

2007

Zurich Financial Services Group



ZURICH®

## Financial Supplement

Results Reporting  
for the Nine Months  
ended September 30,  
2007

# Results Reporting for the Nine Months ended September 30, 2007 Financial Supplement (unaudited)

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Income  
statements  
by business  
segment

in USD millions, for the nine months ended September 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          |
| <b>Revenues</b>   |                   |               |              |               |                             |              |                  |              |                     |              |                |                |               |               |
| Direct written premiums and policy fees                         | 26,236            | 25,262        | 6,867        | 7,250         | –                           | –            | 332              | 261          | –                   | –            | (3)            | 12             | 33,431        | 32,786        |
| Assumed written premiums  | 1,087             | 1,032         | 75           | 62            | –                           | –            | 1,493            | 1,473        | 116                 | 143          | (206)          | (298)          | 2,565         | 2,413         |
| Gross written premiums and policy fees                          | 27,323            | 26,295        | 6,942        | 7,312         | –                           | –            | 1,824            | 1,734        | 116                 | 143          | (209)          | (286)          | 35,996        | 35,198        |
| Less premiums ceded to reinsurers <sup>1</sup>                  | (4,136)           | (4,111)       | (7,779)      | (415)         | –                           | –            | (50)             | (55)         | (107)               | (144)        | 209            | 286            | (11,862)      | (4,440)       |
| Net written premiums and policy fees                            | 23,187            | 22,184        | (837)        | 6,897         | –                           | –            | 1,775            | 1,678        | 9                   | (1)          | –              | –              | 24,133        | 30,758        |
| Net change in reserves for unearned premiums                    | (1,079)           | (1,023)       | 11           | 10            | –                           | –            | 17               | 26           | 4                   | 8            | –              | –              | (1,048)       | (980)         |
| Net earned premiums and policy fees                             | 22,107            | 21,160        | (826)        | 6,907         | –                           | –            | 1,792            | 1,704        | 13                  | 7            | –              | –              | 23,086        | 29,778        |
| Farmers management fees   | –                 | –             | –            | –             | 1,679                       | 1,589        | –                | –            | –                   | –            | –              | –              | 1,679         | 1,589         |
| Net investment result on Group investments                      | 2,911             | 2,680         | 3,529        | 3,590         | 110                         | 115          | 833              | 699          | 999                 | 724          | (910)          | (831)          | 7,471         | 6,979         |
| Net investment income on Group investments                      | 2,695             | 2,351         | 3,163        | 3,078         | 136                         | 108          | 767              | 661          | 533                 | 481          | (910)          | (831)          | 6,383         | 5,849         |
| Net capital gains/(losses) on Group investments and impairments | 216               | 329           | 366          | 512           | (26)                        | 7            | 66               | 38           | 466                 | 243          | –              | –              | 1,088         | 1,130         |
| Net investment result on unit-linked investments                | –                 | –             | 6,420        | 6,028         | –                           | –            | 705              | 495          | –                   | –            | –              | –              | 7,124         | 6,523         |
| Net gain/(loss) on divestments of businesses                    | 1                 | –             | 2            | –             | –                           | –            | 32               | –            | (1)                 | –            | –              | –              | 34            | –             |
| Other income  | 484               | 260           | 806          | 694           | 61                          | 5            | 155              | 141          | 651                 | 582          | (765)          | (637)          | 1,392         | 1,046         |
| <b>Total revenues</b>   | <b>25,504</b>     | <b>24,101</b> | <b>9,930</b> | <b>17,219</b> | <b>1,849</b>                | <b>1,710</b> | <b>3,517</b>     | <b>3,040</b> | <b>1,662</b>        | <b>1,313</b> | <b>(1,676)</b> | <b>(1,467)</b> | <b>40,787</b> | <b>45,915</b> |
| Intersegment transactions                                       | (772)             | (932)         | (234)        | (199)         | (34)                        | (18)         | (212)            | (106)        | (424)               | (212)        | 1,676          | 1,467          | –             | –             |

<sup>1</sup> Information pertaining to the transfer of the UK annuity business is contained in Note 3 of the Half Year Report 2007. The initial impact of this transaction was an increase of USD 7.3 billion in premiums ceded to reinsurers in the Global Life segment.

Income  
statements  
by business  
segment

in USD millions, for the nine months ended September 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          |
| <b>Benefits, losses and expenses</b>   |                   |               |              |               |                             |            |                  |              |                     |              |                |                |               |               |
| Losses and loss adjustment expenses, net of reinsurance                        | 15,937            | 14,951        | 86           | 63            | -                           | -          | 821              | 839          | (1)                 | 10           | (36)           | (13)           | 16,807        | 15,849        |
| Life insurance death and other benefits, net of reinsurance                    | 38                | 4             | 7,919        | 7,382         | -                           | -          | 279              | 282          | 13                  | 12           | 36             | 10             | 8,285         | 7,690         |
| (Decrease)/increase in future life policyholders' benefits, net of reinsurance | -                 | (1)           | (9,557)      | (1,110)       | -                           | -          | 34               | (23)         | (53)                | (47)         | (1)            | 3              | (9,577)       | (1,178)       |
| Insurance benefits and losses, net of reinsurance <sup>1</sup>                 | 15,976            | 14,954        | (1,553)      | 6,336         | -                           | -          | 1,134            | 1,098        | (41)                | (26)         | (1)            | (1)            | 15,515        | 22,361        |
| Policyholder dividends and participation in profits, net of reinsurance        | 6                 | 6             | 7,419        | 6,912         | -                           | -          | 797              | 537          | -                   | -            | -              | -              | 8,222         | 7,455         |
| Underwriting and policy acquisition costs, net of reinsurance                  | 3,925             | 3,674         | 1,115        | 1,086         | -                           | -          | 434              | 438          | (12)                | (13)         | -              | -              | 5,462         | 5,185         |
| Administrative and other operating expense                                     | 2,230             | 2,255         | 1,279        | 1,109         | 825                         | 736        | 209              | 234          | 729                 | 847          | (742)          | (613)          | 4,530         | 4,567         |
| Amortization and impairments of intangible assets                              | 55                | 64            | 71           | 80            | 39                          | 31         | -                | -            | 7                   | 7            | -              | -              | 172           | 182           |
| Interest expense on debt   | 229               | 226           | 14           | 11            | 7                           | -          | 166              | 168          | 997                 | 857          | (916)          | (814)          | 496           | 448           |
| Interest credited to policyholders and other interest                          | 197               | 155           | 403          | 445           | -                           | -          | 114              | 123          | 10                  | 4            | (17)           | (40)           | 708           | 686           |
| <b>Total benefits, losses and expenses</b>                                     | <b>22,618</b>     | <b>21,333</b> | <b>8,749</b> | <b>15,978</b> | <b>871</b>                  | <b>767</b> | <b>2,854</b>     | <b>2,598</b> | <b>1,690</b>        | <b>1,676</b> | <b>(1,676)</b> | <b>(1,467)</b> | <b>35,106</b> | <b>40,884</b> |
| <b>Net income/(loss) before income taxes</b>                                   | <b>2,887</b>      | <b>2,768</b>  | <b>1,181</b> | <b>1,241</b>  | <b>979</b>                  | <b>943</b> | <b>663</b>       | <b>442</b>   | <b>(28)</b>         | <b>(363)</b> | <b>-</b>       | <b>-</b>       | <b>5,681</b>  | <b>5,030</b>  |
| Income tax expense attributable to policyholders                               |                   |               |              |               |                             |            |                  |              |                     |              |                |                | (61)          | (255)         |
| Income tax expense attributable to shareholders                                |                   |               |              |               |                             |            |                  |              |                     |              |                |                | (1,394)       | (1,380)       |
| Net income attributable to minority interests                                  |                   |               |              |               |                             |            |                  |              |                     |              |                |                | (69)          | (70)          |
| <b>Net income attributable to shareholders</b>                                 |                   |               |              |               |                             |            |                  |              |                     |              |                |                | <b>4,157</b>  | <b>3,326</b>  |
| <b>Business operating profit/(loss)</b>  | <b>2,779</b>      | <b>2,781</b>  | <b>1,090</b> | <b>853</b>    | <b>1,005</b>                | <b>936</b> | <b>585</b>       | <b>438</b>   | <b>(577)</b>        | <b>(585)</b> | <b>-</b>       | <b>-</b>       | <b>4,880</b>  | <b>4,423</b>  |

<sup>1</sup> Information pertaining to the transfer of the UK annuity business is contained in Note 3 of the Half Year Report 2007. The initial impact of this transaction was an increase of USD 7.0 billion in ceded insurance benefits and losses in the Global Life segment.

| Assets and liabilities<br>by business segment                          | in USD millions, as of |                |                |                |                             |              |                  |               |                     |               |                 |                 |                |                |
|--|------------------------|----------------|----------------|----------------|-----------------------------|--------------|------------------|---------------|---------------------|---------------|-----------------|-----------------|----------------|----------------|
|  | General Insurance      |                | Global Life    |                | Farmers Management Services |              | Other Businesses |               | Corporate Functions |               | Eliminations    |                 | Total          |                |
|  | 09/30/07               | 12/31/06       | 09/30/07       | 12/31/06       | 09/30/07                    | 12/31/06     | 09/30/07         | 12/31/06      | 09/30/07            | 12/31/06      | 09/30/07        | 12/31/06        | 09/30/07       | 12/31/06       |
| Total Group Investments  | 83,801                 | 78,718         | 95,418         | 101,755        | 2,874                       | 3,522        | 18,932           | 18,404        | 17,747              | 18,269        | (25,713)        | (24,993)        | 193,060        | 195,676        |
| Investments for unit-linked contracts                                  | –                      | –              | 108,019        | 98,696         | –                           | –            | 15,843           | 15,631        | –                   | –             | –               | –               | 123,862        | 114,327        |
| Total investments <sup>1</sup>   | 83,801                 | 78,718         | 203,437        | 200,452        | 2,874                       | 3,522        | 34,776           | 34,035        | 17,747              | 18,269        | (25,713)        | (24,993)        | 316,922        | 310,003        |
| Reinsurers' share of reserves for insurance contracts <sup>1</sup>     | 13,808                 | 13,657         | 9,533          | 1,785          | 206                         | 205          | 6,589            | 7,192         | 92                  | 99            | (2,607)         | (2,875)         | 27,621         | 20,063         |
| Deposits made under assumed reinsurance contracts                      | 69                     | 73             | –              | –              | –                           | –            | 1,361            | 1,985         | 2                   | 2             | (38)            | (38)            | 1,394          | 2,022          |
| Deferred policy acquisition costs                                      | 3,281                  | 2,959          | 11,354         | 10,113         | –                           | –            | 108              | 124           | –                   | –             | 1               | 1               | 14,744         | 13,197         |
| Deferred origination costs   | –                      | –              | 981            | 815            | –                           | –            | –                | –             | –                   | –             | –               | –               | 981            | 815            |
| Goodwill   | 670                    | 168            | 639            | 488            | 385                         | –            | –                | –             | 5                   | 5             | –               | –               | 1,699          | 660            |
| Other related Intangible assets  | –                      | –              | 795            | 775            | 1,024                       | 1,024        | –                | –             | –                   | –             | –               | –               | 1,819          | 1,799          |
| Other assets <sup>1</sup>  | 15,024                 | 14,203         | 8,090          | 8,260          | 1,522                       | 1,356        | 1,597            | 2,056         | 2,272               | 2,664         | (2,941)         | (2,852)         | 25,564         | 25,686         |
| <b>Total assets after consolidation of investments in subsidiaries</b> | <b>116,654</b>         | <b>109,778</b> | <b>234,828</b> | <b>222,688</b> | <b>6,013</b>                | <b>6,108</b> | <b>44,431</b>    | <b>45,392</b> | <b>20,117</b>       | <b>21,039</b> | <b>(31,298)</b> | <b>(30,757)</b> | <b>390,745</b> | <b>374,246</b> |
| Liabilities for investment contracts                                   | –                      | –              | 55,277         | 50,953         | –                           | –            | –                | –             | –                   | –             | (250)           | (248)           | 55,027         | 50,705         |
| Reserves for losses and loss adjustment expenses, gross                | 63,908                 | 59,241         | 35             | 131            | –                           | –            | 6,294            | 7,127         | 105                 | 110           | (1,867)         | (2,073)         | 68,475         | 64,535         |
| Reserves for unearned premiums, gross                                  | 15,901                 | 14,093         | 139            | 142            | –                           | –            | 455              | 500           | 33                  | 41            | (71)            | (107)           | 16,457         | 14,668         |
| Future life policyholders' benefits, gross                             | 95                     | 89             | 76,205         | 73,832         | –                           | –            | 2,843            | 2,823         | 405                 | 437           | (651)           | (678)           | 78,897         | 76,503         |
| Policyholders' contract deposits and other funds, gross                | 986                    | 930            | 14,354         | 14,117         | –                           | –            | 3,620            | 3,887         | –                   | –             | –               | –               | 18,961         | 18,934         |
| Reserves for unit-linked contracts, gross                              | –                      | –              | 55,860         | 50,376         | –                           | –            | 15,844           | 15,631        | –                   | –             | –               | –               | 71,704         | 66,008         |
| Reserves for insurance contracts, gross                                | 80,891                 | 74,353         | 146,593        | 138,597        | –                           | –            | 29,055           | 29,969        | 544                 | 587           | (2,590)         | (2,858)         | 254,493        | 240,648        |
| Debt related to capital markets and banking activities                 | –                      | –              | –              | –              | –                           | –            | 3,138            | 3,578         | –                   | –             | (1,722)         | (1,689)         | 1,416          | 1,889          |
| Senior debt  | 4,697                  | 4,684          | 280            | 448            | –                           | –            | 664              | 614           | 18,267              | 17,594        | (21,098)        | (20,435)        | 2,810          | 2,906          |
| Subordinated debt  | 2,305                  | 2,349          | 50             | –              | 180                         | 180          | 102              | 98            | 5,592               | 4,953         | (2,765)         | (2,772)         | 5,465          | 4,808          |
| Other liabilities  | 15,573                 | 18,352         | 20,486         | 21,133         | 1,854                       | 2,221        | 5,631            | 6,224         | 2,085               | 2,011         | (2,872)         | (2,755)         | 42,758         | 47,186         |
| <b>Total liabilities</b>   | <b>103,466</b>         | <b>99,738</b>  | <b>222,686</b> | <b>211,131</b> | <b>2,034</b>                | <b>2,401</b> | <b>38,591</b>    | <b>40,483</b> | <b>26,488</b>       | <b>25,145</b> | <b>(31,298)</b> | <b>(30,757)</b> | <b>361,968</b> | <b>348,142</b> |
| <b>Equity</b>  |                        |                |                |                |                             |              |                  |               |                     |               |                 |                 |                |                |
| Common shareholders' equity  |                        |                |                |                |                             |              |                  |               |                     |               |                 |                 | 27,725         | 24,916         |
| Preferred securities   |                        |                |                |                |                             |              |                  |               |                     |               |                 |                 | 671            | 671            |
| Shareholders' equity   |                        |                |                |                |                             |              |                  |               |                     |               |                 |                 | 28,396         | 25,587         |
| Minority interests   |                        |                |                |                |                             |              |                  |               |                     |               |                 |                 | 380            | 517            |
| Total equity   |                        |                |                |                |                             |              |                  |               |                     |               |                 |                 | 28,777         | 26,105         |
| <b>Total liabilities and shareholders' equity</b>                      |                        |                |                |                |                             |              |                  |               |                     |               |                 |                 | <b>390,745</b> | <b>374,246</b> |

<sup>1</sup> Information pertaining to the transfer of the UK annuity business is contained in Note 3 of the Half Year Report 2007. The initial impact of this transaction was a decrease of USD 7.4 billion in total investments and associated other assets and an increase of USD 7.1 billion in reinsurers' share of reserves for insurance contracts in the Global Life segment.

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

in USD millions, for the nine months ended September 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/(loss) before income taxes | 2,887        | 2,768        | 1,181      | 1,241                       | 979        | 943              | 663        | 442                 | (28)         | (363)        | 5,681        |
| Less income tax expense attributable to policyholders                       | -                                     | -            | (61)         | (255)      | -                           | -          | -                | -          | -                   | -            | (61)         | (255)        |
| Net income/(loss) before shareholders' taxes                                | 2,887                                 | 2,768        | 1,120        | 986        | 979                         | 943        | 663              | 442        | (28)                | (363)        | 5,620        | 4,775        |
| Adjusted for: Net capital (gains)/losses on investments and impairments     | (216)                                 | (329)        | (4,310)      | (4,719)    | 26                          | (7)        | (646)            | (443)      | (472)               | (234)        | (5,619)      | (5,732)      |
| Policyholder allocation of net capital gains on investments and impairments | -                                     | -            | 4,190        | 4,564      | -                           | -          | 630              | 440        | -                   | -            | 4,821        | 5,004        |
| Net income attributable to minority interests                               | (18)                                  | (16)         | (4)          | (17)       | -                           | -          | (3)              | (1)        | (43)                | (36)         | (69)         | (70)         |
| Net (gain)/loss on divestments of businesses                                | (1)                                   | -            | (2)          | -          | -                           | -          | (32)             | -          | 1                   | -            | (34)         | -            |
| Restructuring provisions and other  | 127                                   | 357          | 96           | 40         | -                           | -          | (27)             | -          | (35)                | 48           | 161          | 445          |
| <b>Business operating profit/(loss)</b>                                     | <b>2,779</b>                          | <b>2,781</b> | <b>1,090</b> | <b>853</b> | <b>1,005</b>                | <b>936</b> | <b>585</b>       | <b>438</b> | <b>(577)</b>        | <b>(585)</b> | <b>4,880</b> | <b>4,423</b> |

**Adjusted business operating profit**

in USD millions, for the nine months ended September 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 | 2,871 | 2,810       | 889   | 667                         | 938   | 878                                      | 182  | 69    | 4,880 |
| Adjusted business operating profit return on common shareholders' equity | 27.8%                              | 35.2% | 19.6%       | 17.8% | 63.5%                       | 56.6% | 5.1%                                     | 1.5% | 25.1% | 28.0% |

Customer segment reporting - overview

| in USD millions, for the nine months ended September 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  | 5,967            | 5,960        | 8,711                    | 8,902        | 10,643                   | 9,653        | 2,363                    | 2,195         | 367               | 490          | (729)        | (906)      | 27,323       | 26,295       |
| Net earned premiums and policy fees   | 3,634            | 3,726        | 7,051                    | 6,972        | 9,630                    | 8,786        | 1,734                    | 1,616         | 58                | 60           | -            | -          | 22,107       | 21,160       |
| Insurance benefits and losses   | 2,829            | 2,899        | 4,759                    | 4,835        | 7,271                    | 6,092        | 1,141                    | 1,057         | (25)              | 71           | -            | -          | 15,976       | 14,954       |
| Policyholder dividends and participation in profits                             | 2                | -            | 5                        | 6            | (1)                      | -            | -                        | -             | -                 | -            | -            | -          | 6            | 6            |
| Total net technical expenses  | 624              | 624          | 1,907                    | 1,830        | 2,287                    | 2,010        | 580                      | 565           | 14                | 18           | 19           | (11)       | 5,430        | 5,038        |
| Net underwriting result   | 179              | 204          | 381                      | 300          | 72                       | 684          | 14                       | (6)           | 69                | (29)         | (19)         | 11         | 696          | 1,163        |
| Net investment income   | 517              | 426          | 926                      | 811          | 1,029                    | 843          | 149                      | 120           | 167               | 221          | (93)         | (70)       | 2,695        | 2,351        |
| Net capital gains on investments and impairments                                | 17               | 22           | 106                      | 43           | 74                       | 246          | 19                       | 19            | -                 | -            | -            | -          | 216          | 329          |
| Net non-technical result  | (107)            | (104)        | (215)                    | (564)        | (361)                    | (315)        | (37)                     | (10)          | (112)             | (142)        | 112          | 60         | (721)        | (1,075)      |
| <b>Net income before income taxes</b>   | <b>606</b>       | <b>547</b>   | <b>1,197</b>             | <b>591</b>   | <b>814</b>               | <b>1,458</b> | <b>145</b>               | <b>123</b>    | <b>124</b>        | <b>49</b>    | <b>-</b>     | <b>-</b>   | <b>2,887</b> | <b>2,768</b> |
| <b>Business operating profit</b>  | <b>576</b>       | <b>529</b>   | <b>1,087</b>             | <b>856</b>   | <b>876</b>               | <b>1,249</b> | <b>115</b>               | <b>97</b>     | <b>124</b>        | <b>50</b>    | <b>-</b>     | <b>-</b>   | <b>2,779</b> | <b>2,781</b> |
| <b>Adjusted business operating profit</b>                                       | <b>591</b>       | <b>541</b>   | <b>1,112</b>             | <b>869</b>   | <b>848</b>               | <b>1,196</b> | <b>96</b>                | <b>82</b>     | <b>224</b>        | <b>122</b>   | <b>-</b>     | <b>-</b>   | <b>2,871</b> | <b>2,810</b> |
| <b>Adjusted business operating profit return on common shareholders' equity</b> | <b>24.4%</b>     | <b>31.5%</b> | <b>29.0%</b>             | <b>26.1%</b> | <b>26.3%</b>             | <b>56.4%</b> | <b>17.4%</b>             | <b>15.7%</b>  | <b>73.6%</b>      | <b>40.1%</b> | <b>n/a</b>   | <b>n/a</b> | <b>27.8%</b> | <b>35.2%</b> |
| Ratios, as % of net earned premiums and policy fees                             |                  |              |                          |              |                          |              |                          |               |                   |              |              |            |              |              |
| Loss ratio  | 77.9%            | 77.8%        | 67.5%                    | 69.4%        | 75.5%                    | 69.3%        | 65.8%                    | 65.4%         | nm                | nm           | n/a          | n/a        | 72.3%        | 70.7%        |
| Expense ratio   | 17.2%            | 16.8%        | 27.1%                    | 26.4%        | 23.8%                    | 22.9%        | 33.4%                    | 35.0%         | nm                | nm           | n/a          | n/a        | 24.6%        | 23.8%        |
| <b>Combined ratio</b>   | <b>95.1%</b>     | <b>94.5%</b> | <b>94.6%</b>             | <b>95.7%</b> | <b>99.3%</b>             | <b>92.2%</b> | <b>99.2%</b>             | <b>100.4%</b> | <b>nm</b>         | <b>nm</b>    | <b>n/a</b>   | <b>n/a</b> | <b>96.9%</b> | <b>94.5%</b> |

Total investments

| in %, as of               |               |               |               |               |               |               |               |               |               |               |            |            |               |               |
|---------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------|------------|---------------|---------------|
|                           | 09/30/07      | 12/31/06      | 09/30/07      | 12/31/06      | 09/30/07      | 12/31/06      | 09/30/07      | 12/31/06      | 09/30/07      | 12/31/06      | 09/30/07   | 12/31/06   | 09/30/07      | 12/31/06      |
| Cash and cash equivalents | 9.7%          | 12.3%         | 12.1%         | 11.8%         | 5.3%          | 6.8%          | 19.1%         | 17.2%         | 97.2%         | 97.4%         | n/a        | n/a        | 13.7%         | 14.6%         |
| Equity securities         | 6.3%          | 5.2%          | 5.7%          | 5.0%          | 8.0%          | 8.8%          | 44.7%         | 47.3%         | -             | -             | n/a        | n/a        | 8.0%          | 7.9%          |
| Debt securities           | 75.5%         | 74.5%         | 80.8%         | 81.6%         | 70.5%         | 68.1%         | 32.2%         | 31.4%         | 2.8%          | 2.6%          | n/a        | n/a        | 69.9%         | 69.2%         |
| Investment in associates  | -             | 0.1%          | 0.1%          | 0.1%          | -             | -             | -             | -             | -             | -             | n/a        | n/a        | -             | -             |
| Other investments         | 8.4%          | 7.9%          | 1.2%          | 1.6%          | 16.2%         | 16.3%         | 3.9%          | 4.1%          | -             | -             | n/a        | n/a        | 8.4%          | 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> |

**Customer segment reporting - Europe General Insurance by region**

in USD millions, for the nine months ended September 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              | 3,118          | 2,849        | 2,282        | 2,059        | 1,709        | 1,578        | 1,235        | 1,136        | 1,061        | 936          | 1,796          | 1,536        | (558)        | (440)      | 10,643       | 9,653        |
| Net earned premiums and policy fees                 | 2,862          | 2,711        | 1,739        | 1,597        | 1,347        | 1,244        | 1,283        | 1,161        | 866          | 764          | 1,534          | 1,310        | (1)          | -          | 9,630        | 8,786        |
| Net underwriting result                             | (320)          | 275          | 115          | 138          | 110          | 116          | 12           | 13           | 52           | 59           | 108            | 90           | (6)          | (7)        | 72           | 684          |
| <b>Business operating profit/(loss)</b>             | <b>(47)</b>    | <b>496</b>   | <b>254</b>   | <b>207</b>   | <b>179</b>   | <b>172</b>   | <b>86</b>    | <b>73</b>    | <b>104</b>   | <b>99</b>    | <b>301</b>     | <b>204</b>   | <b>-</b>     | <b>-</b>   | <b>876</b>   | <b>1,249</b> |
| Ratios, as % of net earned premiums and policy fees |                |              |              |              |              |              |              |              |              |              |                |              |              |            |              |              |
| Loss ratio  | 87.3%          | 66.8%        | 70.3%        | 69.1%        | 69.5%        | 69.3%        | 75.9%        | 75.6%        | 72.1%        | 70.5%        | 66.2%          | 68.6%        | n/a          | n/a        | 75.5%        | 69.3%        |
| Expense ratio                                       | 23.8%          | 23.0%        | 23.1%        | 22.2%        | 22.4%        | 21.4%        | 23.2%        | 23.2%        | 21.8%        | 21.8%        | 26.8%          | 24.6%        | n/a          | n/a        | 23.8%        | 22.9%        |
| <b>Combined ratio</b>                               | <b>111.2%</b>  | <b>89.8%</b> | <b>93.4%</b> | <b>91.4%</b> | <b>91.9%</b> | <b>90.7%</b> | <b>99.1%</b> | <b>98.9%</b> | <b>93.9%</b> | <b>92.3%</b> | <b>92.9%</b>   | <b>93.2%</b> | <b>n/a</b>   | <b>n/a</b> | <b>99.3%</b> | <b>92.2%</b> |

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

in USD millions, for the nine months ended September 30

|   | Commercial   |              | Personal     |              | Eliminations |            | Total        |              |
|---|--------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|
|   | 2007         | 2006         | 2007         | 2006         | 2007         | 2006       | 2007         | 2006         |
| Gross written premiums and policy fees              | 4,256        | 3,835        | 6,391        | 5,820        | (4)          | (2)        | 10,643       | 9,653        |
| Net earned premiums and policy fees                 | 3,710        | 3,402        | 5,920        | 5,384        | -            | -          | 9,630        | 8,786        |
| Net underwriting result                             | 18           | 328          | 56           | 358          | (1)          | (3)        | 72           | 684          |
| <b>Business operating profit</b>                    | <b>443</b>   | <b>642</b>   | <b>433</b>   | <b>607</b>   | <b>-</b>     | <b>-</b>   | <b>876</b>   | <b>1,249</b> |
| Ratios, as % of net earned premiums and policy fees |              |              |              |              |              |            |              |              |
| Loss ratio  | 77.8%        | 68.9%        | 74.1%        | 69.6%        | n/a          | n/a        | 75.5%        | 69.3%        |
| Expense ratio                                       | 21.8%        | 21.4%        | 25.0%        | 23.8%        | n/a          | n/a        | 23.8%        | 22.9%        |
| <b>Combined ratio</b>                               | <b>99.5%</b> | <b>90.4%</b> | <b>99.1%</b> | <b>93.3%</b> | <b>n/a</b>   | <b>n/a</b> | <b>99.3%</b> | <b>92.2%</b> |



**Customer segment reporting - International Businesses by region**

| in USD millions, for the nine months ended September 30 |               | Latin America                          |              | Asia          |               | Australia    |              | Africa       |             | Rest of International Businesses |            | Eliminations |              | Total         |       |
|---|---------------|--|--------------|---------------|---------------|--------------|--------------|--------------|-------------|----------------------------------|------------|--------------|--------------|---------------|-------|
|   |               | 2007                                   | 2006         | 2007          | 2006          | 2007         | 2006         | 2007         | 2006        | 2007                             | 2006       | 2007         | 2006         | 2007          | 2006  |
|   |               | Gross written premiums and policy fees | 798          | 699           | 572           | 583          | 525          | 471          | 468         | 450                              | -          | -            | -            | (8)           | 2,363 |
| Net earned premiums and policy fees                     | 539           | 469                                    | 401          | 414           | 411           | 370          | 383          | 364          | -           | -                                | -          | -            | 1,734        | 1,616         |       |
| Net underwriting result                                 | (2)           | (19)                                   | 7            | (19)          | (6)           | 21           | 16           | 11           | -           | -                                | -          | -            | 14           | (6)           |       |
| <b>Business operating profit/(loss)</b>                 | <b>31</b>     | <b>10</b>                              | <b>23</b>    | <b>(9)</b>    | <b>58</b>     | <b>76</b>    | <b>23</b>    | <b>19</b>    | <b>(19)</b> | <b>-</b>                         | <b>-</b>   | <b>-</b>     | <b>115</b>   | <b>97</b>     |       |
| Ratios, as % of net earned premiums and policy fees     |               |  |              |               |               |              |              |              |             |                                  |            |              |              |               |       |
| Loss ratio  | 59.6%         | 63.7%                                  | 56.7%        | 62.2%         | 77.1%         | 66.1%        | 71.7%        | 70.4%        | n/a         | n/a                              | n/a        | n/a          | 65.8%        | 65.4%         |       |
| Expense ratio   | 40.8%         | 40.4%                                  | 41.5%        | 42.3%         | 24.4%         | 28.1%        | 24.2%        | 26.5%        | n/a         | n/a                              | n/a        | n/a          | 33.4%        | 35.0%         |       |
| <b>Combined ratio</b>                                   | <b>100.4%</b> | <b>104.2%</b>                          | <b>98.2%</b> | <b>104.5%</b> | <b>101.5%</b> | <b>94.3%</b> | <b>95.9%</b> | <b>96.9%</b> | <b>n/a</b>  | <b>n/a</b>                       | <b>n/a</b> | <b>n/a</b>   | <b>99.2%</b> | <b>100.4%</b> |       |

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

| in USD millions, for the nine months ended September 30 |               | Commercial   |              | Personal      |            | Eliminations |              | Total         |      |
|---|---------------|--------------|--------------|---------------|------------|--------------|--------------|---------------|------|
|   |               | 2007         | 2006         | 2007          | 2006       | 2007         | 2006         | 2007          | 2006 |
| Gross written premiums and policy fees                  | 1,525         | 1,379        | 840          | 816           | (1)        | (1)          | 2,363        | 2,195         |      |
| Net earned premiums and policy fees                     | 1,123         | 1,021        | 612          | 595           | -          | -            | 1,734        | 1,616         |      |
| Net underwriting result                                 | (1)           | 2            | 15           | (8)           | (1)        | -            | 14           | (6)           |      |
| <b>Business operating profit</b>                        | <b>74</b>     | <b>83</b>    | <b>41</b>    | <b>14</b>     | <b>-</b>   | <b>-</b>     | <b>115</b>   | <b>97</b>     |      |
| Ratios, as % of net earned premiums and policy fees     |               |              |              |               |            |              |              |               |      |
| Loss ratio  | 69.3%         | 67.4%        | 59.3%        | 61.9%         | n/a        | n/a          | 65.8%        | 65.4%         |      |
| Expense ratio   | 30.8%         | 32.4%        | 38.2%        | 39.4%         | n/a        | n/a          | 33.4%        | 35.0%         |      |
| <b>Combined ratio</b>                                   | <b>100.1%</b> | <b>99.8%</b> | <b>97.5%</b> | <b>101.3%</b> | <b>n/a</b> | <b>n/a</b>   | <b>99.2%</b> | <b>100.4%</b> |      |

## Overview

|   | in USD millions, for the nine months ended September 30 |            |                |              |              |              |              |              |                                       |              |              |            |          |          |              |               |
|---|---|------------|----------------|--------------|--------------|--------------|--------------|--------------|---------------------------------------|--------------|--------------|------------|----------|----------|--------------|---------------|
|   | United States   |            | Europe         |              |              |              |              |              | International Businesses <sup>3</sup> |              | Eliminations |            | Total    |          |              |               |
|   | 2007  | 2006       | United Kingdom |              | Germany      |              | Switzerland  |              | Rest of Europe <sup>2</sup>           |              | 2007         | 2006       | 2007     | 2006     | 2007         | 2006          |
|   |   |            | 2007           | 2006         | 2007         | 2006         | 2007         | 2006         | 2007                                  | 2006         | 2007         | 2006       | 2007     | 2006     | 2007         | 2006          |
| Insurance deposits  | 378   | 379        | 3,651          | 3,308        | 917          | 666          | 72           | 33           | 3,010                                 | 2,681        | 395          | 394        | -        | -        | 8,424        | 7,460         |
| Gross written premiums and policy fees                                  | 512   | 477        | 1,435          | 1,651        | 2,513        | 2,481        | 1,180        | 1,422        | 838                                   | 862          | 467          | 424        | (4)      | (4)      | 6,942        | 7,312         |
| Net earned premiums and policy fees <sup>1</sup>                        | 344   | 335        | (5,959)        | 1,557        | 2,439        | 2,412        | 1,171        | 1,409        | 771                                   | 819          | 408          | 375        | -        | -        | (826)        | 6,907         |
| Net investment result on Group investments                              | 256   | 260        | 673            | 736          | 1,275        | 1,317        | 550          | 628          | 615                                   | 504          | 161          | 144        | -        | -        | 3,529        | 3,590         |
| Net investment income on Group investments                              | 253   | 251        | 677            | 693          | 1,230        | 1,122        | 450          | 497          | 424                                   | 380          | 130          | 133        | -        | -        | 3,163        | 3,078         |
| Net capital gains/(losses) on Group investments and impairments         | 3   | 9          | (4)            | 43           | 45           | 195          | 100          | 131          | 191                                   | 124          | 31           | 11         | -        | -        | 366          | 512           |
| Net investment result on unit-linked investments                        | 19  | (2)        | 4,737          | 5,064        | 581          | 230          | 16           | 10           | 693                                   | 452          | 373          | 274        | -        | -        | 6,420        | 6,028         |
| Other income  | 2   | 1          | 338            | 256          | 245          | 250          | 44           | 40           | 68                                    | 50           | 112          | 97         | -        | -        | 808          | 694           |
| <b>Total revenues</b>   | <b>620</b>  | <b>595</b> | <b>(211)</b>   | <b>7,613</b> | <b>4,541</b> | <b>4,208</b> | <b>1,781</b> | <b>2,087</b> | <b>2,146</b>                          | <b>1,825</b> | <b>1,053</b> | <b>891</b> | <b>-</b> | <b>-</b> | <b>9,930</b> | <b>17,219</b> |
| Insurance benefits and losses, net of reinsurance <sup>1</sup>          | 201   | 170        | (6,389)        | 1,209        | 2,619        | 2,647        | 1,198        | 1,444        | 595                                   | 643          | 223          | 222        | -        | -        | 1,553        | (6,336)       |
| Policyholder dividends and participation in profits, net of reinsurance | 24  | (1)        | 4,882          | 5,085        | 1,053        | 750          | 155          | 123          | 904                                   | 658          | 402          | 297        | -        | -        | (7,419)      | (6,912)       |
| Underwriting and policy acquisition costs, net of reinsurance           | (89)  | 43         | 612            | 568          | 209          | 170          | 97           | 86           | 184                                   | 141          | 102          | 78         | -        | -        | (1,115)      | (1,086)       |
| Administrative and other operating expenses                             | 83  | 63         | 347            | 318          | 302          | 199          | 132          | 185          | 216                                   | 169          | 199          | 174        | -        | -        | (1,279)      | (1,109)       |
| Amortization and impairments of intangible assets                       | 15  | 13         | 22             | 19           | 29           | 38           | -            | -            | 4                                     | 2            | 1            | 8          | -        | -        | (71)         | (80)          |
| Interest expense on debt and other interest                             | 131   | 133        | 81             | 77           | 161          | 202          | 28           | 29           | 15                                    | 12           | 2            | 3          | -        | -        | (417)        | (455)         |
| <b>Total benefits, losses and expenses</b>                              | <b>365</b>  | <b>422</b> | <b>(445)</b>   | <b>7,276</b> | <b>4,372</b> | <b>4,006</b> | <b>1,611</b> | <b>1,868</b> | <b>1,917</b>                          | <b>1,624</b> | <b>928</b>   | <b>782</b> | <b>-</b> | <b>-</b> | <b>8,749</b> | <b>15,978</b> |
| <b>Net income before income taxes</b>                                   | <b>255</b>  | <b>173</b> | <b>233</b>     | <b>337</b>   | <b>168</b>   | <b>202</b>   | <b>170</b>   | <b>220</b>   | <b>229</b>                            | <b>201</b>   | <b>125</b>   | <b>108</b> | <b>-</b> | <b>-</b> | <b>1,181</b> | <b>1,241</b>  |
| <b>Business operating profit</b>  | <b>253</b>  | <b>164</b> | <b>296</b>     | <b>188</b>   | <b>159</b>   | <b>128</b>   | <b>153</b>   | <b>150</b>   | <b>155</b>                            | <b>153</b>   | <b>74</b>    | <b>70</b>  | <b>-</b> | <b>-</b> | <b>1,090</b> | <b>853</b>    |

<sup>1</sup> Information pertaining to the transfer of the UK annuity business is contained in Note 3 of the Half Year Report 2007. The initial impact of this transaction was a decrease of USD 7.3 billion in net earned premiums and policy fees and an increase of USD 7.0 billion in ceded insurance benefits and losses in the UK.

<sup>2</sup> Including interregion eliminations.

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

## Total investments

| in %, as of                           | Europe        |               |                |               |               |               |               |               |                             |               |                          |               |              |            |               |               |
|---------------------------------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|-----------------------------|---------------|--------------------------|---------------|--------------|------------|---------------|---------------|
|                                       | United States |               | United Kingdom |               | Germany       |               | Switzerland   |               | Rest of Europe <sup>1</sup> |               | International Businesses |               | Eliminations |            | Total         |               |
|                                       | 09/30/07      | 12/31/06      | 09/30/07       | 12/31/06      | 09/30/07      | 12/31/06      | 09/30/07      | 12/31/06      | 09/30/07                    | 12/31/06      | 09/30/07                 | 12/31/06      | 09/30/07     | 12/31/06   | 09/30/07      | 12/31/06      |
| Cash and cash equivalents             | 5.3%          | 6.9%          | 8.3%           | 7.4%          | 1.7%          | 1.0%          | 2.8%          | 4.3%          | 4.2%                        | 3.9%          | 6.4%                     | 6.3%          | n/a          | n/a        | 5.4%          | 5.1%          |
| Equity securities                     | 10.3%         | 7.2%          | 63.7%          | 57.9%         | 24.2%         | 20.4%         | 11.5%         | 11.7%         | 48.7%                       | 47.8%         | 56.5%                    | 56.6%         | n/a          | n/a        | 45.1%         | 41.8%         |
| Debt securities                       | 78.7%         | 80.3%         | 16.8%          | 24.6%         | 35.2%         | 39.7%         | 53.5%         | 55.2%         | 43.9%                       | 44.9%         | 32.4%                    | 34.1%         | n/a          | n/a        | 31.3%         | 36.0%         |
| Investments in associates             | -             | -             | -              | -             | -             | -             | -             | -             | -                           | -             | 0.5%                     | 0.5%          | n/a          | n/a        | -             | -             |
| Other investments                     | 5.8%          | 5.6%          | 11.3%          | 10.1%         | 39.0%         | 39.0%         | 32.2%         | 28.8%         | 3.2%                        | 3.4%          | 4.2%                     | 2.5%          | n/a          | n/a        | 18.1%         | 17.1%         |
| Total Group investments               | 92.9%         | 94.0%         | 14.7%          | 22.7%         | 83.1%         | 85.0%         | 97.1%         | 97.9%         | 44.1%                       | 47.1%         | 45.9%                    | 44.9%         | n/a          | n/a        | 46.9%         | 50.8%         |
| Investments for unit-linked contracts | 7.2%          | 6.0%          | 85.3%          | 77.3%         | 16.9%         | 15.0%         | 2.9%          | 2.1%          | 55.9%                       | 52.9%         | 54.1%                    | 55.1%         | n/a          | n/a        | 53.1%         | 49.2%         |
| <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> |

<sup>1</sup> Including interregion eliminations.

## Rest of Europe by country

| in USD millions, for the nine months ended September 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 | 473       | 543       | 283       | 489       | 1,078     | 794         | 1,154     | 826                      | 21        | 28           | -        | -          | 3,010      |
| Gross written premiums and policy fees                  | 158                | 278       | 141       | 141       | 234       | 173       | 130         | 110       | 183                      | 165       | (4)          | -        | 842        | 866        |
| Net earned premiums and policy fees                     | 172                | 293       | 131       | 129       | 185       | 141       | 102         | 91        | 182                      | 164       | -            | -        | 771        | 819        |
| Net investment income                                   | 246                | 188       | 135       | 124       | 192       | 143       | 13          | 17        | 79                       | 71        | 3            | 2        | 669        | 545        |
| <b>Business operating profit</b>                        | <b>32</b>          | <b>39</b> | <b>36</b> | <b>28</b> | <b>52</b> | <b>42</b> | <b>23</b>   | <b>31</b> | <b>12</b>                | <b>13</b> | <b>-</b>     | <b>-</b> | <b>155</b> | <b>153</b> |

**Principal exchange rates**

| USD per foreign currency unit | Balance sheets as of |          | Income statements and cash flows for the period ended |          |
|-------------------------------|----------------------|----------|---|----------|
|                               | 09/30/07             | 12/31/06 | 09/30/07  | 09/30/06 |
|                               | Euro                 | 1.4267   | 1.3199  | 1.3442   |
| Swiss franc                   | 0.8591               | 0.8203   | 0.8210  | 0.7943   |
| British pound sterling        | 2.0473               | 1.9589   | 1.9873  | 1.8170   |

**Currency translation impact on key financial figures - General Insurance**

| variance over the prior period, for the nine months ended September 30, 2007 | in USD millions | in % | change in USD | change in local currency |
|--|-----------------|------|---------------|--------------------------|
| Gross written premiums and policy fees                                       | 923             | 4%   | 4%            | 0%                       |
| Net investment income on total investments                                   | 97              | 4%   | 15%           | 11%                      |
| Net capital gains/(losses) on total investments and impairments              | 2               | 1%   | (34%)         | (35%)                    |
| Insurance benefits and losses  | (605)           | (4%) | (7%)          | (3%)                     |

**Currency translation impact on key financial figures - Global Life**

| variance over the prior period, for the nine months ended September 30, 2007 | in USD millions | in % | change in USD | change in local currency |
|--|-----------------|------|---------------|--------------------------|
| Insurance deposits   | 617             | 8%   | 13%           | 5%                       |
| Gross written premiums and policy fees                                       | 422             | 6%   | (5%)          | (11%)                    |
| Net investment result on Group investments                                   | 222             | 6%   | (2%)          | (8%)                     |
| Net investment income on Group investments                                   | 200             | 7%   | 3%            | (4%)                     |
| Net capital gains/(losses) on Group investments and impairments <sup>1</sup> | 22              | 4%   | (29%)         | (33%)                    |
| Net investment result on unit-linked investments                             | 529             | 9%   | 7%            | (2%)                     |
| Insurance benefits and losses <sup>1</sup>                                   | 269             | 5%   | 125%          | 120%                     |

<sup>1</sup> Information pertaining to the transfer of the UK annuity business is contained in Note 3 of the Half Year Report 2007. The initial impact of this transaction was an increase of USD 55 million in net capital gains/(losses) on investments and impairments and a decrease of USD 7.1 billion in insurance benefits and losses.

## Investment result

in USD millions, for the nine months ended September 30

|  | Net investment income |       | Net capital gains/(losses) on investments and impairments <sup>1</sup> |       | Investment result |        |
|--|-----------------------|-------|--|-------|-------------------|--------|
|  | 2007                  | 2006  | 2007   | 2006  | 2007              | 2006   |
| <b>Group investments</b>   |                       |       |  |       |                   |        |
| Cash and cash equivalents  | 497                   | 357   | –  | 3     | 497               | 360    |
| Equity securities  | 475                   | 408   | 1,235  | 961   | 1,710             | 1,369  |
| Debt securities  | 4,276                 | 3,960 | (478)  | (160) | 3,797             | 3,800  |
| Real estate held for investment                                  | 322                   | 304   | 49   | 175   | 372               | 479    |
| Mortgage loans   | 420                   | 353   | –  | 3     | 420               | 356    |
| Policyholders' collateral and other loans                        | 423                   | 445   | (6)  | (20)  | 417               | 425    |
| Investments in associates  | 13                    | 51    | (2)  | (11)  | 12                | 40     |
| Short-term investments   | 56                    | 62    | 1  | –     | 57                | 62     |
| Investments held by investment companies                         | 1                     | 6     | 371  | 236   | 372               | 243    |
| Other <sup>2</sup>   | 78                    | 83    | (82)   | (57)  | (4)               | 26     |
| Other investments  | 135                   | 151   | 290  | 179   | 425               | 331    |
| Investment result, gross, for Group investments                  | 6,562                 | 6,029 | 1,088  | 1,130 | 7,650             | 7,159  |
| Investment expenses for Group investments <sup>3</sup>           | (178)                 | (180) | –  | –     | (178)             | (180)  |
| Investment result, net, for Group investments                    | 6,383                 | 5,849 | 1,088  | 1,130 | 7,471             | 6,979  |
| <b>Investments for unit-linked products</b>                      |                       |       |  |       |                   |        |
| Investment result, net, for investments for unit-linked products | 2,518                 | 1,836 | 4,606  | 4,687 | 7,125             | 6,523  |
| <b>Total investments</b>   |                       |       |  |       |                   |        |
| Investment result, net, for total investments                    | 8,901                 | 7,685 | 5,695  | 5,817 | 14,596            | 13,502 |

<sup>1</sup> Impairments on total investments amounted to USD 38 million and USD 5 million for the nine months ended September 30, 2007 and 2006, respectively.

<sup>2</sup> Including net capital losses on derivative financial instruments of USD 87 million and USD 57 million for the nine months ended September 30, 2007 and 2006, respectively.

<sup>3</sup> Including rental operating expense for real estate held for investment of USD 89 million and USD 77 million for the nine months ended September 30, 2007 and 2006, respectively.

Breakdown  
of investments

| as of   | Group investments |               |                |               | Investments for unit-linked products |                | Total investments |                |
|---|-------------------|---------------|----------------|---------------|--------------------------------------|----------------|-------------------|----------------|
|   | 09/30/07          |               | 12/31/06       |               | 09/30/07                             | 12/31/06       | 09/30/07          | 12/31/06       |
|   | USD millions      | % of total    | USD millions   | % of total    | USD millions                         | USD millions   | USD millions      | USD millions   |
| Cash and cash equivalents   | 17,035            | 8.8%          | 17,438         | 8.9%          | 6,274                                | 5,685          | 23,308            | 23,122         |
| <b>Equity securities (including trading equity portfolios in capital markets and banking activities):</b> |                   |               |                |               |                                      |                |                   |                |
| Fair value through profit or loss   | 4,388             | 2.3%          | 4,383          | 2.2%          | 98,427                               | 90,666         | 102,815           | 95,049         |
| <i>of which: trading</i>  | 3,006             | 1.6%          | 2,778          | 1.4%          | –                                    | –              | 3,006             | 2,778          |
| <i>of which: trading equity portfolios in capital markets and banking activities</i>                      | 1,966             | 1.0%          | 2,260          | 1.2%          | –                                    | –              | 1,966             | 2,260          |
| Available-for-sale  | 15,033            | 7.8%          | 13,956         | 7.1%          | –                                    | –              | 15,033            | 13,956         |
| Total equity securities   | 19,421            | 10.1%         | 18,339         | 9.4%          | 98,427                               | 90,666         | 117,848           | 109,005        |
| <b>Debt securities:</b>   |                   |               |                |               |                                      |                |                   |                |
| Fair value through profit or loss   | 8,507             | 4.4%          | 8,650          | 4.4%          | 9,435                                | 8,922          | 17,942            | 17,572         |
| <i>of which: trading</i>  | 601               | 0.3%          | 547            | 0.3%          | –                                    | –              | 601               | 547            |
| Available-for-sale  | 106,844           | 55.3%         | 112,128        | 57.3%         | –                                    | –              | 106,844           | 112,128        |
| Held-to-maturity  | 5,690             | 2.9%          | 5,657          | 2.9%          | –                                    | –              | 5,690             | 5,657          |
| Total debt securities   | 121,042           | 62.7%         | 126,435        | 64.6%         | 9,435                                | 8,922          | 130,477           | 135,357        |
| Real estate held for investment   | 7,345             | 3.8%          | 6,921          | 3.5%          | 8,795                                | 8,360          | 16,140            | 15,281         |
| Mortgage loans  | 12,220            | 6.3%          | 10,806         | 5.5%          | –                                    | –              | 12,220            | 10,806         |
| Policyholders' collateral and other loans   | 13,074            | 6.8%          | 12,634         | 6.5%          | 2                                    | 2              | 13,076            | 12,636         |
| Investments in associates   | 154               | 0.1%          | 153            | 0.1%          | –                                    | –              | 154               | 153            |
| <b>Other investments:</b>   |                   |               |                |               |                                      |                |                   |                |
| Short-term investments  | 854               | 0.4%          | 1,010          | 0.5%          | 930                                  | 693            | 1,785             | 1,703          |
| Investments held by investment companies  | 1,834             | 1.0%          | 1,862          | 1.0%          | –                                    | –              | 1,834             | 1,862          |
| Other   | 80                | 0.0%          | 79             | 0.0%          | –                                    | –              | 80                | 79             |
| Total other investments   | 2,769             | 1.4%          | 2,951          | 1.5%          | 930                                  | 693            | 3,699             | 3,644          |
| <b>Total investments</b>  | <b>193,060</b>    | <b>100.0%</b> | <b>195,676</b> | <b>100.0%</b> | <b>123,862</b>                       | <b>114,327</b> | <b>316,922</b>    | <b>310,003</b> |

| Equity securities<br>(including trading<br>equity portfolios in<br>capital markets and<br>banking activities) | as of         |              | Group investments |               |                 |               | Investments<br>for unit-linked<br>products |                 | Total<br>investments |                 |
|---|---------------|--------------|-------------------|---------------|-----------------|---------------|--|-----------------|----------------------|-----------------|
|   |               |              | 09/30/07          |               | 12/31/06        |               | 09/30/07                                   | 12/31/06        | 09/30/07             | 12/31/06        |
|   |               |              | USD<br>millions   | % of<br>total | USD<br>millions | % of<br>total | USD<br>millions                            | USD<br>millions | USD<br>millions      | USD<br>millions |
| Common stocks, including equity unit trusts   | 12,311        | 6.4%         | 11,461            | 5.9%          | 93,342          | 84,823        | 105,653                                    | 96,284          |                      |                 |
| Unit trusts (debt securities, real estate, short-term investments)  | 3,763         | 1.9%         | 3,014             | 1.5%          | 5,085           | 5,842         | 8,848                                      | 8,856           |                      |                 |
| Common stock portfolios backing the participating with-profit policyholder contracts                          | 1,382         | 0.7%         | 1,604             | 0.8%          | –               | –             | 1,382                                      | 1,604           |                      |                 |
| Trading equity portfolios in capital markets and banking activities   | 1,966         | 1.0%         | 2,260             | 1.2%          | –               | –             | 1,966                                      | 2,260           |                      |                 |
| <b>Total equity securities</b>  | <b>19,421</b> | <b>10.1%</b> | <b>18,339</b>     | <b>9.4%</b>   | <b>98,427</b>   | <b>90,666</b> | <b>117,848</b>                             | <b>109,005</b>  |                      |                 |

**Income  
statements  
by business  
segment**

in USD millions, for the three months ended September 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          |
| <b>Revenues</b>   |                   |              |              |              |                             |            |                  |              |                     |            |              |              |               |               |
| Direct written premiums and policy fees                         | 7,885             | 7,618        | 2,026        | 2,154        | -                           | -          | 123              | 80           | -                   | -          | (15)         | 9            | 10,017        | 9,862         |
| Assumed written premiums  | 412               | 222          | 23           | 25           | -                           | -          | 492              | 536          | 35                  | 41         | (56)         | (93)         | 906           | 732           |
| Gross written premiums and policy fees                          | 8,297             | 7,841        | 2,049        | 2,178        | -                           | -          | 614              | 617          | 35                  | 41         | (71)         | (84)         | 10,924        | 10,593        |
| Less premiums ceded to reinsurers                               | (1,271)           | (1,167)      | (222)        | (134)        | -                           | -          | (25)             | (62)         | (31)                | (46)       | 71           | 84           | (1,478)       | (1,326)       |
| Net written premiums and policy fees                            | 7,026             | 6,674        | 1,827        | 2,044        | -                           | -          | 590              | 553          | 3                   | (5)        | -            | -            | 9,445         | 9,266         |
| Net change in reserves for unearned premiums                    | 598               | 587          | 18           | 17           | -                           | -          | 6                | (1)          | 1                   | 6          | -            | -            | 622           | 608           |
| Net earned premiums and policy fees                             | 7,623             | 7,260        | 1,845        | 2,061        | -                           | -          | 597              | 552          | 4                   | 1          | -            | -            | 10,069        | 9,874         |
| Farmers management fees   | -                 | -            | -            | -            | 586                         | 535        | -                | -            | -                   | -          | -            | -            | 586           | 535           |
| Net investment result on Group investments                      | 1,065             | 924          | 1,145        | 1,270        | 45                          | 39         | 248              | 328          | 484                 | 330        | (313)        | (294)        | 2,673         | 2,600         |
| Net investment income on Group investments                      | 922               | 812          | 1,006        | 1,028        | 45                          | 39         | 263              | 215          | 179                 | 176        | (313)        | (294)        | 2,101         | 1,977         |
| Net capital gains/(losses) on Group investments and impairments | 143               | 112          | 139          | 242          | -                           | -          | (15)             | 113          | 305                 | 154        | -            | -            | 572           | 623           |
| Net investment result on unit-linked investments                | -                 | -            | 640          | 2,922        | -                           | -          | 232              | 508          | -                   | -          | -            | -            | 871           | 3,430         |
| Net gain on divestments of businesses                           | -                 | -            | -            | -            | -                           | -          | 32               | -            | -                   | -          | -            | -            | 32            | -             |
| Other income  | 158               | 79           | 290          | 234          | 17                          | (2)        | 52               | 36           | 227                 | 193        | (261)        | (218)        | 483           | 324           |
| <b>Total revenues</b>   | <b>8,847</b>      | <b>8,265</b> | <b>3,919</b> | <b>6,486</b> | <b>647</b>                  | <b>575</b> | <b>1,160</b>     | <b>1,426</b> | <b>715</b>          | <b>524</b> | <b>(575)</b> | <b>(511)</b> | <b>14,714</b> | <b>16,764</b> |
| Intersegment transactions                                       | (242)             | (377)        | (29)         | (20)         | (12)                        | (6)        | (137)            | 70           | (155)               | (178)      | 575          | 511          | -             | -             |



Income  
statements  
by business  
segment

in USD millions, for the three months ended September 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         |
| <b>Benefits, losses and expenses</b>   |                   |              |             |            |                             |            |                  |            |                     |              |              |          |              |              |
| Losses and loss adjustment expenses, net of reinsurance                        | 5,494             | 5,114        | 42          | 21         | –                           | –          | 309              | 275        | 2                   | 3            | (32)         | (2)      | 5,815        | 5,410        |
| Life insurance death and other benefits, net of reinsurance                    | 16                | 2            | 1,902       | 1,919      | –                           | –          | 101              | 100        | 4                   | 4            | 30           | 1        | 2,054        | 2,026        |
| (Decrease)/increase in future life policyholders' benefits, net of reinsurance | –                 | (1)          | (375)       | (162)      | –                           | –          | 78               | 117        | 15                  | 22           | 1            | 2        | (281)        | (22)         |
| Insurance benefits and losses, net of reinsurance                              | 5,511             | 5,115        | 1,568       | 1,779      | –                           | –          | 488              | 492        | 21                  | 29           | (1)          | (1)      | 7,588        | 7,414        |
| Policyholder dividends and participation in profits, net of reinsurance        | 2                 | 3            | 1,004       | 3,220      | –                           | –          | 253              | 497        | –                   | –            | –            | –        | 1,259        | 3,720        |
| Underwriting and policy acquisition costs, net of reinsurance                  | 1,366             | 1,256        | 413         | 456        | –                           | –          | 143              | 146        | (1)                 | (2)          | –            | –        | 1,921        | 1,857        |
| Administrative and other operating expense                                     | 821               | 694          | 462         | 360        | 297                         | 254        | 70               | 64         | 219                 | 279          | (255)        | (207)    | 1,613        | 1,442        |
| Amortization and impairments of intangible assets                              | 20                | 24           | 20          | 23         | 15                          | 10         | –                | –          | 3                   | 2            | –            | –        | 57           | 60           |
| Interest expense on debt   | 80                | 78           | 4           | 3          | 2                           | –          | 58               | 60         | 321                 | 300          | (314)        | (285)    | 151          | 154          |
| Interest credited to policyholders and other interest                          | 67                | 57           | 126         | 153        | –                           | –          | 42               | 42         | 6                   | 4            | (6)          | (19)     | 236          | 236          |
| Total benefits, losses and expenses  | 7,866             | 7,226        | 3,599       | 5,993      | 314                         | 264        | 1,054            | 1,300      | 569                 | 611          | (575)        | (511)    | 12,827       | 14,883       |
| <b>Net income/(loss) before income taxes</b>                                   | <b>982</b>        | <b>1,038</b> | <b>320</b>  | <b>493</b> | <b>333</b>                  | <b>310</b> | <b>106</b>       | <b>127</b> | <b>146</b>          | <b>(87)</b>  | <b>–</b>     | <b>–</b> | <b>1,887</b> | <b>1,880</b> |
| Income tax expense attributable to policyholders                               |                   |              |             |            |                             |            |                  |            |                     |              |              |          | 69           | (134)        |
| Income tax expense attributable to shareholders                                |                   |              |             |            |                             |            |                  |            |                     |              |              |          | (442)        | (409)        |
| Net income attributable to minority interests                                  |                   |              |             |            |                             |            |                  |            |                     |              |              |          | (42)         | (23)         |
| <b>Net income attributable to shareholders</b>                                 |                   |              |             |            |                             |            |                  |            |                     |              |              |          | <b>1,473</b> | <b>1,315</b> |
| <b>Business operating profit/(loss)</b>  | <b>941</b>        | <b>994</b>   | <b>369</b>  | <b>277</b> | <b>333</b>                  | <b>310</b> | <b>108</b>       | <b>134</b> | <b>(160)</b>        | <b>(232)</b> | <b>–</b>     | <b>–</b> | <b>1,590</b> | <b>1,482</b> |

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

in USD millions, for the three months ended September 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/(loss) before income taxes  | 982               | 1,038      | 320         | 493        | 333                         | 310        | 106              | 127        | 146                 | (87)         | 1,887        | 1,880        |
| Less income tax expense attributable to policyholders                                | -                 | -          | 69          | (134)      | -                           | -          | -                | -          | -                   | -            | 69           | (134)        |
| Net income/(loss) before shareholders' taxes   | 982               | 1,038      | 389         | 359        | 333                         | 310        | 106              | 127        | 146                 | (87)         | 1,956        | 1,746        |
| Adjusted for: Net capital (gains)/losses on investments and impairments              | (143)             | (112)      | 55          | (2,565)    | -                           | -          | (311)            | (621)      | (261)               | (118)        | (662)        | (3,416)      |
| Policyholder allocation of net capital gains/(losses) on investments and impairments | -                 | -          | (87)        | 2,476      | -                           | -          | 347              | 628        | -                   | -            | 261          | 3,104        |
| Net income attributable to minority interests  | (6)               | (3)        | (1)         | (6)        | -                           | -          | (3)              | -          | (31)                | (14)         | (42)         | (23)         |
| Net gain on divestments of businesses  | -                 | -          | -           | -          | -                           | -          | (32)             | -          | -                   | -            | (32)         | -            |
| Restructuring provisions and other   | 108               | 70         | 13          | 13         | -                           | -          | -                | -          | (14)                | (13)         | 107          | 70           |
| <b>Business operating profit/(loss)</b>  | <b>941</b>        | <b>994</b> | <b>369</b>  | <b>277</b> | <b>333</b>                  | <b>310</b> | <b>108</b>       | <b>134</b> | <b>(160)</b>        | <b>(232)</b> | <b>1,590</b> | <b>1,482</b> |

**General Insurance – customer segment reporting overview**

| in USD millions, for the three months ended September 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                   | 1,591            | 1,534        | 2,879                    | 2,892        | 3,186                    | 2,800        | 759                      | 708           | 126               | 119        | (245)        | (213)      | 8,297        | 7,840        |
| Net earned premiums and policy fees                      | 1,225            | 1,272        | 2,419                    | 2,355        | 3,374                    | 3,073        | 593                      | 542           | 13                | 18         | –            | –          | 7,623        | 7,260        |
| Insurance benefits and losses                            | 964              | 998          | 1,717                    | 1,642        | 2,534                    | 2,112        | 387                      | 354           | (93)              | 9          | –            | –          | 5,511        | 5,115        |
| Policyholder dividends and participation in profits      | –                | –            | 2                        | 3            | –                        | –            | –                        | –             | –                 | –          | –            | –          | 2            | 3            |
| Total net technical expenses                             | 218              | 228          | 654                      | 617          | 841                      | 708          | 201                      | 197           | 7                 | 4          | 10           | (11)       | 1,929        | 1,743        |
| Net underwriting result                                  | 43               | 46           | 46                       | 93           | (1)                      | 253          | 5                        | (9)           | 99                | 5          | (10)         | 11         | 183          | 399          |
| Net investment income                                    | 173              | 146          | 318                      | 284          | 346                      | 286          | 44                       | 39            | 56                | 81         | (16)         | (24)       | 922          | 812          |
| Net capital gains on investments and impairments         | 22               | 16           | 114                      | 30           | 2                        | 65           | 5                        | 3             | –                 | –          | –            | –          | 143          | 114          |
| Net non-technical result                                 | (25)             | (34)         | (44)                     | (111)        | (187)                    | (117)        | (7)                      | (6)           | (29)              | (31)       | 25           | 14         | (267)        | (285)        |
| <b>Net income before income taxes</b>                    | <b>213</b>       | <b>174</b>   | <b>435</b>               | <b>295</b>   | <b>160</b>               | <b>487</b>   | <b>49</b>                | <b>27</b>     | <b>125</b>        | <b>55</b>  | <b>–</b>     | <b>–</b>   | <b>982</b>   | <b>1,038</b> |
| <b>Business operating profit</b>                         | <b>191</b>       | <b>162</b>   | <b>320</b>               | <b>312</b>   | <b>264</b>               | <b>438</b>   | <b>39</b>                | <b>26</b>     | <b>125</b>        | <b>56</b>  | <b>–</b>     | <b>–</b>   | <b>941</b>   | <b>994</b>   |
| Ratios, as % of net earned premiums and policy fees      |                  |              |                          |              |                          |              |                          |               |                   |            |              |            |              |              |
| Loss ratio   | 78.8%            | 78.4%        | 71.0%                    | 69.8%        | 75.1%                    | 68.7%        | 65.2%                    | 65.3%         | n/m               | n/m        | n/a          | n/a        | 72.3%        | 70.4%        |
| Expense ratio  | 17.7%            | 18.0%        | 27.0%                    | 26.3%        | 24.8%                    | 23.0%        | 33.5%                    | 36.3%         | n/m               | n/m        | n/a          | n/a        | 25.2%        | 24.0%        |
| <b>Combined ratio</b>                                    | <b>96.5%</b>     | <b>96.3%</b> | <b>97.9%</b>             | <b>96.1%</b> | <b>99.9%</b>             | <b>91.8%</b> | <b>98.7%</b>             | <b>101.6%</b> | <b>n/m</b>        | <b>n/m</b> | <b>n/a</b>   | <b>n/a</b> | <b>97.5%</b> | <b>94.5%</b> |

**Global Life -  
overview**

|   | in USD millions, for the three months ended September 30 |            |                |              |              |              |             |            |                             |            |                                       |            |              |          |              |              |
|---|--|------------|----------------|--------------|--------------|--------------|-------------|------------|-----------------------------|------------|---------------------------------------|------------|--------------|----------|--------------|--------------|
|   | United States  |            | United Kingdom |              | Germany      |              | Switzerland |            | Rest of Europe <sup>1</sup> |            | International Businesses <sup>2</sup> |            | Eliminations |          | Total        |              |
|   | 2007   | 2006       | 2007           | 2006         | 2007         | 2006         | 2007        | 2006       | 2007                        | 2006       | 2007                                  | 2006       | 2007         | 2006     | 2007         | 2006         |
|   |  |            |                |              |              |              |             |            |                             |            |                                       |            |              |          |              |              |
| Insurance deposits  | 120  | 120        | 1,276          | 1,147        | 341          | 248          | 18          | 18         | 1,003                       | 767        | 132                                   | 106        | -            | -        | 2,890        | 2,404        |
| Gross written premiums and policy fees                                  | 173  | 161        | 421            | 598          | 842          | 844          | 238         | 217        | 228                         | 231        | 147                                   | 129        | (2)          | (2)      | 2,049        | 2,178        |
| Net earned premiums and policy fees                                     | 117  | 113        | 337            | 583          | 817          | 822          | 237         | 212        | 209                         | 218        | 128                                   | 114        | -            | -        | 1,845        | 2,061        |
| Net investment result on Group investments                              | 84   | 85         | 243            | 346          | 453          | 386          | 133         | 200        | 177                         | 190        | 56                                    | 62         | -            | -        | 1,145        | 1,270        |
| Net investment income on Group investments                              | 84   | 84         | 185            | 238          | 416          | 383          | 141         | 154        | 137                         | 129        | 43                                    | 38         | -            | -        | 1,006        | 1,028        |
| Net capital gains/(losses) on Group investments and impairments         | -  | 1          | 58             | 108          | 37           | 3            | (8)         | 46         | 40                          | 61         | 13                                    | 24         | -            | -        | 139          | 242          |
| Net investment result on unit-linked investments                        | 6  | 4          | 572            | 2,085        | (39)         | 236          | (3)         | 14         | (42)                        | 463        | 146                                   | 119        | -            | -        | 640          | 2,922        |
| Other income (incl. net gain on divestments of businesses)              | 1  | -          | 121            | 92           | 89           | 81           | 15          | 14         | 25                          | 13         | 38                                    | 33         | -            | -        | 290          | 234          |
| <b>Total revenues</b>   | <b>207</b>   | <b>204</b> | <b>1,273</b>   | <b>3,104</b> | <b>1,321</b> | <b>1,525</b> | <b>381</b>  | <b>439</b> | <b>368</b>                  | <b>884</b> | <b>369</b>                            | <b>330</b> | <b>-</b>     | <b>-</b> | <b>3,919</b> | <b>6,486</b> |
| Insurance benefits and losses, net of reinsurance                       | 74   | 58         | 177            | 342          | 887          | 887          | 240         | 222        | 113                         | 195        | 77                                    | 75         | -            | -        | 1,568        | 1,779        |
| Policyholder dividends and participation in profits, net of reinsurance | 10   | 4          | 647            | 2,137        | 146          | 379          | (4)         | 22         | 46                          | 543        | 160                                   | 134        | -            | -        | 1,004        | 3,220        |
| Underwriting and policy acquisition costs, net of reinsurance           | 2  | 13         | 215            | 289          | 65           | 59           | 33          | 25         | 60                          | 44         | 38                                    | 26         | -            | -        | 413          | 456          |
| Administrative and other operating expenses                             | 35   | 21         | 119            | 112          | 114          | 65           | 48          | 74         | 76                          | 24         | 70                                    | 63         | -            | -        | 462          | 360          |
| Amortization and impairments of intangible assets                       | 4  | 5          | 5              | 7            | 9            | 10           | -           | -          | 2                           | 1          | -                                     | 1          | -            | -        | 20           | 23           |
| Interest expense on debt and other interest                             | 41   | 45         | 23             | 32           | 51           | 66           | 8           | 8          | 5                           | 4          | -                                     | 1          | -            | -        | 130          | 156          |
| <b>Total benefits, losses and expenses</b>                              | <b>168</b>   | <b>147</b> | <b>1,187</b>   | <b>2,919</b> | <b>1,271</b> | <b>1,465</b> | <b>327</b>  | <b>352</b> | <b>302</b>                  | <b>810</b> | <b>344</b>                            | <b>300</b> | <b>-</b>     | <b>-</b> | <b>3,599</b> | <b>5,993</b> |
| <b>Net income before income taxes</b>                                   | <b>40</b>  | <b>56</b>  | <b>85</b>      | <b>185</b>   | <b>49</b>    | <b>60</b>    | <b>54</b>   | <b>88</b>  | <b>66</b>                   | <b>74</b>  | <b>25</b>                             | <b>30</b>  | <b>-</b>     | <b>-</b> | <b>320</b>   | <b>493</b>   |
| <b>Business operating profit</b>  | <b>39</b>  | <b>56</b>  | <b>136</b>     | <b>60</b>    | <b>58</b>    | <b>50</b>    | <b>57</b>   | <b>45</b>  | <b>57</b>                   | <b>47</b>  | <b>22</b>                             | <b>20</b>  | <b>-</b>     | <b>-</b> | <b>369</b>   | <b>277</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.

Summary of  
quarterly  
consolidated  
financial  
information

| in USD millions, for the three months ended <sup>1</sup>                | 09/30/07      | 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      |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Gross written premiums and policy fees                                  | 10,924        | 11,692        | 13,380        | 11,267        | 10,593        | 11,171        | 13,434        | 10,570        | 10,273        | 12,062        | 13,892        | 11,715        | 11,165        |
| Net earned premiums and policy fees                                     | 10,069        | 2,827         | 10,190        | 10,731        | 9,874         | 9,612         | 10,292        | 10,074        | 9,693         | 10,359        | 10,331        | 10,987        | 10,192        |
| Net investment result on Group investments                              | 2,673         | 2,428         | 2,370         | 2,456         | 2,600         | 2,165         | 2,214         | 2,687         | 2,578         | 2,840         | 2,190         | 2,411         | 2,099         |
| Net investment income on Group investments                              | 2,101         | 2,220         | 2,062         | 2,050         | 1,977         | 1,958         | 1,914         | 1,894         | 1,857         | 2,117         | 1,913         | 2,002         | 1,806         |
| Net capital gains on Group investments and impairments                  | 572           | 208           | 308           | 406           | 623           | 207           | 300           | 793           | 721           | 723           | 277           | 409           | 293           |
| Net investment result on unit-linked investments                        | 871           | 4,056         | 2,197         | 5,064         | 3,430         | (2,306)       | 5,399         | 3,373         | 5,032         | 3,037         | 1,411         | 4,046         | 980           |
| Other revenues  | 1,101         | 975           | 1,029         | 836           | 859           | 906           | 870           | 995           | 903           | 868           | 817           | 1,206         | 882           |
| <b>Total revenues</b>   | <b>14,714</b> | <b>10,288</b> | <b>15,785</b> | <b>19,087</b> | <b>16,764</b> | <b>10,376</b> | <b>18,775</b> | <b>17,128</b> | <b>18,203</b> | <b>17,106</b> | <b>14,749</b> | <b>18,651</b> | <b>14,152</b> |
| Insurance benefits and losses, net of reinsurance                       | 7,588         | 476           | 7,451         | 7,846         | 7,414         | 7,182         | 7,765         | 8,326         | 7,868         | 8,325         | 7,900         | 9,210         | 8,608         |
| Policyholder dividends and participation in profits, net of reinsurance | 1,259         | 4,302         | 2,661         | 5,451         | 3,720         | (2,101)       | 5,836         | 3,642         | 5,556         | 3,350         | 1,884         | 4,838         | 1,513         |
| Other expenses  | 3,978         | 3,701         | 3,689         | 3,956         | 3,749         | 3,659         | 3,660         | 3,639         | 3,877         | 3,681         | 3,671         | 3,767         | 3,500         |
| <b>Total benefits, losses and expenses</b>                              | <b>12,827</b> | <b>8,478</b>  | <b>13,801</b> | <b>17,252</b> | <b>14,883</b> | <b>8,741</b>  | <b>17,260</b> | <b>15,607</b> | <b>17,301</b> | <b>15,357</b> | <b>13,455</b> | <b>17,815</b> | <b>13,621</b> |
| <b>Net income before income taxes</b>                                   | <b>1,887</b>  | <b>1,810</b>  | <b>1,984</b>  | <b>1,836</b>  | <b>1,880</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>Net income attributable to shareholders</b>                          | <b>1,473</b>  | <b>1,297</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>608</b>    | <b>373</b>    |
| <b>Business operating profit</b>  | <b>1,590</b>  | <b>1,553</b>  | <b>1,737</b>  | <b>1,612</b>  | <b>1,482</b>  | <b>1,549</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>    |

<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.

# Financial Supplement (unaudited)

## Explanatory notes

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.

Information regarding accounting policies and embedded value performance measures is located in the notes to the Consolidated Financial Statements and the Embedded Value Report, respectively, in the Half Year Report 2007 and Annual Report 2006.

### The Group

**Business operating profit** – This measure is the basis on which we manage all our business units. It indicates the underlying performance of our business units by eliminating the impact of financial market volatility and other non-operational variables. Business operating profit reflects adjustments for net capital gains on investments and impairments (except for the capital markets and banking operations included in Other Businesses and investments in hedge funds and certain securities held for specific economic hedging purposes), policyholders' share of investment results for the life businesses, non-operational foreign exchange movements, and significant items arising from special circumstances including gains and losses on divestments of businesses. **Adjusted business operating profit** is adjusted for notional investment income on the difference between the average actual IFRS equity and the average allocated IFRS equity using one global swap rate. Allocated IFRS equity is equal to a segment's pro rata share of the Group's risk based capital at the respective period end. These measures are not a substitute for net income as determined in accordance with International Financial Reporting Standards (IFRS).

**Business operating profit (after-tax) return on common shareholders' equity** – This measure indicates the level of business operating profit or loss relative to resources provided by common shareholders. It is calculated as business operating profit or loss, adjusted to an annualized basis and for preferred shareholder dividends and taxes, divided by the average value of common shareholders' equity on a simple basis using the value at the beginning and end of the period. **Adjusted business operating profit return on common shareholders' equity** is based on average IFRS Group equity and is allocated to each segment based on its share of risk-based capital.

**Earnings per share (EPS)** – This measure indicates the level of profit or loss relative to resources provided by common shareholders on a per share basis. It is calculated as net income after taxes attributable to common shareholders divided by the weighted average number of common shares outstanding for the period. **Diluted earnings per share** includes the determinants of basic EPS and in addition reflects the effect of potential dilutive common share outstanding for the period, such as, for example, contingently issuable shares related to share-based compensation plans.

**Investments** – The line item total investments on our consolidated balance sheets includes Group investments and investments for unit-linked products. Our **Group investments** are those for which we bear part or all of the investment risk. They also include investments related to investment policies with discretionary participation features. Average invested assets exclude cash collateral received for securities lending. 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** include such investments, where the policyholder bears the investment risk, and are held for liabilities related to unit-linked investment contracts and reserves for unit-linked insurance contracts. They are managed in accordance with the investment objectives of each unit-linked fund. The investment result for unit-linked products is passed to policyholders through a charge to policyholder dividends and participation in profits.

**Other related intangible assets** – These assets on our Global Life and Farmers Management Services balance sheets consist of the present value of profits of acquired insurance contracts and attorney-in-fact relationships.

**Return on common shareholders' equity (ROE)** – This measure indicates the level of profit or loss relative to resources provided by common shareholders. It is calculated as net income after taxes attributable to common shareholders, adjusted to an annualized basis, divided by the average value of common shareholders' equity on a simple basis using the value at the beginning and end of the period.

## General Insurance

The following General Insurance measures are net of reinsurance.

**Net underwriting result** – This performance measure is calculated as the difference between earned premiums and policy fees and the sum of insurance benefits and losses and net technical expenses.

**Total net technical expenses** – This line item includes 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.

**Combined ratio** – This performance measure indicates the level of claims and net technical expenses during the period relative to earned premiums and policy fees. It is calculated as earned premiums and policy fees minus the net underwriting result, divided by net earned premiums and policy fees.

**Loss ratio** – This performance measure indicates the level of claims during the period relative to earned premiums and policy fees. It is calculated as insurance benefits and losses, which include paid claims, claims incurred but not reported (IBNR) and claims handling costs, divided by earned premiums and policy fees.

**Expense ratio** – This performance measure indicates the level of technical expenses during the period relative to earned premiums and policy fees. It is calculated as the sum of net technical expenses and policyholder dividends and participation in profits, divided by earned premiums and policy fees.

**Net non-technical result** – This line item includes the non-technical elements of administrative and other operating expenses, amortization of intangible assets, interest credited to policyholders and other interest, other income, as well as net gains and losses on divestments of businesses and interest expense on debt.

## Global Life

More detailed information regarding embedded value performance measures is located in the Embedded Value Report in the Half Year Report 2007 and Annual Report 2006.

**Embedded value (EV) principles** – This methodology uses a “bottom-up” market consistent approach, which explicitly allows for market risk. In particular, asset and liability cash flows are valued using risk discount rates consistent with those applied to similar cash flows in the capital markets, and options and guarantees are valued using market consistent models calibrated to observable market prices.

**Insurance deposits** – These deposits, similar to customer account balances, are not recorded as revenues. However, the fees charged on insurance deposits are recorded as revenue within the gross written premiums and policy fees line item. These deposits arise from investment contracts and insurance contracts that are accounted for under deposit accounting. They represent the pure savings part, which is invested.

**New business annual premium equivalent (APE)** – This measure is calculated as new business annual premiums plus 10 % of single premiums. **Present value of new business premiums (PVNBP)** is calculated as the value of new business premiums discounted at the risk free rate.

**New business value, after tax** – This measure reflects the value added by new business written during the period, including allowing for frictional costs, time value of options and guarantees, and the cost of non-market risk, and is valued at the point of sale. It is calculated as the present value of the projected after-tax profit from life insurance contracts sold during the period.

## Farmers Management Services

**Gross operating margin** – This performance measure is calculated as management fees and other related revenues minus management and other related expenses, which include amortization and impairments of intangible assets, divided by management fees and other related revenues.

**Surplus ratio** (Farmers Exchanges) – This measure indicates the amount of capital available to support the volume of insurance business written, and is calculated by dividing the end-of-period surplus balance by the net premium written in the preceding twelve-month period.