

2007

Zurich Financial Services Group



ZURICH®

# Financial Supplement

Results Reporting  
for the Three Months  
ended March 31, 2007

# Results Reporting for the Three Months ended March 31, 2007

## Financial Supplement (unaudited)

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## Basis of current and future presentation and comparability

### Effect of new and revised accounting standards in 2007

For 2007 reporting, we have adopted the Statement of Recognized Income and Expense (SoRIE) option under IAS 19 Employee Benefits to recognize actuarial gains and losses arising from defined benefit pension and other defined benefit post-retirement plans as a liability with a corresponding adjustment to shareholders' equity after allowing for deferred tax assets. As a result, we have reversed the charge recorded in the 2006 income statement for the unrecognized actuarial gains and losses. In previous years, the net cumulative unrecognized actuarial gains and losses exceeding ten percent of the higher of the defined benefit obligation and the fair value of plan assets were not recognized on the balance sheet, but rather through the income statement over the expected average remaining working lives of the employees participating in the plan (corridor approach). Therefore, 2006 figures have been restated to reflect this change.

in USD millions	As reported	Amount of restatement	As restated
as of December 31, 2006			
Total equity	27,056	(952)	26,104
Other liabilities	21,368	1,389	22,757
for the three months ended March 31, 2006			
Net income attributable to shareholders	785	25	810
Business operating profit	1,359	33	1,392

### Changes in consolidation

In 2006, we agreed to purchase the remaining 55 percent interest in the UK insurance intermediary Endsleigh Limited. The acquisition date was January 2, 2007, with the initial accounting reflected in the financial statements for the first quarter of 2007.

In 2006, we agreed to purchase the Spanish surety writer ACC Seguros y Reaseguros de Daños, S.A. The acquisition date was March 5, 2007. As the completion of the transaction fell late in the quarter, and the results of the acquired company were not material to the Group's financial statements for the first quarter 2007, the initial accounting will be included in the second quarter of 2007.

### Significant transactions and events

In February 2007, we announced that we had signed an agreement for the purchase of a 66 percent stake in OOO Nasta Insurance Company, a personal lines insurer in Russia with an agreed path to 100 percent ownership by 2010. The acquisition date was April 4, 2007.

In March 2007, we announced that our subsidiary Farmers Group, Inc. had entered into an agreement under which it will acquire 100 percent of the equity of Bristol West Holdings, Inc. As part of the transaction, Farmers Group, Inc. will sell the underlying insurance business to the Farmers Exchanges, which Farmers Group, Inc. manages but does not own. The transaction is expected to close in the third quarter of 2007.

On February 15, 2007, the Board of Zurich Financial Services authorized a share buyback of up to CHF 1.25 billion over the course of 2007. As of March 31, 2007, 1,535,000 fully paid shares had been bought back at an average price of CHF 346.58 per share. The total cost of USD 438 million, has been deducted from shareholders' equity.

On April 3, 2007 the Annual General Meeting approved a gross dividend of CHF 11.00 per share, representing a 57 percent increase over the 2006 total gross payout to shareholders CHF of 7.00. The net dividend of CHF 7.15 per share was paid on April 10, 2007, and as such, will be recognized through shareholders' equity in the second quarter of 2007.

On April 3, 2007, at the Annual General Meeting, an increase of contingent share capital for the issuance of newly registered shares to employees of Zurich Financial Services and its subsidiaries was approved. According to this approval, the authority to issue contingent shares was increased to a new maximum of 4 million registered shares with a nominal value of CHF 0.10 each. The pre-emptive right of the shareholders of Zurich Financial Services, as well as the right for advance subscription, are excluded. On May 7, 2007, 3,242,444 shares were listed.

On May 9, 2007, we completed a two-tranche private placement of USD 1.5 billion hybrid securities treated as debt under IFRS. The issuance is comprised of a 5.875% USD 500 million tranche maturing in 2062, callable from 2012, and a 6.5% USD 1 billion tranche maturing in 2067, callable from 2017. On the call date the coupons on both tranches convert from fixed to floating rate and step up by 100 basis points. Part of the proceeds will be used to refinance our 8.376% USD 1 billion Zurich Capital Securities, which were called to be redeemed on June 1, 2007.

Income statements by business segment

in USD millions, for the three months ended March 31

	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
<b>Revenues</b>														
Direct written premiums and policy fees	9,857	9,433	2,550	3,038	-	-	102	121	-	-	11	2	12,520	12,594
Assumed written premiums	359	428	33	24	-	-	514	450	43	50	(89)	(112)	860	840
Gross written premiums and policy fees	10,216	9,861	2,583	3,062	-	-	616	571	43	50	(78)	(110)	13,380	13,434
Less premiums ceded to reinsurers	(1,401)	(1,325)	(144)	(162)	-	-	(16)	(19)	(37)	(49)	78	110	(1,520)	(1,445)
Net written premiums and policy fees	8,815	8,536	2,439	2,900	-	-	600	552	6	1	-	-	11,860	11,989
Net change in reserves for unearned premiums	(1,663)	(1,720)	(17)	(4)	-	-	8	25	1	2	-	-	(1,671)	(1,697)
Net earned premiums and policy fees	7,152	6,816	2,422	2,896	-	-	608	577	7	3	-	-	10,189	10,292
Farmers management fees	-	-	-	-	542	522	-	-	-	-	-	-	542	522
Net investment income	854	746	1,691	1,544	45	35	384	224	167	165	(284)	(263)	2,857	2,451
Net capital gains/(losses) on investments and impairments	78	90	1,534	4,816	(21)	-	82	239	38	17	-	-	1,711	5,162
Net gain on divestments of businesses	4	-	-	-	-	-	-	-	-	-	-	-	4	-
Other income	165	82	253	216	28	6	64	52	222	197	(249)	(205)	483	348
<b>Total revenues</b>	<b>8,253</b>	<b>7,734</b>	<b>5,900</b>	<b>9,472</b>	<b>594</b>	<b>563</b>	<b>1,138</b>	<b>1,092</b>	<b>434</b>	<b>382</b>	<b>(533)</b>	<b>(468)</b>	<b>15,786</b>	<b>18,775</b>
Intersegment transactions	(242)	(47)	(119)	(56)	(12)	(6)	(46)	(205)	(115)	(154)	534	468	-	-
<b>Benefits, losses and expenses</b>														
Losses and loss adjustment expenses, net of reinsurance	4,955	4,889	22	17	-	-	317	316	2	3	(18)	(9)	5,278	5,216
Life insurance death and other benefits, net of reinsurance	11	11	4,369	3,500	-	-	77	75	4	4	14	5	4,475	3,595
(Decrease)/increase in future life policyholders' benefits, net of reinsurance	-	-	(2,296)	(967)	-	-	13	(91)	(24)	7	4	4	(2,303)	(1,047)
Insurance benefits and losses, net of reinsurance	4,966	4,900	2,095	2,550	-	-	407	300	(18)	14	-	-	7,450	7,764
Policyholder dividends and participation in profits, net of reinsurance	1	1	2,419	5,466	-	-	241	369	-	-	-	-	2,661	5,836
Underwriting and policy acquisition costs, net of reinsurance	1,255	1,148	410	290	1	-	149	157	(6)	(9)	-	-	1,809	1,586
Administrative and other operating expenses	686	842	406	376	271	234	79	60	262	339	(247)	(198)	1,457	1,653
Amortization and impairments of intangible assets	17	19	23	22	11	10	-	-	2	3	-	-	53	54
Interest expense on debt	64	73	6	6	2	-	55	53	301	273	(282)	(261)	146	144
Interest credited to policyholders and other interest	60	46	139	148	-	-	29	38	2	-	(4)	(9)	226	223
<b>Total benefits, losses and expenses</b>	<b>7,049</b>	<b>7,029</b>	<b>5,498</b>	<b>8,858</b>	<b>285</b>	<b>244</b>	<b>960</b>	<b>977</b>	<b>543</b>	<b>620</b>	<b>(533)</b>	<b>(468)</b>	<b>13,802</b>	<b>17,260</b>
<b>Net income/(loss) before income taxes</b>	<b>1,204</b>	<b>705</b>	<b>402</b>	<b>614</b>	<b>309</b>	<b>319</b>	<b>178</b>	<b>115</b>	<b>(109)</b>	<b>(238)</b>	<b>-</b>	<b>-</b>	<b>1,984</b>	<b>1,515</b>
Income tax expense attributable to policyholders													(80)	(294)
Income tax expense attributable to shareholders													(509)	(392)
Net income attributable to minority interests													(8)	(19)
<b>Net income attributable to shareholders</b>													<b>1,387</b>	<b>810</b>
<b>Business operating profit</b>	<b>1,135</b>	<b>883</b>	<b>317</b>	<b>285</b>	<b>330</b>	<b>319</b>	<b>143</b>	<b>108</b>	<b>(191)</b>	<b>(203)</b>	<b>-</b>	<b>-</b>	<b>1,734</b>	<b>1,392</b>

## 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	
	03/31/07	12/31/06	03/31/07	12/31/06	03/31/07	12/31/06	03/31/07	12/31/06	03/31/07	12/31/06	03/31/07	12/31/06	03/31/07	12/31/06
Total investments	81,455	78,695	201,512	200,452	3,430	3,523	33,738	34,070	18,104	18,257	(25,338)	(24,994)	312,901	310,003
of which: Group investments	81,455	78,695	100,627	101,756	3,430	3,523	18,056	18,438	18,104	18,257	(25,338)	(24,993)	196,334	195,676
Reinsurers' share of reserves for insurance contracts	13,540	13,657	1,794	1,785	205	205	6,904	7,192	79	99	(2,705)	(2,875)	19,817	20,063
Deposits made under assumed reinsurance contracts	71	73	–	–	–	–	1,888	1,985	1	2	(38)	(38)	1,922	2,022
Deferred policy acquisition costs	3,109	2,959	10,326	10,113	–	–	108	124	–	–	–	1	13,543	13,197
Deferred origination costs	–	–	842	815	–	–	–	–	–	–	–	–	842	815
Goodwill	228	167	498	488	–	–	–	–	5	5	–	–	731	660
Other related Intangible assets <sup>1</sup>	–	–	775	775	1,024	1,024	–	–	–	–	–	–	1,799	1,799
Other assets	15,005	14,202	7,968	8,258	1,533	1,357	2,010	2,155	2,757	2,565	(2,937)	(2,851)	26,336	25,686
<b>Total assets after consolidation of investments in subsidiaries</b>	<b>113,408</b>	<b>109,753</b>	<b>223,715</b>	<b>222,686</b>	<b>6,192</b>	<b>6,109</b>	<b>44,648</b>	<b>45,526</b>	<b>20,946</b>	<b>20,928</b>	<b>(31,018)</b>	<b>(30,757)</b>	<b>377,891</b>	<b>374,245</b>
Liabilities for investment contracts	–	–	52,048	50,953	–	–	–	–	–	–	(248)	(248)	51,800	50,705
Reserves for losses and loss adjustment expenses, gross	59,846	59,241	134	131	–	–	6,771	7,127	95	110	(1,942)	(2,074)	64,904	64,535
Reserves for unearned premiums, gross	15,981	14,093	161	142	–	–	486	500	36	41	(91)	(108)	16,573	14,668
Future life policyholders' benefits, gross	90	89	71,897	73,832	–	–	2,837	2,823	417	437	(657)	(678)	74,584	76,503
Policyholders' contract deposits and other funds, gross	937	930	14,212	14,117	–	–	3,786	3,887	–	–	–	–	18,935	18,934
Reserves for unit-linked contracts, gross	–	–	51,528	50,377	–	–	15,682	15,631	–	–	–	–	67,210	66,008
Reserves for insurance contracts, gross	76,854	74,353	137,932	138,599	–	–	29,562	29,968	548	588	(2,690)	(2,860)	242,206	240,648
Debt related to capital markets and banking activities	10	–	–	–	–	–	3,243	3,578	–	–	(1,722)	(1,689)	1,531	1,889
Senior debt	4,402	4,684	797	448	–	–	637	646	17,556	17,562	(20,688)	(20,435)	2,704	2,905
Subordinated debt	2,380	2,349	50	–	180	180	98	98	4,970	4,953	(2,828)	(2,772)	4,850	4,808
Other liabilities	19,449	18,998	20,100	20,165	2,365	2,220	5,974	6,225	2,709	2,331	(2,842)	(2,753)	47,755	47,186
<b>Total liabilities</b>	<b>103,095</b>	<b>100,384</b>	<b>210,927</b>	<b>210,165</b>	<b>2,545</b>	<b>2,400</b>	<b>39,514</b>	<b>40,515</b>	<b>25,783</b>	<b>25,434</b>	<b>(31,018)</b>	<b>(30,757)</b>	<b>350,846</b>	<b>348,141</b>
<b>Equity</b>														
Common shareholders' equity													25,844	24,916
Preferred securities													671	671
Shareholders' equity													26,515	25,587
Minority interests													530	517
Total equity													27,045	26,104
<b>Total liabilities and equity</b>													<b>377,891</b>	<b>374,245</b>

<sup>1</sup> 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 shareholders' taxes and business operating profit by business segment

in USD millions, for the three months ended March 31

	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/(loss) before shareholders' taxes	1,204	705	322	320	309	319	178	115	(109)	(238)	1,904
Adjusted for:												
Net capital (gains)/losses on investments and impairments <sup>1</sup>	(78)	(90)	(1,534)	(4,816)	21	–	(36)	(212)	(68)	(32)	(1,695)	(5,150)
Policyholder allocation of net capital gains/(losses) on investments and impairments	–	–	1,531	4,787	–	–	28	205	–	–	1,559	4,992
Net income attributable to minority interests	(5)	(7)	(3)	(6)	–	–	–	–	–	(6)	(8)	(19)
Net (gain)/loss on divestments of businesses	(4)	–	–	–	–	–	–	–	–	–	(4)	–
Restructuring provisions and other	18	275	1	–	–	–	(27)	–	(14)	73	(22)	348
<b>Business operating profit</b>	<b>1,135</b>	<b>883</b>	<b>317</b>	<b>285</b>	<b>330</b>	<b>319</b>	<b>143</b>	<b>108</b>	<b>(191)</b>	<b>(203)</b>	<b>1,734</b>	<b>1,392</b>

<sup>1</sup> Excluding capital markets and banking activities and certain securities held for specific economic hedging purposes.

### Adjusted business operating profit

in USD millions, for the three months ended March 31

	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 <sup>1</sup>	1,188	895	233	210	310	297	3	(10)	1,734
Adjusted business operating profit return on common shareholders' equity <sup>2</sup>	36.3%	37.5%	17.5%	18.4%	63.5%	60.8%	(1.5%)	(3.4%)	29.2%	29.1%

<sup>1</sup> Business operating profit adjusted for notional investment income.

<sup>2</sup> 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 three months ended March 31

	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	2,519	2,628	2,739	2,809	4,288	3,970	775	714	102	203	(207)	(463)	10,216	9,861
Net earned premiums and policy fees	1,238	1,203	2,269	2,256	3,069	2,804	559	535	17	18	-	-	7,152	6,816
Insurance benefits and losses	951	944	1,472	1,568	2,177	1,988	365	365	1	35	-	-	4,966	4,900
Policyholder dividends and participation in profits	-	-	1	1	-	-	-	-	-	-	-	-	1	1
Total net technical expenses <sup>1</sup>	199	169	613	577	692	629	197	184	1	7	8	(6)	1,710	1,560
Net underwriting result	88	90	183	110	200	187	(3)	(14)	15	(24)	(8)	6	475	355
Net investment income	169	142	297	257	319	264	46	38	56	65	(33)	(20)	854	746
Net capital gains on investments and impairments	4	11	11	4	60	70	3	5	-	-	-	-	78	90
Net non-technical result <sup>2</sup>	(48)	(30)	(90)	(326)	(56)	(96)	(14)	(2)	(36)	(46)	41	14	(203)	(486)
<b>Net income/(loss) before income taxes</b>	<b>213</b>	<b>213</b>	<b>401</b>	<b>45</b>	<b>523</b>	<b>425</b>	<b>32</b>	<b>27</b>	<b>35</b>	<b>(5)</b>	-	-	<b>1,204</b>	<b>705</b>
<b>Business operating profit</b>	<b>209</b>	<b>202</b>	<b>386</b>	<b>303</b>	<b>479</b>	<b>365</b>	<b>25</b>	<b>18</b>	<b>36</b>	<b>(5)</b>	-	-	<b>1,135</b>	<b>883</b>
<b>Adjusted business operating profit <sup>3</sup></b>	<b>224</b>	<b>210</b>	<b>397</b>	<b>304</b>	<b>479</b>	<b>348</b>	<b>19</b>	<b>14</b>	<b>69</b>	<b>19</b>	-	-	<b>1,188</b>	<b>895</b>
<b>Adjusted business operating profit return on common shareholders' equity <sup>4</sup></b>	<b>28.4%</b>	<b>38.1%</b>	<b>33.0%</b>	<b>33.3%</b>	<b>46.8%</b>	<b>54.2%</b>	<b>10.9%</b>	<b>7.3%</b>	<b>75.9%</b>	<b>23.0%</b>	-	-	<b>36.3%</b>	<b>37.5%</b>

Ratios, as % of net earned premiums and policy fees

Loss ratio	76.7%	78.5%	64.8%	69.5%	70.9%	70.8%	65.5%	68.3%	nm	nm	n/a	n/a	69.4%	71.9%
Expense ratio <sup>5</sup>	16.1%	14.1%	27.1%	25.6%	22.6%	22.5%	35.1%	34.3%	nm	nm	n/a	n/a	23.9%	22.9%
<b>Combined ratio</b>	<b>92.8%</b>	<b>92.6%</b>	<b>91.9%</b>	<b>95.1%</b>	<b>93.5%</b>	<b>93.3%</b>	<b>100.6%</b>	<b>102.6%</b>	<b>nm</b>	<b>nm</b>	<b>n/a</b>	<b>n/a</b>	<b>93.3%</b>	<b>94.8%</b>

<sup>1</sup> 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.<sup>2</sup> 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.<sup>3</sup> Business operating profit adjusted for notional investment income.<sup>4</sup> Based on average IFRS Group equity allocated to the segment based on its share of Zurich risk based capital.<sup>5</sup> Including policyholder dividends and participation in profits.Total  
investments

in %, as of	03/31/07	12/31/06	03/31/07	12/31/06	03/31/07	12/31/06	03/31/07	12/31/06	03/31/07	12/31/06	03/31/07	12/31/06	03/31/07	12/31/06
Cash and cash equivalents	11.9%	12.3%	11.8%	11.8%	7.9%	6.8%	17.0%	17.2%	97.5%	97.4%	n/a	n/a	14.8%	14.6%
Equity securities	5.1%	5.2%	5.0%	5.0%	8.6%	8.8%	46.3%	47.3%	-	-	n/a	n/a	7.7%	7.9%
Debt securities	76.1%	74.5%	82.7%	81.6%	67.5%	68.1%	32.5%	31.4%	2.5%	2.6%	n/a	n/a	69.7%	69.2%
Investment in associates	-	0.1%	0.1%	0.1%	-	-	-	-	-	-	n/a	n/a	-	-
Other investments	6.9%	7.9%	0.4%	1.5%	16.0%	16.3%	4.2%	4.1%	-	-	n/a	n/a	7.8%	8.3%
<b>Total investments</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>n/a</b>	<b>n/a</b>	<b>100.0%</b>	<b>100.0%</b>



## General Insurance (unaudited)

## Customer segment reporting - Europe General Insurance by region

in USD millions, for the three months ended March 31

	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	816	721	1,289	1,181	994	915	405	380	372	322	649	592	(237)	(141)	4,288	3,970
Net earned premiums and policy fees	937	871	546	517	424	392	408	362	275	241	479	421	-	-	3,069	2,804
Net underwriting result	111	69	29	46	33	28	6	(13)	16	19	8	38	(3)	-	200	187
<b>Business operating profit</b>	<b>190</b>	<b>148</b>	<b>108</b>	<b>66</b>	<b>59</b>	<b>49</b>	<b>26</b>	<b>1</b>	<b>32</b>	<b>28</b>	<b>64</b>	<b>73</b>	<b>-</b>	<b>-</b>	<b>479</b>	<b>365</b>

Ratios, as % of net earned premiums and policy fees

Loss ratio	67.1%	70.5%	72.7%	68.7%	69.0%	70.1%	75.6%	80.0%	72.3%	70.7%	73.5%	67.5%	n/a	n/a	70.9%	70.8%
Expense ratio <sup>1</sup>	21.2%	21.6%	22.0%	22.4%	23.0%	22.6%	22.9%	23.8%	21.8%	21.6%	24.9%	23.5%	n/a	n/a	22.6%	22.5%
<b>Combined ratio</b>	<b>88.3%</b>	<b>92.1%</b>	<b>94.7%</b>	<b>91.1%</b>	<b>92.0%</b>	<b>92.7%</b>	<b>98.5%</b>	<b>103.8%</b>	<b>94.1%</b>	<b>92.3%</b>	<b>98.4%</b>	<b>91.0%</b>	<b>n/a</b>	<b>n/a</b>	<b>93.5%</b>	<b>93.3%</b>

<sup>1</sup> Including policyholder dividends and participation in profits.

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

in USD millions, for the three months ended March 31

	Commercial		Personal		Eliminations		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
Gross written premiums and policy fees	1,791	1,656	2,497	2,314	-	-	4,288	3,970
Net earned premiums and policy fees	1,203	1,066	1,866	1,738	-	-	3,069	2,804
Net underwriting result	196	113	4	74	-	-	200	187
<b>Business operating profit</b>	<b>346</b>	<b>202</b>	<b>133</b>	<b>163</b>	<b>-</b>	<b>-</b>	<b>479</b>	<b>365</b>

Ratios, as % of net earned premiums and policy fees

Loss ratio	64.1%	68.6%	75.4%	72.4%	n/a	n/a	70.9%	70.8%
Expense ratio <sup>1</sup>	19.5%	20.8%	24.4%	23.4%	n/a	n/a	22.6%	22.5%
<b>Combined ratio</b>	<b>83.6%</b>	<b>89.4%</b>	<b>99.8%</b>	<b>95.8%</b>	<b>n/a</b>	<b>n/a</b>	<b>93.5%</b>	<b>93.3%</b>

<sup>1</sup> Including policyholder dividends and participation in profits.

## General Insurance (unaudited)

## Customer segment reporting - International Businesses by region

in USD millions, for the three months ended March 31

	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	279	236	198	206	131	120	165	155	-	-	2	(3)	775
Net earned premiums and policy fees	169	155	135	135	134	121	121	124	-	-	-	-	559	535
Net underwriting result	(2)	(11)	(8)	3	4	(10)	3	4	-	-	-	-	(3)	(14)
<b>Business operating profit</b>	<b>7</b>	<b>(1)</b>	<b>(5)</b>	<b>7</b>	<b>23</b>	<b>4</b>	<b>8</b>	<b>8</b>	<b>(8)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25</b>	<b>18</b>

Ratios, as % of net earned premiums and policy fees

Loss ratio	58.6%	69.5%	64.5%	54.5%	68.6%	81.7%	72.7%	68.6%	n/a	n/a	n/a	n/a	65.5%	68.3%
Expense ratio <sup>1</sup>	43.0%	37.4%	41.7%	42.7%	28.1%	27.5%	24.4%	28.0%	n/a	n/a	n/a	n/a	35.1%	34.3%
<b>Combined ratio</b>	<b>101.6%</b>	<b>106.9%</b>	<b>106.2%</b>	<b>97.2%</b>	<b>96.7%</b>	<b>109.2%</b>	<b>97.1%</b>	<b>96.6%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>100.6%</b>	<b>102.6%</b>

<sup>1</sup> Including policyholder dividends and participation in profits.

## Customer segment reporting - International Businesses split into Commercial and Personal

in USD millions, for the three months ended March 31

	Commercial		Personal		Eliminations		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
Gross written premiums and policy fees	467	433	308	281	-	-	775	714
Net earned premiums and policy fees	356	359	203	176	-	-	559	535
Net underwriting result	(8)	(6)	5	(8)	-	-	(3)	(14)
<b>Business operating profit</b>	<b>13</b>	<b>18</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25</b>	<b>18</b>

Ratios, as % of net earned premiums and policy fees

Loss ratio	70.1%	70.4%	57.2%	63.8%	n/a	n/a	65.5%	68.3%
Expense ratio <sup>1</sup>	32.1%	31.2%	40.4%	40.8%	n/a	n/a	35.1%	34.3%
<b>Combined ratio</b>	<b>102.2%</b>	<b>101.6%</b>	<b>97.6%</b>	<b>104.6%</b>	<b>n/a</b>	<b>n/a</b>	<b>100.6%</b>	<b>102.6%</b>

<sup>1</sup> Including policyholder dividends and participation in profits.

## Global Life (unaudited)

## Overview

in USD millions, for the three months ended March 31

	in USD millions, for the three months ended March 31															
	United States		Europe						International Businesses <sup>2</sup>		Eliminations		Total			
	2007	2006	United Kingdom		Germany		Switzerland		Rest of Europe <sup>1</sup>		2007	2006	2007	2006	2007	2006
Insurance deposits	127	124	1,157	890	271	181	23	7	967	997	111	96	–	–	2,656	2,295
Gross written premiums and policy fees	168	156	460	739	807	813	674	875	325	319	150	160	(1)	–	2,583	3,062
Net earned premiums and policy fees	112	111	439	684	783	791	667	869	295	300	126	141	–	–	2,422	2,896
Net investment income	81	79	807	713	397	365	164	179	187	151	55	57	–	–	1,691	1,544
Net capital gains on investments and impairments	3	15	954	3,690	141	354	96	68	247	485	93	204	–	–	1,534	4,816
Other income	–	–	104	70	85	93	12	13	18	13	34	27	–	–	253	216
<b>Total revenues</b>	<b>196</b>	<b>205</b>	<b>2,304</b>	<b>5,157</b>	<b>1,406</b>	<b>1,603</b>	<b>939</b>	<b>1,129</b>	<b>747</b>	<b>949</b>	<b>308</b>	<b>429</b>	<b>–</b>	<b>–</b>	<b>5,900</b>	<b>9,472</b>
Insurance benefits and losses, net of reinsurance	58	56	186	465	817	844	701	881	264	217	69	87	–	–	2,095	2,550
Policyholder dividends and participation in profits, net of reinsurance	(1)	8	1,623	4,121	288	480	118	74	290	564	101	219	–	–	2,419	5,466
Underwriting and policy acquisition costs, net of reinsurance	14	16	212	127	68	56	34	30	50	42	32	19	–	–	410	290
Administrative and other operating expenses	24	21	108	105	101	83	46	53	67	62	60	52	–	–	406	376
Amortization and impairments of intangible assets	5	4	6	5	10	12	–	–	1	1	1	–	–	–	23	22
Interest expense on debt and other interest	45	44	30	23	55	67	10	14	4	5	1	1	–	–	145	154
<b>Total benefits, losses and expenses</b>	<b>145</b>	<b>149</b>	<b>2,165</b>	<b>4,846</b>	<b>1,339</b>	<b>1,542</b>	<b>909</b>	<b>1,052</b>	<b>676</b>	<b>891</b>	<b>264</b>	<b>378</b>	<b>–</b>	<b>–</b>	<b>5,498</b>	<b>8,858</b>
<b>Net income before income taxes</b>	<b>51</b>	<b>56</b>	<b>139</b>	<b>311</b>	<b>67</b>	<b>61</b>	<b>30</b>	<b>77</b>	<b>71</b>	<b>58</b>	<b>44</b>	<b>51</b>	<b>–</b>	<b>–</b>	<b>402</b>	<b>614</b>
<b>Business operating profit</b>	<b>50</b>	<b>53</b>	<b>89</b>	<b>71</b>	<b>54</b>	<b>37</b>	<b>49</b>	<b>53</b>	<b>50</b>	<b>47</b>	<b>25</b>	<b>24</b>	<b>–</b>	<b>–</b>	<b>317</b>	<b>285</b>

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

## Total investments

	in %, as of															
	03/31/07	12/31/06	03/31/07	12/31/06	03/31/07	12/31/06	03/31/07	12/31/06	03/31/07	12/31/06	03/31/07	12/31/06	03/31/07	12/31/06	03/31/07	12/31/06
Cash and cash equivalents	5.3%	6.9%	7.2%	7.4%	2.0%	1.0%	6.4%	4.3%	3.8%	3.9%	6.2%	6.3%	n/a	n/a	5.4%	5.1%
Equity securities	7.7%	7.2%	58.3%	57.9%	22.3%	20.4%	11.5%	11.7%	48.0%	47.8%	58.1%	56.6%	n/a	n/a	42.6%	41.8%
Debt securities	81.3%	80.2%	24.1%	24.6%	36.8%	39.6%	51.3%	55.2%	45.0%	44.9%	31.2%	34.1%	n/a	n/a	34.6%	36.0%
Investments in associates	–	–	–	–	–	–	–	–	–	–	0.5%	0.5%	n/a	n/a	–	–
Other investments	5.7%	5.7%	10.4%	10.1%	38.9%	39.0%	30.8%	28.8%	3.2%	3.4%	4.0%	2.5%	n/a	n/a	17.4%	17.1%
<b>Total investments</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>n/a</b>	<b>n/a</b>	<b>100.0%</b>	<b>100.0%</b>

## Global Life (unaudited)

Rest of Europe  
by country

in USD millions, for the three months ended March 31

	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	259	182	62	190	323	297	316	321	7	7	-	-	967	997
Gross written premiums and policy fees	72	107	58	64	71	50	48	46	76	52	-	-	325	319
Net earned premiums and policy fees	76	109	43	61	57	39	46	42	73	49	-	-	295	300
Net investment income	67	49	41	37	50	39	1	3	27	22	1	1	187	151
<b>Business operating profit</b>	<b>9</b>	<b>11</b>	<b>12</b>	<b>11</b>	<b>15</b>	<b>14</b>	<b>10</b>	<b>7</b>	<b>4</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>47</b>

## Additional information (unaudited)

Principal  
exchange  
rates

USD per foreign currency unit	Balance sheets as of		Income statements and cash flows for the period ended	
	03/31/07	12/31/06	03/31/07	03/31/06
Euro	1.3355	1.3199	1.3106	1.2027
Swiss franc	0.8226	0.8203	0.8110	0.7715
British pound sterling	1.9678	1.9589	1.9549	1.7524

Currency translation  
impact on key  
financial figures -  
General Insurance

variance over the prior period, for the three months ended March 31, 2007	in USD millions	in %	change in USD	change in local currency
Gross written premiums and policy fees	407	5%	4%	(1%)
Net investment income	34	4%	14%	10%
Net capital gains on investments and impairments	5	6%	(13%)	(19%)
Insurance benefits and losses	(202)	(4%)	(1%)	3%

Currency translation  
impact on key  
financial figures -  
Global Life

variance over the prior period, for the three months ended March 31, 2007	in USD millions	in %	change in USD	change in local currency
Insurance deposits	251	11%	16%	5%
Gross written premiums and policy fees	173	5%	(16%)	(21%)
Net investment income	140	10%	10%	0%
Net capital gains on investments and impairments	142	3%	(68%)	(71%)
Insurance benefits and losses	(140)	(5%)	18%	23%

**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 three months  
ended March 31

	Net investment income		Net capital gains/(losses) and impairments		Investment result	
	2007	2006	2007	2006	2007	2006
<b>Group investments</b>						
Cash and cash equivalents	146	122	–	1	146	123
Equity securities	150	129	436	453	586	582
Debt securities	1,436	1,285	(110)	(83)	1,326	1,202
Real estate held for investment	106	98	19	18	125	116
Mortgage loans	127	112	–	3	127	115
Policyholders' collateral and other loans	138	140	(4)	(3)	134	137
Investments in associates	8	18	–	–	8	18
Other investments:						
Short-term investments	17	22	–	–	17	22
Investments held by investment companies	1	5	7	16	8	21
Other <sup>1</sup>	(2)	41	(40)	(105)	(42)	(64)
Other investments	16	68	(33)	(89)	(17)	(21)
Investment result, gross, for Group investments	2,127	1,972	308	300	2,435	2,272
Investment expenses for Group investments <sup>2</sup>	(65)	(58)	–	–	(65)	(58)
Investment result, net, for Group investments	2,062	1,914	308	300	2,370	2,214
<b>Investments for unit-linked products</b>						
Investment result, net, for investments for unit-linked products	795	537	1,403	4,862	2,198	5,399
<b>Total investments</b>						
Investment result, net, for total investments	2,857	2,451	1,711	5,162	4,568	7,613

<sup>1</sup> Including net capital losses on derivative financial instruments of USD (25) million and USD (108) million for the three months ended March 31, 2007 and 2006, respectively.

<sup>2</sup> Including rental operating expenses for real estate held for investment of USD 36 million and USD 26 million for the three months ended March 31, 2007 and 2006, respectively.

## Additional information (unaudited)

Details of investment balances as of March 31, 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	
			03/31/07		12/31/06		03/31/07	12/31/06	03/31/07	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	19,110	9.7%	17,438	8.9%	5,596	5,684	24,706	23,122		
<b>Equity securities (including trading equity portfolios in capital markets and banking activities):</b>										
Fair value through profit or loss	4,173	2.1%	4,383	2.3%	92,470	90,666	96,643	95,049		
<i>of which: trading</i>	2,637	1.3%	2,778	1.4%	–	–	2,637	2,778		
<i>of which: trading equity portfolios in capital markets and banking activities</i>	1,961	1.0%	2,260	1.2%	–	–	1,961	2,260		
Available-for-sale	14,426	7.4%	13,956	7.1%	–	–	14,426	13,956		
<b>Total equity securities</b>	<b>18,599</b>	<b>9.5%</b>	<b>18,339</b>	<b>9.4%</b>	<b>92,470</b>	<b>90,666</b>	<b>111,069</b>	<b>109,005</b>		
<b>Debt securities:</b>										
Fair value through profit or loss	8,496	4.3%	8,650	4.4%	9,212	8,922	17,708	17,572		
<i>of which: trading</i>	549	0.3%	547	0.3%	–	–	549	547		
Available-for-sale	111,412	56.8%	112,128	57.3%	–	–	111,412	112,128		
Held-to-maturity	5,507	2.8%	5,657	2.9%	–	–	5,507	5,657		
<b>Total debt securities</b>	<b>125,415</b>	<b>63.9%</b>	<b>126,435</b>	<b>64.6%</b>	<b>9,212</b>	<b>8,922</b>	<b>134,627</b>	<b>135,357</b>		
Real estate held for investment	7,003	3.6%	6,921	3.5%	8,528	8,360	15,531	15,281		
Mortgage loans	11,080	5.6%	10,806	5.5%	–	–	11,080	10,806		
Policyholders' collateral and other loans	12,499	6.3%	12,634	6.5%	2	2	12,501	12,636		
Investments in associates	149	0.1%	153	0.1%	–	–	149	153		
<b>Other investments:</b>										
Short-term investments	601	0.3%	1,010	0.5%	759	693	1,360	1,703		
Investments held by investment companies	1,798	0.9%	1,861	1.0%	–	–	1,798	1,861		
Other	80	0.1%	79	0.0%	–	–	80	79		
<b>Total other investments</b>	<b>2,479</b>	<b>1.3%</b>	<b>2,950</b>	<b>1.5%</b>	<b>759</b>	<b>693</b>	<b>3,238</b>	<b>3,643</b>		
<b>Total investments</b>	<b>196,334</b>	<b>100.0%</b>	<b>195,676</b>	<b>100.0%</b>	<b>116,567</b>	<b>114,327</b>	<b>312,901</b>	<b>310,003</b>		

## 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	
			03/31/07		12/31/06		03/31/07		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	11,823	6.0%	11,461	5.9%	86,349	84,824	98,172	96,285		
Unit trusts (debt securities, real estate, short-term investments)	3,279	1.7%	3,014	1.5%	6,121	5,842	9,400	8,856		
Common stock portfolios backing the participating with-profit policyholder contracts	1,536	0.8%	1,604	0.8%	–	–	1,536	1,604		
Trading equity portfolios in capital markets and banking activities	1,961	1.0%	2,260	1.2%	–	–	1,961	2,260		
<b>Total equity securities</b>	<b>18,599</b>	<b>9.5%</b>	<b>18,339</b>	<b>9.4%</b>	<b>92,470</b>	<b>90,666</b>	<b>111,069</b>	<b>109,005</b>		



## Summary of quarterly consolidated financial information (unaudited)

Summary of  
quarterly  
consolidated  
financial  
information

in USD millions, for the three months ended <sup>1</sup>	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	03/31/04
Gross written premiums and policy fees	13,380	11,267	10,593	11,171	13,434	10,570	10,273	12,062	13,892	11,715	11,165	12,123	14,233
Net earned premiums and policy fees	10,189	10,731	9,875	9,611	10,292	10,074	9,693	10,359	10,331	10,987	10,191	10,097	10,515
Net investment income and net capital gains on investments and impairments	4,568	7,520	6,031	(142)	7,613	6,061	7,607	5,878	3,601	6,458	3,079	2,879	3,179
Other revenues	1,029	836	858	907	870	995	901	869	817	1,206	882	902	839
<b>Total revenues</b>	<b>15,786</b>	<b>19,087</b>	<b>16,764</b>	<b>10,376</b>	<b>18,775</b>	<b>17,130</b>	<b>18,201</b>	<b>17,106</b>	<b>14,749</b>	<b>18,651</b>	<b>14,152</b>	<b>13,878</b>	<b>14,533</b>
Insurance benefits and losses, net of reinsurance	7,450	7,845	7,415	7,183	7,764	8,326	7,868	8,325	7,900	9,212	8,606	7,827	8,467
Policyholder dividends and participation in profits, net of reinsurance	2,661	5,451	3,720	(2,101)	5,836	3,642	5,556	3,350	1,884	4,838	1,514	999	1,401
Other expenses	3,691	3,956	3,748	3,659	3,660	3,641	3,875	3,681	3,672	3,765	3,501	3,747	3,669
<b>Total benefits, losses and expenses</b>	<b>13,802</b>	<b>17,252</b>	<b>14,883</b>	<b>8,741</b>	<b>17,260</b>	<b>15,609</b>	<b>17,299</b>	<b>15,356</b>	<b>13,456</b>	<b>17,815</b>	<b>13,621</b>	<b>12,573</b>	<b>13,537</b>
<b>Net income before income taxes</b>	<b>1,984</b>	<b>1,835</b>	<b>1,881</b>	<b>1,635</b>	<b>1,515</b>	<b>1,521</b>	<b>902</b>	<b>1,750</b>	<b>1,293</b>	<b>836</b>	<b>531</b>	<b>1,305</b>	<b>996</b>
<b>Net income attributable to shareholders</b>	<b>1,387</b>	<b>1,294</b>	<b>1,315</b>	<b>1,201</b>	<b>810</b>	<b>958</b>	<b>457</b>	<b>1,020</b>	<b>779</b>	<b>609</b>	<b>373</b>	<b>840</b>	<b>644</b>
<b>Business operating profit</b>	<b>1,734</b>	<b>1,605</b>	<b>1,466</b>	<b>1,531</b>	<b>1,392</b>	<b>1,084</b>	<b>558</b>	<b>1,271</b>	<b>1,034</b>	<b>498</b>	<b>512</b>	<b>1,104</b>	<b>874</b>

<sup>1</sup> 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.