer

February 16, 2006

Financial highlights



in USD millions for the years ended December 31	2005	2004 ¹	Change
Gross written premiums and policy fees	46,797	49,236	-5%
Business operating profit	3,947	2,988	32%
Net income attributable to shareholders	3,214	2,466	30%
General Insurance combined ratio	100.8%	102.0%	1.2pts
Life Insurance new business profit margin ²	14.5%	11.4%	3.1pts
Return on common shareholders' equity (ROE) ³	15.5%	13.6%	1.9pts
Business operating profit (after tax) ROE ³	13.6%	12.6%	1.0pts

¹ Certain 2004 amounts have been restated for implementation of several new and revised accounting standards and to conform to the current presentation of our segments.

² As % of APE (Annual Premiums Equivalent)

³ Performance measures for 2004 periods are based on financial information as restated. ROE is based on net income attributable to common shareholders.

Annual results 2005

Patrick O'Sullivan
Group Finance Director

February 16, 2006

Business operating profit by segment



in USD millions
for the years ended December 31

	2005	2004	Change
General Insurance	1,914	1,241	54%
Life Insurance	1,079	934	16%
Farmers Management Services	1,221	1,109	10%
Other Businesses	441	229	93%
Corporate Functions	-708	-525	-35%
Total	3,947	2,988	32%

Gross written premiums and policy fees by segment



in USD millions for the years ended December 31	2005	2004	Change
General Insurance	33,401	33,855	-1% ¹
Life Insurance	10,535	10,948	-4% ²
Other Businesses	3,004	4,704	-36%
Other segments and eliminations	-143	-271	nm
Total	46,797	49,236	-5%

1 After adjusting for foreign currency translation effects and divestments of businesses, gross written premiums and policy fees in General Insurance also declined by 1%.

2 After adjusting for foreign currency translation effects, divestments of businesses and the redesign of the group pension business model in Switzerland, gross written premiums and policy fees in Life Insurance increased by 1%.

General Insurance key performance indicators

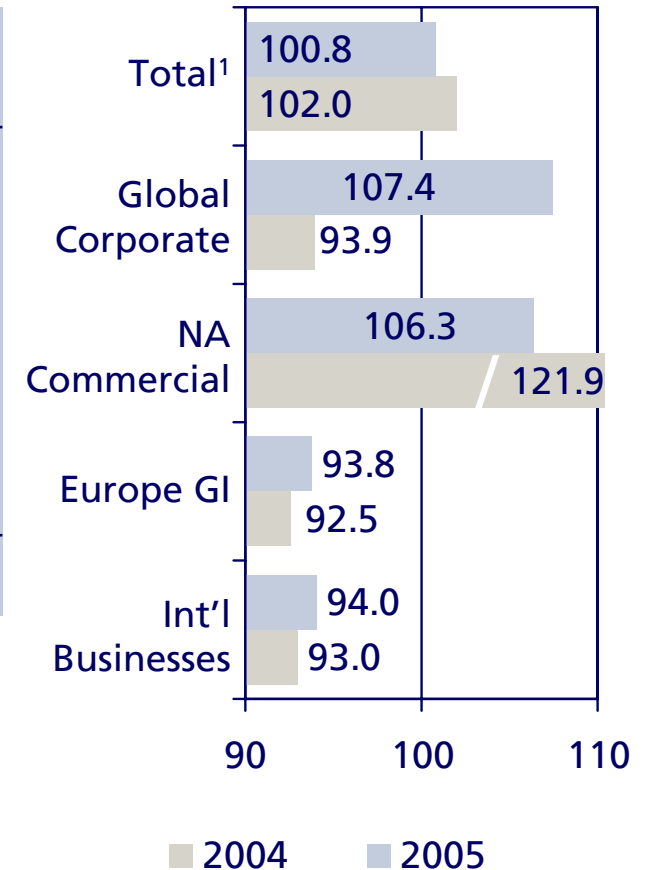


Business operating profit

in USD millions
for the years ended December 31

	2005	2004	Change
Global Corporate	25	585	-96%
North America Commercial	223	-1,298	nm
Europe General Insurance	1,509	1,564	-4%
International Businesses	256	244	5%
Centrally Managed Businesses	-99	146	nm
Total	1,914	1,241	54%

Combined ratio (%)

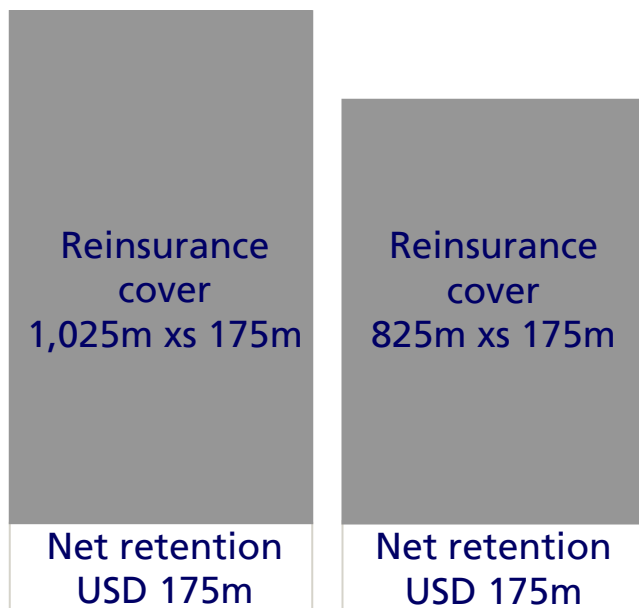


¹ Including Centrally Managed Businesses and inter-segment eliminations

North America property catastrophe treaty



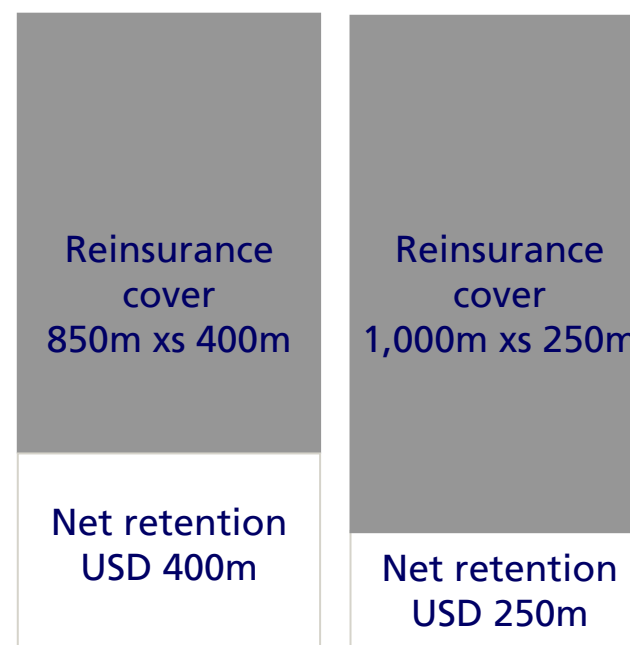
2005 property CAT treaty¹



1st event

2nd event

2006 property CAT treaty¹



1st event

2nd event

¹ Simplified illustration of main treaties excluding co-insurance, per risk and subsidiary CAT cover

Development of reserves for Losses and Loss Adjustment Expenses (LAE)



in USD millions

	2005	2004
Net reserves for losses and LAE, as of January 1	43,487	36,971
Net losses and LAE paid	-17,200	-17,517
Net losses and LAE incurred		
- Current year	22,465	21,529
- Prior year	141	1,964
Other movements (FX, divestments)	-2,699	540
Net reserves for losses and LAE, as of December 31	46,194	43,487

Non-life ultimate loss ratios by accident year



Cumulative incurred loss ratios ¹	2001	2002	2003	2004	2005
In the year	81.4%	70.6%	67.1%	68.3%	73.3%
1 year later	85.7%	72.0%	66.1%	64.2%	
2 years later	85.8%	72.3%	65.4%		
3 years later	87.4%	74.5%			
4 years later	88.5%				

¹ In % of net earned premiums in that year

Life Insurance key performance indicators



in USD millions for the years ended December 31	2005	2004	Change
Business operating profit	1,079	934	16%
New business profit margin ¹	14.5%	11.4%	3.1pts
Embedded value operating profit	1,344	1,117	20%
Embedded value operating return, after tax ²	10.9%	10.8%	0.1pts

¹ As % of APE (Annual Premiums Equivalent)

² Before foreign currency translation effects

Life Insurance business operating profit



in USD millions for the years ended December 31	2005	2004	Change
United States	236	203	16%
United Kingdom ¹	184	275	-33%
Germany	140	104	35%
Switzerland	236	167	41%
Italy	58	37	57%
Spain	37	28	32%
Ireland	33	21	57%
Other European countries	17	28	-39%
International Businesses	138	71	94%
Total	1,079	934	16%

¹ Including the Isle of Man

Life Insurance new business indicators

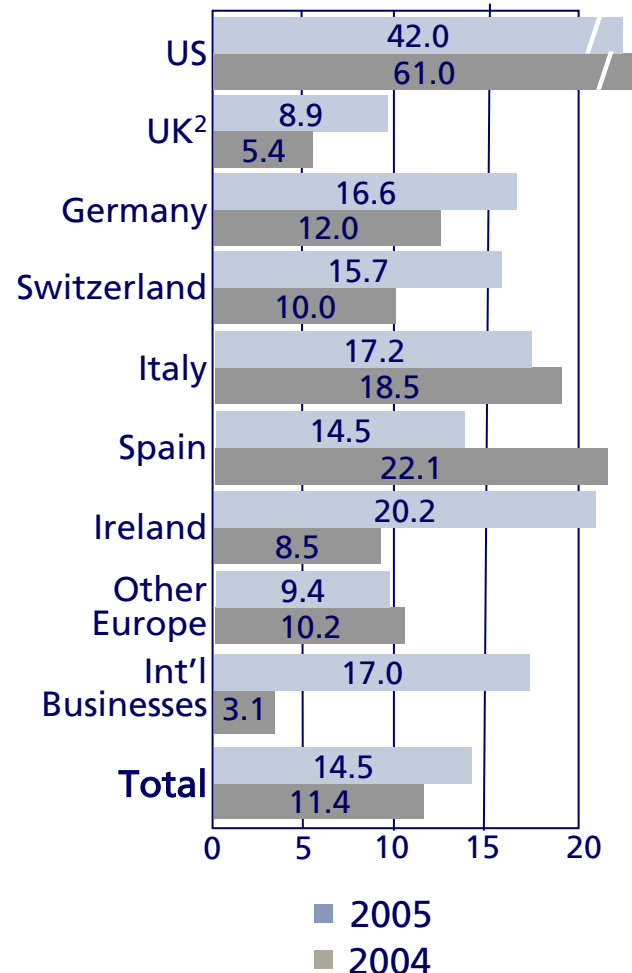


Annual Premiums Equivalent and New Business Profit

in USD millions
for the years ended Dec. 31

	APE 2005	APE 2004	NBP 2005	NBP 2004
United States	111	120	47	74
United Kingdom ²	1,017	891	90	49
Germany	525	794	87	95
Switzerland	105	114	16	11
Italy	103	81	18	15
Spain	104	47	15	10
Ireland	167	126	34	11
Other European countries	33	23	3	2
International Businesses	138	207	23	6
Total	2,303	2,403	333	273

New business profit margin¹



¹ As % of Annual Premiums Equivalent, after tax

² Including the Isle of Man

Life Embedded Value result



in USD millions
for the years ended Dec. 31

	2005	2004	Change
Opening Embedded Value	12,757	10,412	23%
Operating profit expected from in-force and net assets	942	842	12%
New business profit	333	273	22%
Operating variance and operating assumption changes	69	2	nm
Total operating profit	1,344	1,117	20%
Investment variance and change in economic assumptions	263	331	-21%
Embedded value profit	1,607	1,448	11%
Dividends and capital movements	-1,329	202	nm
Closing Embedded Value before currency translation effects	13,035	12,062	8%
Currency translation effects	-1,153	695	nm
Closing Embedded Value after currency translation effects	11,882	12,757	-7%

Business operating profit by segment



in USD millions for the years ended December 31	2005	2004	Change
General Insurance	1,914	1,241	54%
Life Insurance	1,079	934	16%
Farmers Management Services	1,221	1,109	10%
Other Businesses	441	229	93%
<i>of which: Farmers Re</i>	196	224	-13%
<i>of which: Centre</i>	222	47	372%
Corporate Functions	-708	-525	-35%
Total	3,947	2,988	32%

Investment performance of Group investments



in USD millions

for the years ended December 31

	2005	2004	Change
Net investment income	7,782	7,460	4%
Net capital gains on investments and impairments	2,512	956	163%
Net investment result	10,294	8,416	22%
Movements in net unrealized gains on investments included in common shareholders' equity	-300	2,053	nm
Total investment result	9,994	10,469	-5%
Average investments ¹	185,072	183,737	1%
Total investment return ²	5.5%	5.8%	-0.3pts

¹ Excluding average cash received as collateral for securities lending

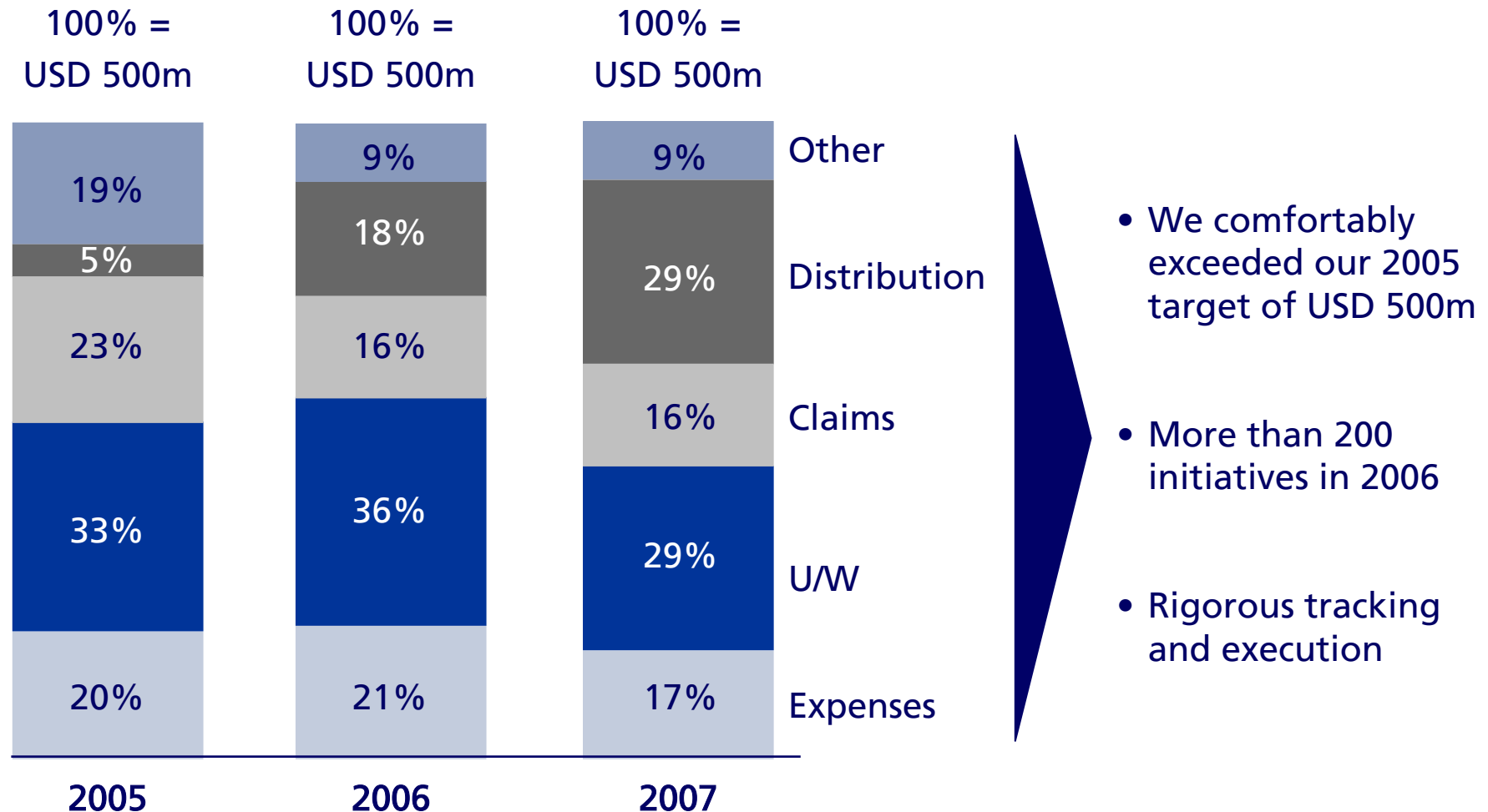
² Before investment expenses

Closing remarks

James J. Schiro
Chief Executive Officer

February 16, 2006

Our Zurich Way initiatives target more than USD 1.5 billion net over 3 years





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Q&A



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Appendix

Catastrophe impact on the combined ratio by General Insurance market segment



for the year ended December 31, 2005	As reported	CAT impact
Global Corporate	107.4%	10.3%
North America Commercial	106.3%	7.8%
Europe General Insurance	93.8%	0.6%
International Businesses	94.0%	0.7%
Total	100.8%¹	4.6%
Total for the year ended December 31, 2004	102.0% ²	2.8%

¹ Including Centrally Managed Businesses and inter-segment eliminations

² Including adverse prior year reserve development of 7.7 pts

Asbestos & Environmental reserves



	2005		2004	
	Gross reserves ¹	3-year survival ratio	Gross reserves ¹	3-year survival ratio
Asbestos	2,957	20.4	2,964	22.1
<i>of which: US</i>	1,652	16.3	1,601	15.9
<i>of which: UK</i>	1,305	29.9	1,363	34.1
Environmental	462	6.8	500	6.7
Total	3,419		3,464	

¹ In USD millions

Life Insurance: IFRS net assets adjusted to bridge EV



in USD billions

	2005
Tangible assets in IFRS equity	7.3
DAC and other intangibles	2.3
Goodwill	0.4
Life IFRS net assets	10.0
Adjustments: Reserves and investment valuation differences ¹	-1.3
Deduct DAC and other intangibles	-2.3
Deduct goodwill ²	-0.4
Subtotal adjustments	-4.0
Value of business in-force (before cost of capital)	7.1
Cost of capital	-1.2
Embedded value	11.9
Net asset value	6.0
Value of business in-force (after cost of capital)	5.9

¹ Difference between tangible IFRS net assets and NAV under EV

² Goodwill is not included in EV, thus needs to be deducted from IFRS equity

Life Insurance: Shareholders' deferred acquisition costs and recoverability



in USD billions

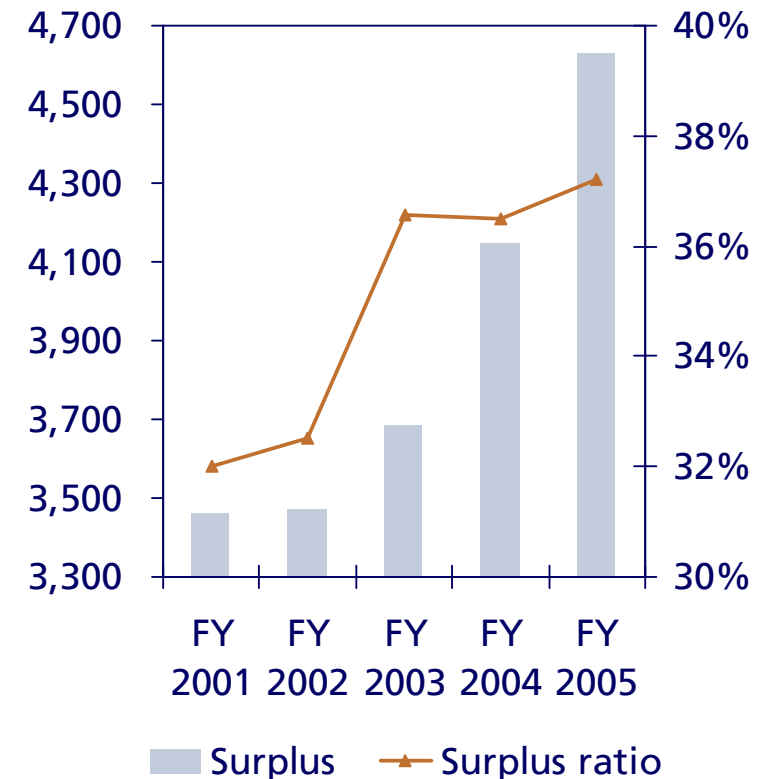
	2005	2004
DAC/DOC assets included in Life segment balance sheet	9.1	9.6
Present value of future profits ¹ and other intangibles	0.9	1.0
Deferred front-end fees	-4.6	-4.9
Policyholder share of DAC/DOC and other intangibles	-2.0	-2.2
Tax deductions on intangible assets	-1.1	-1.1
Net shareholders' intangibles after tax to be recovered from future earnings	2.3	2.4

¹ linked to acquisitions

Farmers Exchanges¹ financial highlights



in USD millions for the years ended December 31	2005	2004
Gross written premiums	14,528	14,189
Net underwriting result	235	236
Net surplus change (YTD)	484	462
Ending Surplus	4,630	4,146
Surplus Ratio	37.2%	36.5%



¹ Zurich Financial Services has no ownership interest in the Farmers Exchanges. Farmers Group, Inc., a wholly owned subsidiary of the Group, provides management services to the Farmers Exchanges and receives fees for its services.

Farmers Exchanges – combined ratio by line of business



for the years ended December 31	2005	2004	Change
Auto	97.7%	99.9%	2.2 pts
Homeowners	82.7%	77.8%	-4.9 pts
Commercial P&C ¹	98.3%	99.0%	0.7 pts
Workers' Compensation	99.2%	99.7%	0.5 pts
Specialty	103.6%	99.9%	-3.7 pts
Total	97.1%	96.8%	-0.3 pts
Adjusted combined ratio ²	90.2%	89.9%	-0.3 pts

¹ Excludes earthquake losses before quota share treaties

² Adjusted for profit portion of management fees

Farmers Exchanges – development of the combined ratio



Quarterly combined ratio

