

2007

Zurich Financial Services Group



ZURICH®

Financial Supplement

Half Year Results
Reporting 2007

Half Year Results Reporting 2007 Financial Supplement (unaudited)

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Basis of current and future presentation and comparability

The information contained within the Financial Supplement is unaudited. This document should be read in conjunction with the Zurich Financial Services Group Annual Report 2006 and Half Year Report 2007. Interim results are not necessarily indicative of full-year results. Certain comparatives in the Financial Supplement have been restated as a result of the adoption of the SoRIE option under IAS 19 Employee Benefits.

Income
statements
by business
segment

in USD millions, for the six months ended June 30

	General Insurance		Global Life		Farmers Management Services		Other Businesses		Corporate Functions		Eliminations		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Revenues														
Direct written premiums and policy fees	18,351	17,644	4,841	5,096	-	-	209	181	-	-	12	3	23,414	22,924
Assumed written premiums	675	810	52	37	-	-	1,001	937	81	102	(150)	(205)	1,659	1,681
Gross written premiums and policy fees	19,026	18,454	4,893	5,134	-	-	1,210	1,117	81	102	(138)	(202)	25,072	24,605
Less premiums ceded to reinsurers ¹	(2,865)	(2,944)	(7,557)	(281)	-	-	(25)	7	(76)	(98)	138	202	(10,384)	(3,114)
Net written premiums and policy fees	16,161	15,510	(2,664)	4,853	-	-	1,185	1,125	6	4	-	-	14,688	21,492
Net change in reserves for unearned premiums	(1,677)	(1,610)	(7)	(7)	-	-	11	27	3	2	-	-	(1,670)	(1,588)
Net earned premiums and policy fees	14,484	13,900	(2,671)	4,846	-	-	1,195	1,152	9	6	-	-	13,017	19,904
Farmers management fees	-	-	-	-	1,093	1,054	-	-	-	-	-	-	1,093	1,054
Net investment income	1,773	1,539	3,797	3,272	91	69	634	509	354	305	(597)	(537)	6,051	5,156
Net capital gains on investments and impairments	73	217	4,367	2,154	(26)	7	425	(152)	161	89	-	-	5,000	2,315
Net gain on divestments of businesses	1	-	2	-	-	-	-	-	(1)	-	-	-	2	-
Other income	326	181	516	460	44	7	103	105	424	389	(504)	(419)	909	722
Total revenues	16,657	15,836	6,011	10,733	1,202	1,135	2,357	1,614	947	789	(1,101)	(956)	26,073	29,151
Intersegment transactions	(530)	(555)	(205)	(179)	(22)	(12)	(75)	(176)	(269)	(34)	1,101	956	-	-
Benefits, losses and expenses														
Losses and loss adjustment expenses, net of reinsurance	10,443	9,837	44	42	-	-	512	564	(3)	7	(4)	(11)	10,992	10,439
Life insurance death and other benefits, net of reinsurance	22	2	6,017	5,463	-	-	178	182	9	8	6	9	6,231	5,664
(Decrease)/increase in future life policyholders' benefits, net of reinsurance	-	-	(9,182)	(948)	-	-	(44)	(140)	(68)	(69)	(2)	1	(9,296)	(1,156)
Insurance benefits and losses, net of reinsurance ¹	10,465	9,839	(3,121)	4,557	-	-	646	606	(62)	(55)	-	-	7,927	14,947
Policyholder dividends and participation in profits, net of reinsurance	4	3	6,415	3,692	-	-	544	40	-	-	-	-	6,963	3,735
Underwriting and policy acquisition costs, net of reinsurance	2,559	2,418	702	630	-	-	291	292	(11)	(11)	-	-	3,541	3,328
Administrative and other operating expenses	1,409	1,561	817	749	528	482	139	171	510	568	(487)	(406)	2,917	3,125
Amortization and impairments of intangible assets	35	40	51	57	24	21	-	-	4	5	-	-	115	122
Interest expense on debt	149	148	10	8	5	-	108	108	676	557	(602)	(529)	345	294
Interest credited to policyholders and other interest	130	98	277	292	-	-	72	81	4	-	(11)	(21)	472	450
Total benefits, losses and expenses	14,752	14,106	5,150	9,985	557	503	1,800	1,298	1,121	1,065	(1,101)	(956)	22,279	26,001
Net income/(loss) before income taxes	1,905	1,730	861	748	646	633	557	315	(174)	(276)	-	-	3,794	3,150
Income tax expense attributable to policyholders													(130)	(121)
Income tax expense attributable to shareholders													(952)	(971)
Net income attributable to minority interests													(27)	(47)
Net income attributable to shareholders													2,684	2,011
Business operating profit	1,838	1,787	721	576	672	626	478	304	(430)	(371)	-	-	3,278	2,923

¹ Information pertaining to the transfer of the UK annuity business is contained in Note 3 of the financial statements. As a direct result of this transaction, for the Global Life segment, premiums ceded to reinsurers include an amount of USD 7,268 million and ceded insurance benefits and losses include an amount of USD 6,982 million.

Financial highlights (unaudited)

Assets and liabilities
by business segment

in USD millions, as of

	General Insurance		Global Life		Farmers Management Services		Other Businesses		Corporate Functions		Eliminations		Total	
	06/30/07	12/31/06	06/30/07	12/31/06	06/30/07	12/31/06	06/30/07	12/31/06	06/30/07	12/31/06	06/30/07	12/31/06	06/30/07	12/31/06
Total investments ¹	80,725	78,695	197,059	200,452	3,451	3,522	34,513	34,059	17,046	18,269	(25,804)	(24,993)	306,990	310,003
of which: Group investments	80,725	78,695	92,025	101,755	3,451	3,522	18,710	18,428	17,046	18,269	(25,804)	(24,993)	186,152	195,676
Reinsurers' share of reserves for insurance contracts ¹	13,537	13,657	9,075	1,785	206	205	6,868	7,192	77	99	(2,587)	(2,875)	27,175	20,063
Deposits made under assumed reinsurance contracts	69	73	–	–	–	–	1,437	1,985	2	2	(37)	(38)	1,471	2,022
Deferred policy acquisition costs	3,196	2,959	10,833	10,113	–	–	109	124	–	–	1	1	14,138	13,197
Deferred origination costs	–	–	938	815	–	–	–	–	–	–	–	–	938	815
Goodwill	268	168	617	488	–	–	–	–	5	5	–	–	890	660
Other related Intangible assets ²	–	–	785	775	1,024	1,024	–	–	–	–	–	–	1,810	1,799
Other assets ¹	15,338	14,203	7,864	8,260	1,433	1,356	1,553	2,056	2,681	2,664	(2,761)	(2,852)	26,107	25,686
Total assets after consolidation of investments in subsidiaries	113,133	109,754	227,170	222,688	6,116	6,108	44,479	45,415	19,810	21,039	(31,188)	(30,757)	379,519	374,246
Liabilities for investment contracts	–	–	53,715	50,953	–	–	–	–	–	–	(250)	(248)	53,465	50,705
Reserves for losses and loss adjustment expenses, gross	61,414	59,241	142	131	–	–	6,635	7,127	88	110	(1,867)	(2,073)	66,412	64,535
Reserves for unearned premiums, gross	16,162	14,093	153	142	–	–	470	500	35	41	(78)	(107)	16,741	14,668
Future life policyholders' benefits, gross	91	89	72,589	73,832	–	–	2,767	2,823	381	437	(625)	(678)	75,203	76,503
Policyholders' contract deposits and other funds, gross	935	930	13,830	14,117	–	–	3,712	3,887	–	–	–	–	18,477	18,934
Reserves for unit-linked contracts, gross	–	–	54,159	50,376	–	–	15,804	15,631	–	–	–	–	69,963	66,008
Reserves for insurance contracts, gross	78,601	74,353	140,872	138,597	–	–	29,387	29,969	504	587	(2,569)	(2,858)	246,795	240,648
Debt related to capital markets and banking activities	–	–	–	–	–	–	3,125	3,578	–	–	(1,722)	(1,689)	1,403	1,889
Senior debt	4,633	4,684	530	448	–	–	657	614	18,125	17,594	(21,274)	(20,435)	2,670	2,906
Subordinated debt	2,260	2,349	50	–	180	180	100	98	5,486	4,953	(2,710)	(2,772)	5,367	4,808
Other liabilities	16,382	18,351	20,122	21,133	2,180	2,221	5,465	6,225	1,928	2,011	(2,663)	(2,755)	43,414	47,186
Total liabilities	101,876	99,737	215,289	211,131	2,360	2,401	38,734	40,484	26,043	25,145	(31,188)	(30,757)	353,113	348,142
Equity														
Common shareholders' equity													25,405	24,916
Preferred securities													671	671
Shareholders' equity													26,077	25,587
Minority interests													329	517
Total equity													26,406	26,105
Total liabilities and shareholders' equity													379,519	374,246

¹ Information pertaining to the transfer of the UK annuity business is contained in Note 3 of the financial statements. As a direct result of this transaction, for the Global Life segment, Total investments and associated other assets decreased by USD 7,410 million and Reinsurers' share of reserves for insurance contracts increased by USD 7,119 million.

² Other related intangible assets consists of the present value of profits of acquired insurance contracts and attorney-in-fact relationships.

Financial highlights (unaudited)

Reconciliation of net income before income taxes and business operating profit by business segment

in USD millions, for the six months ended June 30

	General Insurance		Global Life		Farmers Management Services		Other Businesses		Corporate Functions		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	Net income before income taxes	1,905	1,730	861	748	646	633	557	315	(174)	(276)	3,794
Less income tax expense attributable to policyholders	–	–	(130)	(121)	–	–	–	–	–	–	(130)	(121)
Net income/(loss) before shareholders' taxes	1,905	1,730	731	627	646	633	557	315	(174)	(276)	3,664	3,029
Adjusted for:												
Net capital (gains)/losses on investments and impairments ¹	(73)	(217)	(4,365)	(2,154)	26	(7)	(335)	178	(223)	(134)	(4,970)	(2,334)
Policyholder allocation of net capital gains/(losses) on investments and impairments	–	–	4,277	2,088	–	–	283	(188)	–	–	4,560	1,900
Net income attributable to minority interests	(12)	(13)	(3)	(11)	–	–	–	(1)	(12)	(22)	(27)	(47)
Net (gain)/loss on divestments of businesses	(1)	–	(2)	–	–	–	–	–	1	–	(2)	–
Restructuring provisions and other	19	287	83	27	–	–	(27)	–	(21)	61	54	375
Business operating profit	1,838	1,787	721	576	672	626	478	304	(430)	(371)	3,278	2,923

¹ Excluding capital markets and banking activities, investments in hedge funds and certain securities held for specific economic hedging purposes.

Adjusted business operating profit

in USD millions, for the six months ended June 30

	General Insurance		Global Life		Farmers Management Services		Other Businesses and Corporate Functions		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	Adjusted business operating profit ¹	1,916	1,805	566	435	624	586	171	96	3,278
Adjusted business operating profit return on common shareholders' equity ²	29.9%	37.1%	20.2%	19.1%	65.4%	57.4%	8.2%	4.8%	27.1%	30.1%

¹ Business operating profit adjusted for notional investment income.

² Based on average IFRS Group equity allocated to the segment based on its share of Zurich risk based capital.

General Insurance (unaudited)

Customer
segment
reporting -
overview

in USD millions, for the six months ended June 30

	Global Corporate		North America Commercial		Europe General Insurance		International Businesses		Group Reinsurance		Eliminations		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Gross written premiums and policy fees	4,376	4,426	5,832	6,010	7,457	6,853	1,604	1,487	241	371	(484)	(693)	19,026	18,454
Net earned premiums and policy fees	2,409	2,454	4,632	4,617	6,256	5,713	1,141	1,074	45	42	-	-	14,484	13,900
Insurance benefits and losses	1,865	1,901	3,042	3,193	4,737	3,980	754	703	68	62	-	-	10,465	9,839
Policyholder dividends and participation in profits	2	-	3	3	(1)	-	-	-	-	-	-	-	4	3
Total net technical expenses ¹	407	396	1,257	1,213	1,450	1,302	381	368	7	14	9	-	3,512	3,293
Net underwriting result	136	157	330	209	69	431	6	3	(30)	(34)	(9)	-	503	764
Net investment income	344	280	607	527	683	557	105	81	111	140	(77)	(46)	1,773	1,539
Net capital gains on investments and impairments	(5)	6	(8)	13	72	181	14	16	-	-	-	-	73	217
Net non-technical result ²	(82)	(70)	(167)	(453)	(171)	(198)	(28)	(4)	(83)	(111)	87	46	(444)	(791)
Net income/(loss) before income taxes	393	373	762	296	654	971	96	96	(1)	(6)	-	-	1,905	1,730
Business operating profit	385	367	767	544	612	811	76	71	(1)	(6)	-	-	1,838	1,787
Adjusted business operating profit ³	396	370	788	556	598	771	62	60	72	48	-	-	1,916	1,805
Adjusted business operating profit return on common shareholders' equity ⁴	26.3%	35.3%	33.1%	27.5%	29.9%	59.7%	18.2%	18.8%	38.2%	26.2%	n/a	n/a	29.9%	37.1%

Ratios, as % of net earned premiums and policy fees

Loss ratio	77.4%	77.5%	65.7%	69.1%	75.7%	69.7%	66.1%	65.4%	nm	nm	n/a	n/a	72.3%	70.8%
Expense ratio ⁵	17.0%	16.1%	27.2%	26.4%	23.2%	22.8%	33.4%	34.3%	nm	nm	n/a	n/a	24.2%	23.7%
Combined ratio	94.4%	93.6%	92.9%	95.5%	98.9%	92.5%	99.5%	99.8%	nm	nm	n/a	n/a	96.5%	94.5%

¹ Including underwriting and policy acquisition costs as well as the technical element of administrative and other operating expenses, amortization of intangible assets, interest credited to policyholders and other interest, and other income.² Including the non-technical element of administrative and other operating expenses, amortization of intangible assets, interest credited to policyholders and other interest, and other income as well as net gains/losses on divestments of businesses and interest expense on debt.³ Business operating profit adjusted for notional investment income.⁴ Based on average IFRS Group equity allocated to the segment based on its share of Zurich risk based capital.⁵ Including policyholder dividends and participation in profits.Total
investments

in %, as of	06/30/07	12/31/06	06/30/07	12/31/06	06/30/07	12/31/06	06/30/07	12/31/06	06/30/07	12/31/06	06/30/07	12/31/06	06/30/07	12/31/06
Cash and cash equivalents	10.9%	12.3%	12.1%	11.8%	4.9%	6.8%	16.7%	17.2%	97.3%	97.4%	n/a	n/a	13.8%	14.6%
Equity securities	5.4%	5.2%	5.4%	5.0%	8.6%	8.8%	45.9%	47.3%	-	-	n/a	n/a	7.9%	7.9%
Debt securities	75.8%	74.5%	80.9%	81.6%	70.5%	68.1%	33.4%	31.4%	2.7%	2.6%	n/a	n/a	70.0%	69.2%
Investment in associates	-	0.1%	0.1%	0.1%	-	-	-	-	-	-	n/a	n/a	-	-
Other investments	7.9%	7.9%	1.5%	1.5%	16.0%	16.3%	4.0%	4.1%	-	-	n/a	n/a	8.3%	8.3%
Total investments	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	n/a	n/a	100.0%	100.0%

General Insurance (unaudited)

Customer segment reporting - Europe General Insurance by region

in USD millions, for the six months ended June 30

	United Kingdom		Germany		Switzerland		Italy		Spain		Rest of Europe		Eliminations		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Gross written premiums and policy fees	2,084	1,914	1,703	1,569	1,287	1,139	859	798	735	641	1,180	1,090	(392)	(297)	7,457	6,853
Net earned premiums and policy fees	1,884	1,771	1,100	1,050	891	802	841	748	568	500	972	842	(1)	-	6,256	5,713
Net underwriting result	(159)	180	69	87	80	64	(5)	(1)	27	36	63	62	(6)	2	69	431
Business operating profit	10	334	182	136	127	104	44	38	62	59	188	139	-	-	612	811

Ratios, as % of net earned premiums and policy fees

Loss ratio	84.9%	67.3%	71.2%	69.5%	68.4%	70.2%	77.4%	76.6%	73.4%	70.6%	69.5%	67.7%	n/a	n/a	75.7%	69.7%
Expense ratio ¹	23.5%	22.6%	22.5%	22.2%	22.6%	21.8%	23.2%	23.5%	21.8%	22.1%	24.1%	25.0%	n/a	n/a	23.2%	22.8%
Combined ratio	108.4%	89.8%	93.7%	91.7%	91.1%	92.0%	100.6%	100.1%	95.3%	92.7%	93.5%	92.6%	n/a	n/a	98.9%	92.5%

¹ Including policyholder dividends and participation in profits.

Customer segment reporting - Europe General Insurance split into Commercial and Personal

in USD millions, for the six months ended June 30

	Commercial		Personal		Eliminations		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
Gross written premiums and policy fees	3,155	2,866	4,304	3,989	(2)	(1)	7,457	6,853
Net earned premiums and policy fees	2,448	2,190	3,808	3,522	-	-	6,256	5,713
Net underwriting result	67	193	6	238	(3)	(1)	69	431
Business operating profit	355	403	257	408	-	-	612	811

Ratios, as % of net earned premiums and policy fees

Loss ratio	76.2%	69.9%	75.4%	69.5%	n/a	n/a	75.7%	69.7%
Expense ratio ¹	21.1%	21.3%	24.4%	23.7%	n/a	n/a	23.2%	22.8%
Combined ratio	97.3%	91.2%	99.8%	93.2%	n/a	n/a	98.9%	92.5%

¹ Including policyholder dividends and participation in profits.

General Insurance (unaudited)

Customer segment reporting - International Businesses by region

in USD millions, for the six months ended June 30

	Latin America		Asia		Australia		Africa		Rest of International Business		Eliminations		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	Gross written premiums and policy fees	531	455	391	396	377	337	305	303	-	-	-	(4)	1,604
Net earned premiums and policy fees	352	305	267	276	273	245	250	247	-	-	-	-	1,141	1,074
Net underwriting result	-	(15)	(3)	(11)	(2)	22	12	6	-	-	-	-	6	3
Business operating profit	20	5	5	(3)	45	60	19	9	(15)	-	-	-	76	71

Ratios, as % of net earned premiums and policy fees

Loss ratio	59.3%	66.5%	59.6%	61.1%	76.3%	64.1%	71.3%	70.3%	n/a	n/a	n/a	n/a	66.1%	65.4%
Expense ratio ¹	40.7%	38.3%	41.7%	42.8%	24.4%	27.1%	24.1%	27.1%	n/a	n/a	n/a	n/a	33.4%	34.3%
Combined ratio	100.0%	104.8%	101.3%	103.9%	100.7%	91.1%	95.4%	97.4%	n/a	n/a	n/a	n/a	99.5%	99.8%

¹ Including policyholder dividends and participation in profits.

Customer segment reporting - International Businesses split into Commercial and Personal

in USD millions, for the six months ended June 30

	Commercial		Personal		Eliminations		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
Gross written premiums and policy fees	1,038	961	566	527	(1)	(1)	1,604	1,487
Net earned premiums and policy fees	735	700	406	373	-	-	1,141	1,074
Net underwriting result	(3)	18	10	(15)	(1)	-	6	3
Business operating profit	50	70	26	1	-	-	76	71

Ratios, as % of net earned premiums and policy fees

Loss ratio	70.2%	66.3%	58.6%	63.8%	n/a	n/a	66.1%	65.4%
Expense ratio ¹	30.3%	31.1%	39.0%	40.4%	n/a	n/a	33.4%	34.3%
Combined ratio	100.5%	97.4%	97.5%	104.1%	n/a	n/a	99.5%	99.8%

¹ Including policyholder dividends and participation in profits.

Global Life (unaudited)

Overview

in USD millions, for the six months ended June 30

					Europe											
	United States		United Kingdom		Germany		Switzerland		Rest of Europe ²		International Businesses ³		Eliminations		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Insurance deposits	258	259	2,375	2,161	576	418	54	15	2,007	1,914	263	288	-	-	5,534	5,056
Gross written premiums and policy fees	339	316	1,014	1,053	1,671	1,637	942	1,205	610	631	320	295	(2)	(2)	4,893	5,134
Net earned premiums and policy fees ¹	227	222	(6,296)	974	1,622	1,590	934	1,197	562	601	280	261	-	-	(2,671)	4,846
Net investment income	166	161	1,727	1,421	823	745	310	344	439	355	332	246	-	-	3,797	3,272
Net capital gains on investments and impairments	19	7	2,868	1,948	619	180	127	80	734	(52)	-	(9)	-	-	4,367	2,154
Other income	1	1	217	164	156	169	29	26	43	37	73	64	-	-	518	460
Total revenues	413	391	(1,484)	4,509	3,220	2,683	1,400	1,648	1,778	941	684	561	-	-	6,011	10,733
Insurance benefits and losses, net of reinsurance ¹	127	112	(6,566)	867	1,732	1,760	958	1,222	482	448	146	147	-	-	3,121	(4,557)
Policyholder dividends and participation in profits, net of reinsurance	14	(5)	4,235	2,948	907	371	159	101	858	115	242	163	-	-	(6,415)	(3,692)
Underwriting and policy acquisition costs, net of reinsurance	(91)	30	397	279	144	111	64	61	124	97	64	52	-	-	(702)	(630)
Administrative and other operating expenses	48	42	228	206	188	134	84	111	140	145	129	111	-	-	(817)	(749)
Amortization and impairments of intangible assets	11	8	17	12	20	28	-	-	2	1	1	7	-	-	(51)	(57)
Interest expense on debt and other interest	89	88	57	45	110	136	20	22	9	8	1	2	-	-	(287)	(300)
Total benefits, losses and expenses	197	275	(1,632)	4,357	3,101	2,541	1,284	1,516	1,615	814	584	482	-	-	5,150	9,985
Net income before income taxes	215	117	148	152	119	142	116	132	163	127	100	78	-	-	861	748
Business operating profit	214	108	160	128	101	78	96	105	98	106	52	50	-	-	721	576

¹ Information pertaining to the transfer of the UK annuity business is contained in Note 3 of the financial statements. As a direct result of this transaction, for United Kingdom, net earned premiums and policy fees include an amount of USD 7,268 million and ceded insurance benefits and losses include an amount of USD 6,982 million.

² Including interregion eliminations.

³ Insurance deposits in International Businesses for 2006 have been presented to exclude deposits received as funds under management.

Total investments

in %, as of

	06/30/07	12/31/06	06/30/07	12/31/06	06/30/07	12/31/06	06/30/07	12/31/06	06/30/07	12/31/06	06/30/07	12/31/06	06/30/07	12/31/06	06/30/07	12/31/06
Cash and cash equivalents	4.6%	6.9%	8.8%	7.4%	1.6%	1.0%	4.3%	4.3%	4.7%	3.9%	6.8%	6.3%	n/a	n/a	5.8%	5.1%
Equity securities	10.2%	7.2%	63.2%	57.9%	23.8%	20.4%	11.7%	11.7%	48.9%	47.8%	55.0%	56.6%	n/a	n/a	45.0%	41.8%
Debt securities	79.4%	80.3%	16.7%	24.6%	35.5%	39.7%	52.3%	55.2%	43.2%	44.9%	33.3%	34.1%	n/a	n/a	31.1%	36.0%
Investments in associates	-	-	-	-	-	-	-	-	-	-	0.5%	0.5%	n/a	n/a	-	-
Other investments	5.8%	5.6%	11.3%	10.1%	39.1%	39.0%	31.8%	28.8%	3.2%	3.4%	4.4%	2.5%	n/a	n/a	18.0%	17.1%
Total investments	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	n/a	n/a	100.0%	100.0%

Global Life (unaudited)

Rest of Europe
by country

in USD millions, for the six months ended June 30

	Italy		Spain		Ireland		Isle of Man		Other European Countries		Eliminations		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Insurance deposits	405	442	165	324	706	559	718	573	13	16	-	-	2,007	1,914
Gross written premiums and policy fees	127	212	103	104	157	110	100	101	129	107	(4)	-	612	634
Net earned premiums and policy fees	133	219	88	91	124	89	91	99	126	104	-	-	562	601
Net investment income	157	118	83	78	136	99	7	10	54	50	2	1	439	355
Business operating profit	22	31	23	20	35	30	8	16	10	9	-	-	98	106

Additional information (unaudited)

Principal
exchange
rates

USD per foreign currency unit	Balance sheets as of		Income statements and cash flows for the period ended	
	06/30/07	12/31/06	06/30/07	06/30/06
Euro	1.3542	1.3199	1.3291	1.2304
Swiss franc	0.8186	0.8203	0.8146	0.7882
British pound sterling	2.0088	1.9589	1.9701	1.7906

Currency translation
impact on key
financial figures -
General Insurance

variance over the prior period, for the six months ended June 30, 2007	in USD millions	in %	change in USD	change in local currency
Gross written premiums and policy fees	631	3%	3%	0%
Net investment income	64	4%	15%	11%
Net capital gains on investments and impairments	4	2%	(66%)	(68%)
Insurance benefits and losses	(385)	(4%)	(6%)	(2%)

Currency translation
impact on key
financial figures -
Global Life

variance over the prior period, for the six months ended June 30, 2007	in USD millions	in %	change in USD	change in local currency
Insurance deposits	426	8%	9%	1%
Gross written premiums and policy fees	297	5%	(5%)	(10%)
Net investment income	282	9%	16%	7%
Net capital gains on investments and impairments	363	17%	103%	86%
Insurance benefits and losses	404	8%	168%	160%

Total investments: split between 'Group investments' and 'Investments for unit-linked products'

Total investments as shown in the consolidated balance sheet include Group investments, where we bear part or all of the investment risk, and investments for unit-linked products, where policyholders bear the investment risk. Investments for unit-linked products include those held for liabilities related to insurance and investment contracts, except for investment policies with discretionary participation features where the investments are managed as part of Group investments.

We manage our diversified Group investments portfolio to optimize benefits for both shareholders and policyholders while ensuring compliance with local regulatory and business requirements under the guidance of our Asset/Liability Management and Investment Committee. Investments for unit-linked products are managed in accordance with the investment objectives of each unit-linked fund.

The total investment result comprises both Group investments and investments for unit-linked products. The investment result for unit-linked products is passed to policyholders through a charge to policyholder dividends and participation in profits, and as such, is not included in the result for Group investments.

Investment result

in USD millions, for the six months ended June 30

	Net investment income		Net capital gains/(losses) on investments and impairments ¹		Investment result	
	2007	2006	2007	2006	2007	2006
Group investments						
Cash and cash equivalents	318	233	-	2	318	235
Equity securities	360	307	928	715	1,288	1,022
Debt securities	2,868	2,585	(435)	(339)	2,433	2,246
Real estate held for investment	213	197	85	117	297	314
Mortgage loans	261	233	-	3	260	235
Policyholders' collateral and other loans	278	296	(6)	(4)	272	292
Investments in associates	12	35	(2)	2	11	36
Other investments:						
Short-term investments	38	46	-	-	38	46
Investments held by investment companies	1	4	98	90	100	94
Other ²	57	60	(151)	(78)	(94)	(19)
Other investments	96	109	(53)	12	43	120
Investment result, gross, for Group investments	4,406	3,993	516	507	4,923	4,501
Investment expenses for Group investments ³	(125)	(122)	-	-	(125)	(122)
Investment result, net, for Group investments	4,282	3,872	516	507	4,798	4,379
Investments for unit-linked products						
Investment result, net, for investments for unit-linked products	1,769	1,285	4,484	1,808	6,253	3,093
Total investments						
Investment result, net, for total investments	6,051	5,156	5,000	2,315	11,051	7,471

¹ Impairments on total investments amounted to USD 6 million and USD 2 million for the six months ended June 30, 2007 and 2006, respectively.

² Including net capital losses on derivative financial instruments of USD (156) million and USD (73) million for the six months ended June 30, 2007 and 2006, respectively. Thereof net capital losses on derivatives attributable to cash flow hedging of USD (12) million for the six months ended June 30, 2007.

³ Including rental operating expenses for real estate held for investment of USD 62 million and USD 52 million for the six months ended June 30, 2007 and 2006, respectively.

Additional information (unaudited)

Details of investment balances as of June 30, 2007 and December 31, 2006 are given in the tables below.

Breakdown of investments	as of		Group investments				Investments for unit-linked products		Total investments	
			06/30/07		12/31/06		06/30/07		12/31/06	
	USD millions	% of total	USD millions	% of total	USD millions	% of total	USD millions	USD millions	USD millions	USD millions
Cash and cash equivalents	16,851	9.1%	17,438	8.9%	6,701	5,685	23,551	23,122		
Equity securities (including trading equity portfolios in capital markets and banking activities):										
Fair value through profit or loss	4,370	2.3%	4,383	2.2%	95,485	90,666	99,855	95,049		
<i>of which: trading</i>	2,924	1.6%	2,778	1.4%	–	–	2,924	2,778		
<i>of which: trading equity portfolios in capital markets and banking activities</i>	2,018	1.1%	2,260	1.2%	–	–	2,018	2,260		
Available-for-sale	14,418	7.7%	13,956	7.1%	–	–	14,418	13,956		
Total equity securities	18,788	10.1%	18,339	9.4%	95,485	90,666	114,273	109,005		
Debt securities:										
Fair value through profit or loss	8,313	4.5%	8,650	4.4%	9,109	8,922	17,422	17,572		
<i>of which: trading</i>	532	0.3%	547	0.3%	–	–	532	547		
Available-for-sale	102,930	55.3%	112,128	57.3%	–	–	102,930	112,128		
Held-to-maturity	5,487	2.9%	5,657	2.9%	–	–	5,487	5,657		
Total debt securities	116,730	62.7%	126,435	64.6%	9,109	8,922	125,839	135,357		
Real estate held for investment	7,046	3.8%	6,921	3.5%	8,813	8,360	15,860	15,281		
Mortgage loans	11,393	6.1%	10,806	5.5%	–	–	11,393	10,806		
Policyholders' collateral and other loans	12,634	6.8%	12,634	6.5%	2	2	12,636	12,636		
Investments in associates	153	0.1%	153	0.1%	–	–	153	153		
Other investments:										
Short-term investments	888	0.5%	1,010	0.5%	728	693	1,617	1,703		
Investments held by investment companies	1,591	0.9%	1,862	1.0%	–	–	1,591	1,862		
Other	78	0.0%	79	0.0%	–	–	78	79		
Total other investments	2,558	1.4%	2,951	1.5%	728	693	3,286	3,644		
Total investments	186,152	100.0%	195,676	100.0%	120,838	114,328	306,990	310,003		

Additional information (unaudited)

Equity securities (including trading equity portfolios in capital markets and banking activities)	as of		Group investments				Investments for unit-linked products		Total investments	
			06/30/07		12/31/06		06/30/07	12/31/06	06/30/07	12/31/06
	USD millions	% of total	USD millions	% of total	USD millions	USD millions	USD millions	USD millions	USD millions	USD millions
Common stocks, including equity unit trusts	12,077	6.5%	11,461	5.9%	89,178	84,824	101,254	96,285		
Unit trusts (debt securities, real estate, short-term investments)	3,247	1.7%	3,014	1.5%	6,307	5,842	9,555	8,856		
Common stock portfolios backing the participating with-profit policyholder contracts	1,446	0.8%	1,604	0.8%	–	–	1,446	1,604		
Trading equity portfolios in capital markets and banking activities	2,018	1.1%	2,260	1.2%	–	–	2,018	2,260		
Total equity securities	18,788	10.1%	18,339	9.4%	95,485	90,666	114,273	109,005		

Income
statements
by business
segment

in USD millions, for the three months ended June 30

	General Insurance		Global Life		Farmers Management Services		Other Businesses		Corporate Functions		Eliminations		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Revenues														
Direct written premiums and policy fees	8,494	8,211	2,291	2,058	-	-	107	60	-	-	1	1	10,893	10,330
Assumed written premiums	316	382	19	13	-	-	487	487	38	52	(61)	(92)	799	841
Gross written premiums and policy fees	8,810	8,593	2,310	2,072	-	-	594	546	38	52	(60)	(92)	11,692	11,171
Less premiums ceded to reinsurers	(1,464)	(1,619)	(7,413)	(119)	-	-	(10)	26	(38)	(49)	60	92	(8,864)	(1,669)
Net written premiums and policy fees	7,345	6,975	(5,103)	1,953	-	-	584	573	1	3	-	-	2,828	9,503
Net change in reserves for unearned premiums	(14)	110	10	(3)	-	-	2	2	2	-	-	-	1	109
Net earned premiums and policy fees	7,331	7,084	(5,093)	1,950	-	-	586	575	4	3	-	-	2,827	9,612
Farmers management fees	-	-	-	-	551	532	-	-	-	-	-	-	551	532
Net investment income	919	793	2,106	1,728	46	34	250	285	187	140	(313)	(273)	3,194	2,705
Net capital gains on investments and impairments	(5)	127	2,833	(2,662)	(5)	7	343	(392)	123	73	-	-	3,289	(2,847)
Net gain on divestment of businesses	(3)	-	2	-	-	-	-	-	(1)	-	-	-	(2)	-
Other income	161	98	263	243	15	2	39	52	202	193	(254)	(213)	426	374
Total revenues	8,405	8,102	111	1,260	608	572	1,218	520	514	408	(568)	(486)	10,288	10,376
Intersegment transactions	(288)	(508)	(86)	(123)	(11)	(6)	(29)	29	(154)	122	568	486	-	-
Benefits, losses and expenses														
Losses and loss adjustment expenses, net of reinsurance	5,488	4,948	22	25	-	-	195	248	(5)	4	14	(3)	5,714	5,222
Life insurance death and other benefits, net of reinsurance	11	(9)	1,648	1,963	-	-	101	107	5	4	(8)	4	1,755	2,069
(Decrease)/increase in future life policyholders' benefits, net of reinsurance	-	-	(6,886)	19	-	-	(57)	(50)	(43)	(76)	(6)	(2)	(6,992)	(109)
Insurance benefits and losses, net of reinsurance	5,499	4,938	(5,217)	2,006	-	-	239	306	(43)	(69)	-	-	476	7,182
Policyholder dividends and participation in profits, net of reinsurance	3	2	3,996	(1,774)	-	-	303	(329)	-	-	-	-	4,302	(2,101)
Underwriting and policy acquisition costs, net of reinsurance	1,304	1,270	292	340	-	-	143	135	(6)	(3)	-	-	1,732	1,742
Administrative and other operating expenses	723	720	412	372	257	248	59	110	249	227	(240)	(205)	1,461	1,472
Amortization and impairments of intangible assets	18	21	28	35	13	11	-	-	2	3	-	-	62	68
Interest expense on debt	85	75	4	2	3	-	53	55	376	284	(321)	(269)	199	150
Interest credited to policyholders and other interest	70	52	138	144	-	-	43	43	2	-	(6)	(12)	247	227
Total benefits, losses and expenses	7,703	7,076	(349)	1,126	272	259	839	321	580	444	(568)	(486)	8,478	8,741
Net income/(loss) before income taxes	702	1,025	460	134	336	314	378	198	(65)	(36)	-	-	1,810	1,635
Income tax (expense)/benefit attributable to policyholders													(50)	173
Income tax expense attributable to shareholders													(443)	(579)
Net income attributable to minority interests													(19)	(28)
Net income attributable to shareholders													1,297	1,201
Business operating profit	703	904	403	291	341	307	334	195	(239)	(168)	-	-	1,541	1,531

Information for the three months ended June 30, 2007 (unaudited)

**Reconciliation of
net income before
income taxes
and business
operating profit by
business segment**

in USD millions, for the three months ended June 30

	General Insurance		Global Life		Farmers Management Services		Other Businesses		Corporate Functions		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	Net income before income taxes	702	1,025	460	134	336	314	378	198	(65)	(36)	1,810
Less income tax expense attributable to policyholders	–	–	(50)	173	–	–	–	–	–	–	(50)	173
Net income/(loss) before shareholders' taxes	702	1,025	410	307	336	314	378	198	(65)	(36)	1,760	1,808
Adjusted for:												
Net capital (gains)/losses on investments and impairments ¹	5	(127)	(2,831)	2,662	5	(7)	(300)	391	(155)	(103)	(3,275)	2,815
Policyholder allocation of net capital gains/(losses) on investments and impairments	–	–	2,746	(2,699)	–	–	255	(393)	–	–	3,001	(3,091)
Net income attributable to minority interests	(7)	(6)	–	(5)	–	–	–	(1)	(12)	(17)	(19)	(28)
Net (gain)/loss on divestments of businesses	3	–	(2)	–	–	–	–	–	1	–	2	–
Restructuring provisions and other	1	12	82	27	–	–	–	–	(7)	(12)	75	27
Business operating profit	703	904	403	291	341	307	334	195	(239)	(168)	1,541	1,531

¹ Excluding capital markets and banking activities, investments in hedge funds and certain securities held for specific economic hedging purposes.

Information for the three months ended June 30, 2007 (unaudited)

General
Insurance –
customer
segment
reporting
overview

in USD millions, for the three months ended June 30

	Global Corporate		North America Commercial		Europe General Insurance		International Businesses		Group Reinsurance		Eliminations		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Gross written premiums and policy fees	1,857	1,799	3,093	3,201	3,170	2,883	829	773	139	168	(277)	(232)	8,811	8,592
Net earned premiums and policy fees	1,170	1,252	2,363	2,360	3,188	2,909	582	539	27	25	–	–	7,330	7,085
Insurance benefits and losses	915	957	1,570	1,624	2,560	1,992	388	338	66	27	–	–	5,499	4,938
Policyholder dividends and participation in profits	2	–	2	1	(1)	–	–	–	–	–	–	–	3	1
Total net technical expenses ¹	207	227	644	638	758	672	185	184	6	7	1	6	1,801	1,734
Net underwriting result	46	68	147	97	(129)	245	9	17	(45)	(9)	(1)	(6)	27	412
Net investment income	175	138	310	271	364	294	59	43	55	74	(43)	(26)	920	794
Net capital gains on investments and impairments	(9)	(5)	(19)	9	12	110	11	11	–	–	–	–	(5)	125
Net non-technical result ²	(33)	(40)	(77)	(127)	(114)	(102)	(14)	(1)	(47)	(65)	45	31	(240)	(304)
Net income/(loss) before income taxes	179	161	361	250	133	547	65	70	(37)	–	1	(1)	702	1,027
Business operating profit	175	165	381	241	134	446	51	53	(37)	(1)	–	–	704	904

Ratios, as % of net earned premiums and policy fees

Loss ratio	78.1%	76.5%	66.4%	68.8%	80.3%	68.5%	66.6%	62.7%	n/m	n/m	n/a	n/a	75.0%	69.7%
Expense ratio ³	17.8%	18.1%	27.3%	27.1%	23.8%	23.1%	31.8%	34.3%	n/m	n/m	n/a	n/a	24.6%	24.5%
Combined ratio	96.0%	94.6%	93.8%	95.9%	104.1%	91.6%	98.4%	96.9%	n/m	n/m	n/a	n/a	99.6%	94.2%

¹ Including underwriting and policy acquisition costs as well as the technical element of administrative and other operating expenses, amortization of intangible assets, interest credited to policyholders and other interest, and other income.² Including the non-technical element of administrative and other operating expenses, amortization of intangible assets, interest credited to policyholders and other interest, and other income as well as net gains/losses on divestments of businesses and interest expense on debt.³ Including policyholder dividends and participation in profits.

Information for the three months ended June 30, 2007 (unaudited)

Global Life -
overview

in USD millions, for the three months ended June 30

	USA		United Kingdom		Germany		Switzerland		Rest of Europe ¹		International Businesses ²		Eliminations		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Insurance deposits	131	135	1,218	1,271	305	237	31	8	1,040	917	152	193	-	-	2,878	2,761
Gross written premiums and policy fees	172	159	554	314	864	824	268	330	284	312	170	135	(1)	(2)	2,310	2,072
Net earned premiums and policy fees	116	111	(6,736)	290	839	799	267	328	267	301	154	121	-	-	(5,093)	1,950
Net investment income	85	82	920	707	426	380	146	165	252	203	277	190	-	-	2,106	1,728
Net capital gains on investments and impairments	16	(8)	1,914	(1,742)	478	(174)	31	12	487	(537)	(93)	(213)	-	-	2,833	(2,662)
Other income (incl. net gain on divestments of businesses)	1	1	114	94	71	76	17	13	25	24	39	37	-	-	265	243
Total revenues	217	186	(3,787)	(649)	1,814	1,080	460	520	1,032	(10)	375	133	-	-	111	1,260
Insurance benefits and losses, net of reinsurance	69	56	(6,752)	402	915	915	256	342	218	229	76	61	-	-	(5,217)	2,006
Policyholder dividends and participation in profits, net of reinsurance	15	(13)	2,612	(1,173)	620	(109)	41	27	568	(449)	141	(56)	-	-	3,996	(1,774)
Underwriting and policy acquisition costs, net of reinsurance	(105)	14	185	152	76	55	30	31	74	55	31	33	-	-	292	340
Administrative and other operating expenses	24	21	120	100	87	51	39	58	73	83	69	59	-	-	412	372
Amortization and impairments of intangible assets	6	4	11	6	9	16	-	-	1	-	-	7	-	-	28	35
Interest expense on debt and other interest	44	44	27	22	55	70	9	9	5	3	1	1	-	-	142	146
Total benefits, losses and expenses	52	126	(3,796)	(490)	1,762	999	374	465	940	(79)	319	105	-	-	(349)	1,126
Net income before income taxes	164	61	9	(159)	52	81	86	55	92	69	56	27	-	-	460	134
Business operating profit	163	55	71	57	47	41	47	52	48	59	27	26	-	-	403	291

¹ Including interregion eliminations.² Insurance deposits in International Businesses for 2006 have been presented to exclude deposits received as funds under management.

Summary of quarterly consolidated financial information (unaudited)

Summary of
quarterly
consolidated
financial
information

in USD millions, for the three months ended ¹	06/30/07	03/31/07	12/31/06	09/30/06	06/30/06	03/31/06	12/31/05	09/30/05	06/30/05	03/31/05	12/31/04	09/30/04	06/30/04
Gross written premiums and policy fees	11,692	13,380	11,267	10,593	11,171	13,434	10,570	10,273	12,062	13,892	11,715	11,165	12,123
Net earned premiums and policy fees	2,827	10,190	10,731	9,874	9,612	10,292	10,074	9,693	10,359	10,331	10,987	10,192	10,096
Net investment income and net capital gains on investments and impairments	6,483	4,568	7,520	6,031	(142)	7,613	6,060	7,608	5,878	3,601	6,459	3,077	2,881
Other revenues	975	1,029	836	859	906	870	995	903	868	817	1,206	882	902
Total revenues	10,288	15,785	19,087	16,764	10,376	18,775	17,128	18,203	17,106	14,749	18,651	14,152	13,879
Insurance benefits and losses, net of reinsurance	476	7,451	7,846	7,414	7,182	7,765	8,326	7,868	8,325	7,900	9,210	8,608	7,826
Policyholder dividends and participation in profits, net of reinsurance	4,302	2,661	5,451	3,720	(2,101)	5,836	3,642	5,556	3,350	1,884	4,838	1,513	1,000
Other expenses	3,701	3,689	3,956	3,749	3,659	3,660	3,639	3,877	3,681	3,671	3,767	3,500	3,748
Total benefits, losses and expenses	8,478	13,801	17,252	14,883	8,741	17,260	15,607	17,301	15,357	13,455	17,815	13,621	12,574
Net income before income taxes	1,810	1,984	1,835	1,881	1,635	1,515	1,521	902	1,750	1,293	836	531	1,305
Net income attributable to shareholders	1,297	1,387	1,294	1,315	1,201	810	958	457	1,020	779	608	373	840
Business operating profit	1,541	1,737	1,605	1,466	1,531	1,392	1,084	558	1,271	1,034	498	512	1,104

¹ The 2006 amounts have been restated as a result of the adoption of the SoRIE option under IAS 19 Employee Benefits. The 2005 and 2004 amounts have not been restated.