

Financial Supplement 2009

Zurich Financial Services Group
Half Year Report

Financial highlights (unaudited)

Business operating profit by business segment	in USD millions, for the six months ended June 30													
	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Eliminations		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Revenues														
Direct written premiums and policy fees	17,427	19,705	5,969	5,030	–	–	–	(6)	258	173	(3)	(6)	23,651	24,896
Assumed written premiums	820	888	54	50	2,883	836	70	93	70	66	(121)	(134)	3,775	1,799
Gross written premiums and policy fees	18,247	20,593	6,023	5,080	2,883	836	70	87	328	240	(124)	(140)	27,426	26,695
Less premiums ceded to reinsurers	(2,815)	(3,140)	(360)	(363)	–	–	(27)	(30)	(18)	1	124	140	(3,095)	(3,392)
Net written premiums and policy fees	15,432	17,453	5,663	4,717	2,883	836	43	57	310	241	–	–	24,331	23,303
Net change in reserves for unearned premiums	(1,201)	(1,565)	6	4	(660)	(3)	1	2	2	21	–	–	(1,853)	(1,541)
Net earned premiums and policy fees	14,231	15,889	5,669	4,721	2,222	833	44	58	312	261	–	–	22,478	21,762
Farmers management fees and other related revenues	–	–	–	–	1,247	1,196	–	–	–	–	–	–	1,247	1,196
Net investment result on Group investments	1,584	1,910	1,819	1,890	116	95	156	426	81	240	(427)	(533)	3,329	4,027
Net investment income on Group investments	1,534	1,910	2,017	2,216	116	95	297	415	240	300	(427)	(533)	3,777	4,402
Net capital gains/(losses) and impairments on Group investments	50	–	(198)	(326)	–	–	(141)	11	(159)	(60)	–	–	(448)	(375)
Net investment result on unit-linked investments	–	–	826	(8,493)	–	–	–	–	97	(911)	–	–	923	(9,404)
Other income	341	382	390	680	2	–	507	502	95	57	(580)	(608)	754	1,013
Total BOP revenues	16,156	18,181	8,704	(1,202)	3,587	2,124	707	987	585	(353)	(1,007)	(1,142)	28,730	18,595
of which: intersegment revenues	(169)	(226)	(112)	(81)	(45)	(53)	(631)	(704)	(49)	(78)	1,007	1,142	–	–
Benefits, losses and expenses														
Insurance benefits and losses, net	10,047	11,206	5,211	4,156	1,559	599	(30)	32	580	267	–	–	17,367	16,261
Losses and loss adjustment expenses, net	10,030	11,171	23	22	1,559	599	2	–	12	30	5	(1)	11,630	11,821
Life insurance death and other benefits, net	17	34	4,770	4,799	–	–	41	58	314	193	1	1	5,143	5,085
(Decrease)/increase in future life policyholders' benefits, net	–	1	418	(665)	–	–	(72)	(26)	253	44	(6)	–	594	(645)
Policyholder dividends and participation in profits, net	6	12	1,081	(7,881)	–	–	–	–	102	(846)	–	–	1,189	(8,715)
Income tax expense/(benefit) attributable to policyholders	–	–	(170)	(604)	–	–	–	–	–	–	–	–	(170)	(604)
Underwriting and policy acquisition costs, net	2,595	2,881	784	976	656	225	–	–	4	2	(2)	(1)	4,036	4,082
Administrative and other operating expense (excl. depreciation/amortization)	1,612	1,589	771	952	577	565	399	446	71	(38)	(553)	(593)	2,877	2,921
Interest credited to policyholders and other interest	18	121	200	267	–	–	5	19	29	42	(8)	(9)	244	440
Restructuring provisions and other items not included in BOP	(45)	(85)	(19)	35	–	–	56	50	1	55	–	–	(7)	55
Total BOP benefits, losses and expenses (before interest, depreciation and amortization)	14,233	15,723	7,858	(2,099)	2,792	1,389	429	547	787	(517)	(563)	(603)	25,536	14,441
Business operating profit (before interest, depreciation and amortization)	1,922	2,458	846	897	795	735	277	439	(202)	164	(444)	(539)	3,194	4,154
Depreciation and impairments of property and equipment	32	28	16	22	33	32	17	17	1	1	–	–	99	100
Amortization and impairments of intangible assets	77	58	124	92	33	27	15	9	–	–	–	–	249	186
Interest expense on debt	99	119	48	9	5	5	509	638	59	71	(444)	(539)	275	302
Business operating profit before non-controlling interests	1,715	2,253	658	773	724	672	(264)	(224)	(262)	92	–	–	2,571	3,565
Non-controlling interests	1	16	17	1	–	–	–	(1)	–	–	–	–	19	16
Business operating profit	1,714	2,236	641	772	724	672	(264)	(223)	(263)	92	–	–	2,552	3,549
Supplementary information														
Additions and capital improvements to property, equipment and intangible assets	250	548	262	138	151	90	40	37	1	1	–	–	703	813

Financial highlights (unaudited)

Adjusted business operating profit by business segment	in USD millions, as of June 30											
	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Average allocated common shareholders' equity	13,309	16,916	4,709	5,535	3,021	2,171	693	806	1,364	1,827	23,096	27,254
Adjusted business operating profit	1,681	2,260	522	637	687	612	(54)	(10)	(284)	50	2,552	3,549
Adjusted BOP return on common shareholders' equity¹	25.3%	26.7%	22.2%	23.0%	45.5%	56.4%	(19.0%)	(7.1%)	(41.7%)	5.5%	22.0%	25.9%
BOPAT return on average allocated common shareholders' equity	22.9%	22.3%	14.9%	17.3%	29.3%	37.2%	(13.7%)	(334.4%)	(46.4%)	(4.8%)	16.6%	19.9%

Reconciliation of BOP to net income after income taxes	in USD millions, for the six months ended June 30											
	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Business operating profit	1,714	2,236	641	772	724	672	(264)	(223)	(263)	92	2,552	3,549
Revenues/(expenses) not included in BOP:												
Net capital gains/(losses) on investments and impairments, net of policyholder allocation	(460)	(116)	(288)	(119)	(31)	2	(120)	179	6	3	(894)	(52)
Net gain/(loss) on divestments of businesses	(2)	-	-	5	-	-	-	-	(3)	(1)	(4)	4
Restructuring provisions and other	(45)	(85)	(19)	35	-	-	56	50	1	55	(7)	55
Add back:												
Business operating profit attributable to non-controlling interests	1	16	17	1	-	-	-	(1)	-	-	19	16
Net income before shareholders' taxes	1,209	2,051	351	693	692	674	(328)	4	(258)	149	1,666	3,572
Income tax expense attributable to policyholders	-	-	(170)	(604)	-	-	-	-	-	-	(170)	(604)
Net income before income taxes	1,209	2,051	181	89	692	674	(328)	4	(258)	149	1,496	2,968
Income tax expense (attributable to policyholders and shareholders)											(242)	(219)
Net income after taxes											1,255	2,749

Financial highlights (unaudited)

Assets and liabilities by business segment	in USD millions, as of													
	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Eliminations		Total	
	06/30/09	12/31/08	06/30/09	12/31/08	06/30/09	12/31/08	06/30/09	12/31/08	06/30/09	12/31/08	06/30/09	12/31/08	06/30/09	12/31/08
Assets														
Total Group Investments	80,216	77,328	97,932	94,626	6,017	3,607	19,840	17,956	12,164	13,103	(25,572)	(27,050)	190,598	179,570
Cash and cash equivalents	9,751	9,703	5,517	5,130	3,575	714	5,706	6,757	2,219	2,839	(11,214)	(12,714)	15,554	12,428
Equity securities	5,876	5,966	4,814	4,816	–	224	2,263	2,801	854	496	–	–	13,807	14,303
Debt securities	57,305	53,578	59,249	56,256	808	696	2,468	1,478	6,588	6,644	(365)	(365)	126,053	118,287
Real estate held for investment	2,904	2,922	4,147	4,228	157	156	43	44	175	175	–	–	7,427	7,524
Mortgage loans	1,568	1,794	8,888	8,953	–	–	2,401	2,104	–	–	(32)	(32)	12,826	12,820
Other loans	2,784	3,340	15,201	15,131	1,477	1,817	6,951	4,765	2,253	2,874	(13,961)	(13,940)	14,704	13,988
Investments in associates	28	26	117	113	–	–	7	6	75	75	–	–	227	220
Investments for unit-linked contracts	–	–	72,978	65,977	–	–	–	–	11,896	12,226	–	–	84,874	78,203
Total investments	80,216	77,328	170,911	160,604	6,017	3,607	19,840	17,956	24,060	25,328	(25,572)	(27,050)	275,472	257,773
Reinsurers' share of reserves for insurance contracts	13,437	12,749	2,151	2,008	210	209	–	–	5,143	5,477	(1,712)	(1,849)	19,229	18,595
Deposits made under assumed reinsurance contracts	63	68	–	–	2,306	1,685	–	–	671	677	(33)	(32)	3,006	2,397
Deferred policy acquisition costs	3,439	3,247	11,596	10,768	472	307	–	–	2	2	–	–	15,509	14,323
Deferred origination costs	–	–	825	770	–	–	–	–	–	–	–	–	825	770
Goodwill	982	895	434	395	382	382	5	5	–	–	–	–	1,802	1,677
Other intangible assets	1,357	1,303	4,089	3,925	1,252	1,207	215	198	–	–	–	–	6,914	6,633
Other assets	16,431	16,119	6,940	6,835	1,531	1,500	1,741	1,974	1,632	1,691	(2,273)	(2,342)	26,002	25,776
Total assets (after cons. of investments in subsidiaries)	115,925	111,710	196,946	185,304	12,170	8,897	21,801	20,132	31,508	33,176	(29,590)	(31,274)	348,760	327,944
Liabilities														
Liabilities for investment contracts	–	–	39,318	36,230	–	–	–	–	–	–	(251)	(251)	39,067	35,979
Reserves for insurance contracts, gross	80,820	77,468	126,557	120,706	3,093	2,095	385	415	22,594	23,325	(1,694)	(1,831)	231,755	222,179
Reserves for losses and loss adjustment expenses, gross	62,779	61,396	34	18	1,173	835	46	44	3,738	4,147	(1,098)	(1,223)	66,672	65,218
Reserves for unearned premiums, gross	16,865	14,874	239	226	1,921	1,260	3	5	36	43	(9)	(10)	19,055	16,399
Future life policyholders' benefits, gross	95	95	73,894	72,782	–	–	336	366	3,810	3,573	(587)	(598)	77,547	76,218
Policyholders' contract deposits and other funds, gross	1,081	1,102	12,946	12,611	–	–	–	–	3,114	3,334	1	–	17,141	17,047
Reserves for unit-linked contracts, gross	–	–	39,444	35,069	–	–	–	–	11,897	12,228	–	–	51,341	47,297
Debt related to capital markets and banking activities	–	–	–	–	–	–	885	448	2,223	3,184	(1,223)	(1,106)	1,885	2,527
Senior debt	2,323	3,031	603	694	–	–	20,888	19,893	1,158	1,054	(19,578)	(21,314)	5,394	3,358
Subordinated debt	2,051	2,189	897	412	180	180	5,133	5,169	–	–	(3,199)	(2,853)	5,062	5,096
Other liabilities	16,025	14,680	16,745	15,399	2,961	1,582	3,897	4,729	2,672	2,553	(3,645)	(3,920)	38,655	35,024
Total liabilities	101,219	97,368	184,119	173,441	6,235	3,858	31,188	30,654	28,647	30,116	(29,590)	(31,274)	321,818	304,163
Equity														
Common shareholders' equity													24,650	21,542
Preferred securities													561	561
Shareholders' equity													25,211	22,103
Non-controlling interests													1,731	1,678
Total equity													26,942	23,781
Total liabilities and equity													348,760	327,944

General Insurance (unaudited)

General Insurance –
Customer segment
overview

in USD millions, for the six months ended June 30

	Global Corporate		North America Commercial		Europe General Insurance		International Markets		GI Global Functions including Group Reinsurance		Eliminations		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Gross written premiums and policy fees	4,249	4,494	5,177	5,766	7,846	9,171	1,295	1,449	208	252	(528)	(539)	18,247	20,593
Net earned premiums and policy fees	2,402	2,586	4,121	4,599	6,710	7,661	979	1,011	20	33	–	–	14,231	15,889
Insurance benefits and losses, net	1,835	2,083	2,861	3,195	4,812	5,356	612	620	(73)	(49)	–	–	10,047	11,206
Policyholder dividends and participation in profits, net	–	6	6	6	–	–	–	–	–	–	–	–	6	12
Total net technical expenses	463	510	1,161	1,280	1,663	1,905	349	356	17	12	(11)	(3)	3,643	4,060
Net underwriting result	104	(13)	94	118	234	400	18	35	75	69	11	3	535	611
Net investment income	308	356	579	623	554	802	74	84	25	79	(6)	(33)	1,534	1,910
Net capital gains/(losses) and impairments on investments	16	–	24	–	11	–	–	–	–	–	–	–	50	–
Net non-technical result (excl. items not included in BOP)	(73)	5	(120)	(113)	(176)	(153)	(17)	(25)	(13)	(11)	(4)	30	(404)	(269)
Business operating profit before non-controlling interests	354	347	576	628	624	1,048	75	93	87	137	–	–	1,715	2,253
Non-controlling interests	–	–	–	–	–	13	1	3	–	–	–	–	1	16
Business operating profit	354	347	576	628	624	1,035	74	90	87	137	–	–	1,714	2,236
Adjusted business operating profit	369	360	568	630	589	995	68	83	87	192			1,681	2,260
Adjusted business operating profit return on common shareholders' equity	22.6%	19.8%	23.5%	22.0%	31.1%	39.7%	20.5%	20.7%	23.1%	22.3%			25.3%	26.7%

Ratios, as % of net earned premiums and policy fees

Loss ratio	76.4%	80.6%	69.4%	69.5%	71.7%	69.9%	62.5%	61.3%	nm	nm	n/a	n/a	70.6%	70.5%
Expense ratio	19.3%	19.9%	28.3%	28.0%	24.8%	24.9%	35.7%	35.2%	nm	nm	n/a	n/a	25.6%	25.6%
Combined ratio	95.7%	100.5%	97.7%	97.4%	96.5%	94.8%	98.2%	96.6%	nm	nm	n/a	n/a	96.2%	96.2%

General Insurance (unaudited)

General Insurance –
Revenues by region

in USD millions, for the six months ended June 30

	Gross written premiums and policy fees from external customers	
	2009	2008
Global Corporate		
North America	1,465	1,615
Europe	2,472	2,740
Rest of Global Corporate	189	36
Subtotal	4,126	4,391
Europe & Africa		
United Kingdom	1,486	2,109
Germany	1,765	2,023
Switzerland	1,496	1,665
Italy	1,055	1,105
Spain	687	830
Southern Africa	313	347
Rest of Europe & Africa	986	1,043
Subtotal	7,788	9,122
Americas		
United States	4,828	5,380
Rest of North America	221	276
Latin America	625	597
Subtotal	5,674	6,252
Asia-Pacific & Middle East		
Asia-Pacific Mature Markets	531	664
China & South East Asia	114	154
Subtotal	646	818
Central Region		
Europe	–	1
Subtotal	–	1
Total	18,234	20,584

General Insurance (unaudited)

General Insurance –
Assets by region

in USD millions, as of

	Property /equipment and intangible assets	
	06/30/09	12/31/08
Europe & Africa		
United Kingdom	230	211
Germany	256	259
Switzerland	119	109
Italy	72	128
Spain	746	764
Southern Africa	20	10
Rest of Europe & Africa	1,351	1,341
Subtotal	2,794	2,822
Americas		
United States	242	244
Rest of North America	3	3
Latin America	127	46
Subtotal	371	293
Asia-Pacific & Middle East		
Asia-Pacific Mature Markets	80	68
China & South East Asia	22	23
Subtotal	102	90
Total	3,267	3,206

General Insurance (unaudited)

Customer segment reporting – Europe General Insurance by region

in USD millions, for the six months ended June 30	United Kingdom		Germany		Switzerland		Italy		Spain		Southern Africa		Rest of Europe & Africa		Eliminations		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	Gross written premiums and policy fees	1,498	2,128	1,772	2,033	1,495	1,669	1,068	1,108	697	842	313	348	1,335	1,474	(332)	(432)	7,846
Net earned premiums and policy fees	1,448	1,965	1,219	1,374	1,032	1,159	1,016	1,015	560	661	252	282	1,183	1,205	–	–	6,710	7,661
Net underwriting result	69	78	82	112	112	151	(116)	21	29	43	(8)	10	58	(9)	8	(6)	234	400
Business operating profit	183	316	162	172	169	218	(76)	101	51	89	4	18	130	121	–	–	624	1,035

Ratios, as % of net earned premiums and policy fees

Loss ratio	69.8%	70.0%	72.2%	70.1%	67.1%	64.6%	86.8%	74.3%	70.2%	72.4%	77.1%	73.2%	64.3%	68.8%	n/a	n/a	71.7%	69.9%
Expense ratio	25.5%	26.0%	21.1%	21.7%	22.0%	22.4%	24.6%	23.7%	24.6%	21.1%	25.9%	23.1%	30.8%	31.9%	n/a	n/a	24.8%	24.9%
Combined ratio	95.2%	96.0%	93.3%	91.8%	89.1%	87.0%	111.4%	98.0%	94.9%	93.5%	103.0%	96.3%	95.1%	100.7%	n/a	n/a	96.5%	94.8%

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

in USD millions, for the six months ended June 30	Commercial		Personal		Eliminations		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
Gross written premiums and policy fees	3,355	3,857	4,495	5,318	(4)	(3)	7,846	9,171
Net earned premiums and policy fees	2,658	3,087	4,051	4,574	–	–	6,710	7,661
Net underwriting result	173	113	59	303	2	(16)	234	400
Business operating profit	393	463	231	572	–	–	624	1,035

Ratios, as % of net earned premiums and policy fees

Loss ratio	70.1%	72.8%	72.8%	67.9%	n/a	n/a	71.7%	69.9%
Expense ratio	23.4%	23.5%	25.8%	25.4%	n/a	n/a	24.8%	24.9%
Combined ratio	93.5%	96.3%	98.5%	93.4%	n/a	n/a	96.5%	94.8%

General Insurance (unaudited)

Customer segment reporting – International Markets by region

in USD millions, for the six months ended June 30

	Latin America		Asia-Pacific Mature Markets		China & South East Asia		Rest of International Markets		Eliminations		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	Gross written premiums and policy fees	635	620	532	666	129	162	–	–	–	–	1,295
Net earned premiums and policy fees	433	421	452	493	93	97	–	–	–	–	979	1,011
Net underwriting result	(12)	16	17	15	12	4	–	–	–	–	18	35
Business operating profit	16	41	46	55	13	6	(2)	(13)	–	–	74	90

Ratios, as % of net earned premiums and policy fees

Loss ratio	62.3%	57.4%	69.3%	68.3%	30.3%	43.3%	n/a	n/a	n/a	n/a	62.5%	61.3%
Expense ratio	40.4%	38.9%	26.9%	28.7%	56.7%	52.3%	n/a	n/a	n/a	n/a	35.7%	35.2%
Combined ratio	102.7%	96.3%	96.2%	97.0%	87.0%	95.6%	n/a	n/a	n/a	n/a	98.2%	96.6%

Customer segment reporting – International Markets split into Commercial and Personal

in USD millions, for the six months ended June 30

	Commercial		Personal		Eliminations		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
Gross written premiums and policy fees	671	822	624	627	–	–	1,295	1,449
Net earned premiums and policy fees	473	565	506	446	–	–	979	1,011
Net underwriting result	8	16	10	20	–	(1)	18	35
Business operating profit	44	54	30	36	–	–	74	90

Ratios, as % of net earned premiums and policy fees

Loss ratio	66.1%	63.7%	59.2%	58.3%	n/a	n/a	62.5%	61.3%
Expense ratio	32.2%	33.5%	38.9%	37.3%	n/a	n/a	35.7%	35.2%
Combined ratio	98.2%	97.2%	98.1%	95.6%	n/a	n/a	98.2%	96.6%

Global Life (unaudited)

Global Life –
Overview

in USD millions, for the six months ended June 30																				
	Americas		United Kingdom		Germany		Switzerland		Ireland		Spain		Emerging Markets in Asia		Rest of the world		Eliminations		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Revenues																				
Life insurance deposits	317	280	1,505	1,956	954	845	23	35	570	611	1,231	214	600	987	347	389	–	–	5,546	5,317
Gross written premiums and policy fees	566	541	420	769	1,524	1,901	945	1,086	176	177	1,881	129	118	135	408	351	(16)	(8)	6,023	5,080
Net earned premiums and policy fees	448	426	334	679	1,473	1,848	942	1,083	128	128	1,857	110	101	123	386	323	–	–	5,669	4,721
Net investment income on Group investments	216	220	163	319	851	956	294	336	45	58	254	86	23	30	170	211	–	–	2,017	2,216
Net capital gains/(losses) and impairments on Group investments	4	1	(56)	(263)	(117)	(99)	11	49	(18)	6	2	–	(2)	8	(24)	(28)	–	–	(198)	(326)
Net investment result on Group investments	220	221	108	56	734	857	305	385	27	64	256	86	22	38	147	183	–	–	1,819	1,890
Net investment income on unit-linked investments	(2)	35	739	1,225	12	17	1	5	96	133	32	11	1	7	38	178	–	–	917	1,611
Net capital gains/(losses) and impairments on unit-linked investments	48	(111)	(1,105)	(6,236)	494	(1,250)	15	(66)	168	(1,001)	65	(138)	82	(650)	139	(652)	–	–	(91)	(10,104)
Net investment result on unit-linked investments	46	(75)	(366)	(5,010)	506	(1,233)	16	(61)	265	(868)	97	(127)	83	(643)	177	(474)	–	–	826	(8,493)
Other income	56	62	99	264	86	205	24	36	1	–	20	4	31	25	74	85	(1)	–	390	680
Total BOP revenues	771	633	174	(4,011)	2,800	1,676	1,287	1,443	421	(676)	2,231	73	236	(457)	784	116	(1)	–	8,704	(1,202)
Benefits, losses and expenses																				
Insurance benefits and losses, net	291	290	188	330	1,608	1,932	865	1,035	17	39	1,929	147	39	32	273	350	–	–	5,211	4,156
Policyholder dividends and participation in profits, net	44	(72)	(355)	(4,824)	583	(945)	108	70	291	(825)	103	(128)	81	(647)	226	(511)	–	–	1,081	(7,881)
Income tax expense/(benefit) attributable to policyholders	–	–	(203)	(580)	18	13	–	–	8	(2)	–	–	–	–	7	(35)	–	–	(170)	(604)
Underwriting and policy acquisition costs, net	100	34	240	465	181	206	77	83	52	56	44	4	29	67	62	63	–	–	784	976
Administrative and other operating expense (excl. depreciation/amortization)	99	109	184	256	161	191	94	117	28	30	32	22	31	50	143	178	(1)	–	771	952
Interest credited to policyholders and other interest	84	86	6	36	74	114	9	10	–	–	7	1	13	13	6	5	–	–	200	267
Restructuring provisions and other items not included in BOP	–	(1)	(18)	37	–	–	18	–	–	–	(24)	–	10	–	(5)	(1)	–	–	(19)	35
Total BOP benefits, losses and expenses	618	446	42	(4,279)	2,625	1,512	1,172	1,314	397	(702)	2,091	46	203	(484)	712	48	(1)	–	7,858	(2,099)
Business operating profit (before interest, depreciation and amortization)	153	187	132	268	175	164	115	129	24	26	140	27	33	27	72	68	–	–	846	897
Depreciation and impairments of property and equipment	1	1	4	6	6	7	1	4	1	1	–	–	2	2	1	1	–	–	16	22
Amortization and impairments of intangible assets	9	6	(20)	61	20	22	–	–	1	–	84	1	2	1	28	1	–	–	124	92
Interest expense on debt	1	1	7	1	–	–	1	3	–	–	33	2	–	–	5	2	–	–	48	9
Business operating profit before non-controlling interests	142	178	141	200	149	134	113	122	23	25	22	25	29	24	38	64	–	–	658	773
Non-controlling interests	2	1	–	–	4	1	–	–	–	–	11	–	–	–	–	–	–	–	17	1
Business operating profit	140	178	141	200	145	134	113	122	23	25	11	25	29	24	38	64	–	–	641	772
Supplementary information																				
Gross written premiums and policy fees from external customers	566	541	417	767	1,497	1,871	945	1,086	176	177	1,881	129	97	127	402	348	–	–	5,982	5,046
Property, equipment and intangible assets ¹	285	244	489	403	989	996	191	159	8	6	2,862	2,742	12	14	231	270	–	–	5,068	4,835

¹ As of June 30, 2009 and December 31, 2008, respectively.

Global Life (unaudited)

Global Life –
Americas

in USD millions, for the six months ended June 30

	United States		Latin America		Eliminations		Total Americas	
	2009	2008	2009	2008	2009	2008	2009	2008
Insurance deposits	253	260	64	21	–	–	317	280
Gross written premiums and policy fees	369	358	197	183	–	–	566	541
Net earned premiums and policy fees	263	257	185	169	–	–	448	426
Net investment income on Group investments	168	172	48	48	–	–	216	220
Net capital gains/(losses) and impairments on Group investments	5	1	(2)	–	–	–	4	1
Net investment result on Group investments	174	173	47	48	–	–	220	221
Net investment result on unit-linked investments	3	(59)	43	(17)	–	–	46	(75)
Total BOP benefits, losses and expenses	359	260	259	186	–	–	618	446
Business operating profit	117	154	22	24	–	–	140	178

Global Life –
Emerging Markets
in Asia

in USD millions, for the six months ended June 30

			of which			
	Total		ZIS		Hong Kong	
	2009	2008	2009	2008	2009	2008
Insurance deposits	600	987	530	886	69	101
Gross written premiums and policy fees	118	135	73	97	39	39
Net earned premiums and policy fees	101	123	53	82	34	35
Net investment income on Group investments	23	30	8	13	16	17
Net capital gains/(losses) and impairments on Group investments	(2)	8	(9)	5	7	3
Net investment result on Group investments	22	38	(1)	18	23	20
Net investment result on unit-linked investments	83	(643)	36	(598)	47	(45)
Total BOP benefits, losses and expenses	203	(484)	96	(498)	96	9
Business operating profit	29	24	18	21	10	1

Global Life (unaudited)

Global Life – Rest of the world	in USD millions, for the six months ended June 30												of which			
													Total		Italy	
													2009	2008	2009	2008
Insurance deposits													347	389	271	289
Gross written premiums and policy fees													408	351	161	117
Net earned premiums and policy fees													386	323	165	121
Net investment income on Group investments													170	211	113	117
Net capital gains/(losses) and impairments on Group investments													(24)	(28)	(14)	(10)
Net investment result on Group investments													147	183	100	106
Net investment result on unit-linked investments													177	(474)	139	(126)
Total BOP benefits, losses and expenses													712	48	360	79
Business operating profit													38	64	21	31

Global Life – Total investments	in %, as of																	
	Americas		United Kingdom		Germany		Switzerland		Ireland		Spain		Emerging Markets in Asia		Rest of the world		Total	
	06/30/09	12/31/08	06/30/09	12/31/08	06/30/09	12/31/08	06/30/09	12/31/08	06/30/09	12/31/08	06/30/09	12/31/08	06/30/09	12/31/08	06/30/09	12/31/08	06/30/09	12/31/08
Total Group investments	92.9	92.9	17.9	16.9	84.1	86.0	97.2	97.2	29.7	32.0	72.7	77.3	27.3	31.5	69.0	68.4	57.3	58.9
Cash and cash equivalents	4.1	4.1	19.8	14.5	3.3	3.0	3.9	6.1	9.0	6.8	7.2	7.6	13.1	14.8	0.8	2.3	5.6	5.4
Equity securities	2.3	3.9	8.6	10.5	1.7	1.9	8.3	7.6	18.3	17.3	0.3	0.4	5.0	4.1	12.2	11.9	4.9	5.1
Debt securities	85.8	84.0	69.9	73.2	46.4	46.2	57.5	55.2	69.0	72.2	68.3	65.4	77.0	76.4	80.5	79.0	60.5	59.5
Investments in associates	–	–	0.2	0.2	–	–	–	–	–	–	0.1	0.1	–	–	1.0	1.0	0.1	0.1
Other investments	7.9	8.0	1.5	1.7	48.7	48.8	30.3	31.1	3.7	3.7	24.2	26.6	4.9	4.7	5.5	5.8	28.8	29.9
Investments for unit-linked contracts	7.1	7.1	82.1	83.1	15.9	14.0	2.8	2.8	70.3	68.0	27.3	22.7	72.7	68.5	31.0	31.6	42.7	41.1
Total investments	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Global Life – Reserves for life insurance contracts and liabilities for investment contracts, net of reinsurance	in USD millions, as of																			
	Americas		United Kingdom		Germany		Switzerland		Ireland		Spain		Emerging Markets in Asia		Rest of the world		Eliminations		Total	
	06/30/09	12/31/08	06/30/09	12/31/08	06/30/09	12/31/08	06/30/09	12/31/08	06/30/09	12/31/08	06/30/09	12/31/08	06/30/09	12/31/08	06/30/09	12/31/08	06/30/09	12/31/08	06/30/09	12/31/08
Unit-linked insurance and investment contracts	995	926	46,482	42,655	7,500	6,387	1,683	1,676	6,609	5,985	3,651	2,669	5,773	4,981	6,068	6,021	–	–	78,761	71,299
Other life insurance liabilities	6,636	6,258	4,450	4,033	41,005	40,879	14,802	15,044	1,286	1,418	9,550	8,775	1,511	1,501	5,471	5,490	(3)	3	84,706	83,401
Total reserves and liabilities	7,631	7,184	50,932	46,688	48,504	47,266	16,485	16,720	7,895	7,403	13,201	11,444	7,284	6,482	11,539	11,511	(3)	3	163,468	154,700

Farmers

Farmers –
Overview

in USD millions, for the six months ended June 30

	Farmers Management Services		Farmers Re		Eliminations		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
Gross written premiums and policy fees	–	–	2,883	836	–	–	2,883	836
Net earned premiums and policy fees	–	–	2,222	833	–	–	2,222	833
Management fees and other related revenues	1,247	1,196	–	–	–	–	1,247	1,196
Insurance benefits and losses, net	–	–	(1,559)	(599)	–	–	(1,559)	(599)
Total net technical expenses	(636)	(622)	(657)	(225)	–	–	(1,293)	(847)
Net underwriting result	610	574	7	9	–	–	617	583
Net investment income	43	49	73	46	–	–	116	95
Net non-technical result (excl. items not included in BOP)	(9)	(6)	–	–	–	–	(9)	(6)
Business operating profit before non-controlling interests	643	617	80	54	–	–	724	672
Business operating profit	643	617	80	54	–	–	724	672

Ratios, as % of net earned premiums and policy fees

Loss ratio	–	–	70.1%	71.9%	–	–	–	–
Expense ratio	–	–	29.5%	27.0%	–	–	–	–
Combined ratio	–	–	99.7%	99.0%	–	–	–	–

Additional information (unaudited)

Principal exchange rates	USD per foreign currency unit	Balance sheets		Income statements and cash flows	
		06/30/09	12/31/08	06/30/09	06/30/08
		Euro	1.4018	1.3924	1.3326
Swiss franc	0.9199	0.9371	0.8857	0.9526	
British pound sterling	1.6444	1.4620	1.4915	1.9745	

Currency translation impact on key financial figures – General Insurance	variance over the prior period, for the six months ended June 30, 2009	in USD		change	change in
		millions	in %	in USD	local currency
	Gross written premiums and policy fees	(1,917)	(9%)	(11%)	(2%)
	Net investment income on total investments	(154)	(8%)	(20%)	(12%)
	Net capital gains/(losses) and impairments on total investments	(1)	nm	nm	nm
	Insurance benefits and losses, net of reinsurance	1,115	10%	10%	–
	Business operating profit	(156)	(7%)	(23%)	(16%)

Currency translation impact on key financial figures – Global Life	variance over the prior period, for the six months ended June 30, 2009	in USD		change	change in
		millions	in %	in USD	local currency
	Insurance deposits	(1,129)	(21%)	4%	26%
	Gross written premiums and policy fees	(850)	(17%)	19%	35%
	Net investment result on Group investments	(240)	(13%)	(4%)	9%
	Net investment income on Group investments	(284)	(13%)	(9%)	4%
	Net capital gains and impairments on Group investments	44	14%	39%	26%
	Net investment result on unit-linked investments	(61)	(1%)	110%	110%
	Insurance benefits and losses, net of reinsurance	726	17%	(25%)	(43%)
	Business operating profit	(96)	(12%)	(17%)	(5%)

Additional information (unaudited)

Investment result	in USD millions, for the six months ended June 30					
	Net investment income		Net capital gains/(losses) on investments and impairments ¹		Investment result	
	2009	2008	2009	2008	2009	2008
Group investments						
Cash and cash equivalents	68	271	(1)	–	67	271
Equity securities	195	372	(499)	(241)	(304)	130
Debt securities	2,727	2,967	(569)	(579)	2,158	2,388
Real estate held for investment	224	251	(8)	22	216	273
Mortgage loans	280	331	(59)	(9)	221	323
Other loans	352	331	1	–	353	331
Investments in associates	(3)	4	–	(4)	(3)	–
Other investments ²	41	12	(207)	383	(166)	395
Investment result, gross, for Group investments	3,883	4,538	(1,342)	(426)	2,541	4,111
Investment expenses for Group investments ³	(107)	(136)	–	–	(107)	(136)
Investment result, net, for Group investments	3,777	4,402	(1,342)	(426)	2,435	3,975
Investments for unit-linked contracts						
Investment result, net, for investments for unit-linked contracts	811	2,046	112	(11,450)	923	(9,404)
Total investments						
Investment result, net, for total investments	4,588	6,448	(1,230)	(11,877)	3,358	(5,429)

¹ Impairment charges on investments amounted in total to USD 738 million and USD 495 million for the six months ended June 30, 2009 and 2008, respectively, of which impairments on equity securities comprised USD 392 million and USD 315 million, on debt securities USD 287 million and USD 171 million, and on mortgage loans and other investments USD 59 million and USD 9 million for the six months ended June 30, 2009 and 2008, respectively.

² Including net capital gains/(losses) on derivative financial instruments of USD (207) million and USD 382 million for the six months ended June 30, 2009 and 2008, respectively, of which net capital gains/(losses) on derivatives attributable to cash flow hedges ineffectiveness amounted to USD 10 million and USD (3) million for the six months ended June 30, 2009 and 2008, respectively.

³ Including rental operating expense for real estate held for total investments of USD 55 million and USD 74 million for the six months ended June 30, 2009 and 2008, respectively.

Additional information (unaudited)

Details of investments by category	as of		Group investments		Investments for unit-linked products		Total investments	
	06/30/09		12/31/08		06/30/09		12/31/08	
	USD	% of	USD	% of	USD	USD	USD	USD
	millions	total	millions	total	millions	millions	millions	millions
Cash and cash equivalents	15,554	8.2	12,428	6.9	5,228	4,460	20,782	16,888
Equity securities:								
Fair value through profit or loss	4,843	2.5	4,996	2.8	66,108	60,154	70,951	65,150
<i>of which: trading</i>	1,118	0.6	1,419	0.8	–	–	1,118	1,419
<i>of which: trading equity portfolios in capital markets and banking activities</i>	675	0.4	786	0.4	–	–	675	786
Available-for-sale	8,964	4.7	9,307	5.2	–	–	8,964	9,307
Total equity securities	13,807	7.2	14,303	8.0	66,108	60,154	79,915	74,458
Debt securities:								
Fair value through profit or loss	7,614	4.0	7,291	4.1	9,659	9,510	17,273	16,801
<i>of which: trading</i>	59	0.0	186	0.1	–	–	59	186
Available-for-sale	113,116	59.3	105,752	58.9	–	–	113,116	105,752
Held-to-maturity	5,323	2.8	5,244	2.9	–	–	5,323	5,244
Total debt securities	126,053	66.1	118,287	65.9	9,659	9,510	135,712	127,797
Real estate held for investment	7,427	3.9	7,524	4.2	3,824	4,077	11,251	11,601
Mortgage loans	12,826	6.7	12,820	7.1	–	–	12,826	12,820
Other loans	14,704	7.7	13,988	7.8	56	2	14,761	13,990
Investments in associates	227	0.1	220	0.1	–	–	227	220
Total investments	190,598	100.0	179,570	100.0	84,874	78,203	275,472	257,773

Equity securities (including trading equity portfolios in capital markets and banking activities)	as of		Group investments		Investments for unit-linked contracts		Total investments	
	30/06/09		31/12/08		30/06/09		30/06/09	
	USD	% of	USD	% of	USD	USD	USD	USD
	millions	total	millions	total	millions	millions	millions	millions
Common stocks, including equity unit trusts	8,331	4.4	8,957	5.0	56,120	51,276	64,451	60,233
Unit trusts (debt securities, real estate, short-term investments)	4,207	2.2	3,930	2.2	9,988	8,879	14,195	12,809
Common stock portfolios backing the participating with-profit policyholder contracts	595	0.3	630	0.4	–	–	595	630
Trading equity portfolios in capital markets and banking activities	675	0.4	786	0.4	–	–	675	786
Total equity securities	13,807	7.2	14,303	8.0	66,108	60,154	79,915	74,458

Information for the three months ended June 30 (unaudited)

Business operating profit by business segment

in USD millions, for the three months ended June 30														
	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Eliminations		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Revenues														
Direct written premiums and policy fees	8,027	8,864	2,758	2,386	–	–	–	–	124	81	4	(11)	10,913	11,321
Assumed written premiums	407	538	32	26	1,827	427	35	28	31	45	(61)	(40)	2,270	1,024
Gross written premiums and policy fees	8,433	9,402	2,790	2,412	1,827	427	35	28	155	126	(57)	(50)	13,184	12,345
Less premiums ceded to reinsurers	(1,506)	(1,827)	(174)	(182)	–	–	(13)	(4)	(3)	2	57	50	(1,639)	(1,961)
Net written premiums and policy fees	6,928	7,575	2,616	2,230	1,827	427	21	24	152	128	–	–	11,544	10,385
Net change in reserves for unearned premiums	347	387	17	12	(713)	(8)	2	5	1	6	–	–	(347)	402
Net earned premiums and policy fees	7,274	7,962	2,633	2,242	1,114	419	23	29	153	134	–	–	11,198	10,786
Farmers management fees and other related revenues	–	–	–	–	624	607	–	–	–	–	–	–	624	607
Net investment result on Group investments	808	978	1,030	765	68	47	87	207	157	93	(227)	(252)	1,923	1,837
Net investment income on Group investments	772	979	1,047	1,130	68	47	155	197	119	139	(227)	(252)	1,933	2,239
Net capital gains/(losses) and impairments on Group investments	36	(1)	(17)	(366)	–	–	(67)	10	38	(46)	–	–	(10)	(402)
Net investment result on unit-linked investments	–	–	3,806	(98)	–	–	–	–	419	(298)	–	–	4,226	(396)
Other income	176	199	204	377	6	–	233	235	54	36	(292)	(298)	380	549
Total BOP revenues	8,259	9,139	7,674	3,286	1,811	1,073	343	471	784	(35)	(520)	(551)	18,351	13,383
<i>of which: intersegment revenues</i>	<i>(90)</i>	<i>(101)</i>	<i>(61)</i>	<i>(40)</i>	<i>(25)</i>	<i>(25)</i>	<i>(317)</i>	<i>(348)</i>	<i>(27)</i>	<i>(37)</i>	<i>520</i>	<i>551</i>	<i>–</i>	<i>–</i>
Benefits, losses and expenses														
Insurance benefits and losses, net	5,177	5,664	2,230	1,947	752	310	(5)	9	173	192	–	–	8,326	8,123
Losses and loss adjustment expenses, net	5,170	5,651	16	13	752	310	1	–	(34)	12	6	3	5,910	5,989
Life insurance death and other benefits, net	7	13	2,308	2,359	–	–	21	32	143	116	–	1	2,480	2,520
(Decrease)/increase in future life policyholders' benefits, net	–	–	(95)	(425)	–	–	(28)	(22)	64	65	(6)	(3)	(64)	(386)
Policyholder dividends and participation in profits, net	4	7	3,979	(149)	–	–	–	–	435	(385)	–	–	4,418	(527)
Income tax expense/(benefit) attributable to policyholders	–	–	104	(120)	–	–	–	–	–	–	–	–	104	(120)
Underwriting and policy acquisition costs, net	1,308	1,471	379	486	329	109	–	–	3	(4)	(1)	(1)	2,018	2,062
Administrative and other operating expense (excl. depreciation/amortization)	868	880	388	487	293	281	251	247	62	6	(282)	(284)	1,579	1,617
Interest credited to policyholders and other interest	7	61	101	135	–	–	2	9	16	19	(3)	(5)	122	220
Restructuring provisions and other items not included in BOP	(36)	(112)	(10)	2	–	–	29	17	–	–	–	–	(17)	(93)
Total BOP benefits, losses and expenses (before interest, depreciation and amortization)	7,328	7,971	7,171	2,789	1,374	701	276	282	687	(171)	(287)	(290)	16,550	11,282
Business operating profit (before interest, depreciation and amortization)	931	1,168	503	497	436	372	67	189	96	136	(233)	(261)	1,801	2,101
Depreciation and impairments of property and equipment	15	15	8	11	17	16	9	9	1	1	–	–	50	52
Amortization and impairments of intangible assets	43	38	37	49	17	14	9	6	–	–	–	–	106	107
Interest expense on debt	48	59	27	5	2	2	268	321	29	23	(233)	(261)	141	150
Business operating profit before non-controlling interests	824	1,056	432	432	400	340	(218)	(147)	66	112	–	–	1,504	1,792
Non-controlling interests	(1)	8	13	–	–	–	–	(1)	–	–	–	–	13	7
Business operating profit	825	1,048	418	432	400	340	(218)	(146)	66	112	–	–	1,491	1,785
Supplementary information														
Additions and capital improvements of property, equipment and intangible assets	80	388	202	111	21	40	21	21	–	–	–	–	323	559

Information for the three months ended June 30 (unaudited)

Reconciliation of BOP to net income after income taxes	in USD millions, for the three months ended June 30											
	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Business operating profit	825	1,048	418	432	400	340	(218)	(146)	66	112	1,491	1,785
Revenues/(expenses) not included in BOP:												
Net capital gains/(losses) on investments and impairments, net of policyholder allocation	(82)	(77)	(127)	(65)	(14)	(4)	(86)	112	5	(1)	(304)	(34)
Net gain/(loss) on divestments of businesses	-	-	-	5	-	-	-	-	-	1	-	5
Restructuring provisions and other	(36)	(112)	(10)	2	-	-	29	17	-	-	(17)	(93)
Add back:												
Business operating profit attributable to non-controlling interests	(1)	8	13	-	-	-	-	(1)	-	-	13	7
Net income before shareholders' taxes	706	867	295	374	386	336	(275)	(18)	71	112	1,182	1,670
Income tax expense attributable to policyholders	-	-	104	(120)	-	-	-	-	-	-	104	(120)
Net income before income taxes	706	867	399	254	386	336	(275)	(18)	71	112	1,287	1,550
Income tax expense (attributable to policyholders and shareholders)											(400)	(237)
Net income after taxes											887	1,314

Information for the three months ended June 30 (unaudited)

General Insurance –
Customer segment
overview

in USD millions, for the three months ended June 30

	Global Corporate		North America Commercial		Europe General Insurance		International Markets		GI Global Functions including Group Reinsurance		Eliminations		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Gross written premiums and policy fees	1,860	1,900	2,795	2,997	3,244	3,866	680	803	93	111	(239)	(275)	8,433	9,402
Net earned premiums and policy fees	1,211	1,244	2,092	2,280	3,467	3,904	495	523	10	10	–	–	7,274	7,962
Insurance benefits and losses, net	938	1,014	1,478	1,611	2,513	2,784	300	288	(53)	(33)	–	–	5,177	5,664
Policyholder dividends and participation in profits, net	–	3	4	3	–	–	–	–	–	–	–	–	4	7
Total net technical expenses	243	277	585	646	859	993	170	185	4	10	(8)	(4)	1,854	2,108
Net underwriting result	30	(50)	25	20	94	127	24	50	58	33	8	4	240	184
Net investment income	153	180	281	314	285	421	39	44	16	36	(3)	(16)	772	979
Net capital gains/(losses) and impairments on investments	12	–	16	–	9	–	–	–	–	–	–	–	36	(1)
Net non-technical result (excl. items not included in BOP)	(48)	11	(58)	(44)	(87)	(83)	(10)	(7)	(16)	4	(5)	13	(224)	(106)
Business operating profit before non-controlling interests	147	141	265	290	302	464	53	87	58	73	–	–	824	1,056
Non-controlling interests	–	–	–	–	(1)	6	–	2	–	–	–	–	(1)	8
Business operating profit	147	141	265	290	302	458	53	86	58	73	–	–	825	1,048
Ratios, as % of net earned premiums and policy fees														
Loss ratio	77.5%	81.5%	70.6%	70.6%	72.5%	71.3%	60.6%	55.0%	nm	nm	n/a	n/a	71.2%	71.1%
Expense ratio	20.0%	22.6%	28.1%	28.5%	24.8%	25.4%	34.4%	35.4%	nm	nm	n/a	n/a	25.5%	26.6%
Combined ratio	97.5%	104.1%	98.8%	99.1%	97.3%	96.7%	95.1%	90.4%	nm	nm	n/a	n/a	96.7%	97.7%

Information for the three months ended June 30 (unaudited)

Global Life –
Overview

	in USD millions, for the three months ended June 30																				
	Americas		United Kingdom		Germany		Switzerland		Ireland		Spain		Emerging Markets in Asia		Rest of the world		Eliminations		Total		
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	
Revenues																					
Life insurance deposits	169	139	853	927	517	450	10	17	325	293	783	138	331	424	263	199	–	–	3,250	2,588	
Gross written premiums and policy fees	274	284	317	427	799	977	255	343	99	97	803	60	59	70	198	161	(12)	(7)	2,790	2,412	
Net earned premiums and policy fees	216	224	278	383	773	950	253	342	73	70	803	60	52	64	187	149	–	–	2,633	2,242	
Net investment income on Group investments	108	109	83	136	440	503	147	172	27	32	140	46	10	15	92	118	–	–	1,047	1,130	
Net capital gains/(losses) and impairments on Group investments	3	2	14	(142)	(11)	(195)	20	(3)	(23)	11	1	–	(4)	(17)	(18)	(22)	–	–	(17)	(366)	
Net investment result on Group investments	111	112	98	(6)	430	308	167	169	4	43	141	46	6	(3)	74	96	–	–	1,030	765	
Net investment income on unit-linked investments	4	32	407	623	2	1	–	4	59	84	3	5	1	6	22	146	–	–	497	900	
Net capital gains/(losses) and impairments on unit-linked investments	71	(35)	1,531	(350)	790	(71)	25	(17)	417	(214)	92	(34)	188	(93)	195	(185)	–	–	3,309	(998)	
Net investment result on unit-linked investments	75	(3)	1,938	273	791	(70)	25	(13)	476	(130)	95	(29)	189	(87)	217	(39)	–	–	3,806	(98)	
Other income	26	30	53	158	39	108	10	21	–	–	10	2	23	11	42	48	(1)	–	204	377	
Total BOP revenues	428	363	2,366	808	2,033	1,297	455	518	553	(17)	1,049	78	270	(15)	520	254	(1)	–	7,674	3,286	
Benefits, losses and expenses																					
Insurance benefits and losses, net	141	159	72	181	825	993	202	305	7	12	826	80	30	7	127	210	–	–	2,230	1,947	
Policyholder dividends and participation in profits, net	70	(7)	1,933	210	904	(70)	76	51	478	(96)	101	(30)	181	(89)	236	(117)	–	–	3,979	(149)	
Income tax expense/(benefit) attributable to policyholders	–	–	84	(119)	10	2	–	–	9	3	–	–	–	–	2	(5)	–	–	104	(120)	
Underwriting and policy acquisition costs, net	48	(8)	93	231	95	129	37	39	33	29	30	2	15	34	29	30	–	–	379	486	
Administrative and other operating expense (excl. depreciation/amortization)	45	58	97	138	72	98	49	51	14	15	20	14	8	14	83	99	(1)	–	388	487	
Interest credited to policyholders and other interest	42	43	2	18	38	59	5	4	–	–	3	1	7	7	4	3	–	–	101	135	
Restructuring provisions and other items not included in BOP	–	4	(19)	–	–	–	14	–	–	–	(13)	–	10	–	(2)	(1)	–	–	(10)	2	
Total BOP benefits, losses and expenses	347	249	2,261	658	1,944	1,211	382	450	541	(37)	967	67	251	(27)	478	218	(1)	–	7,171	2,789	
Business operating profit (before interest, depreciation and amortization)	81	114	105	150	89	86	73	68	12	20	82	12	19	12	42	36	–	–	503	497	
Depreciation and impairments of property and equipment	–	–	2	3	3	4	1	2	–	1	–	–	1	1	–	–	–	–	8	11	
Amortization and impairments of intangible assets	5	2	(31)	31	11	14	–	–	–	–	42	–	1	1	9	1	–	–	37	49	
Interest expense on debt	1	–	6	1	–	–	–	1	–	–	17	1	–	–	2	1	–	–	27	5	
Business operating profit before non-controlling interests	75	111	128	115	75	68	72	65	11	19	22	10	17	10	30	34	–	–	432	432	
Non-controlling interests	1	–	–	–	2	–	–	–	–	–	10	–	–	–	–	–	–	–	13	–	
Business operating profit	75	111	128	115	73	68	72	65	11	19	12	10	17	10	30	34	–	–	418	432	
Supplementary information																					
Gross written premiums and policy fees from external customers	274	284	316	426	785	962	255	343	99	97	803	60	42	62	193	160	–	–	2,766	2,395	

Information for the three months ended June 30 (unaudited)

Farmers –
Overview

in USD millions, for the three months ended June 30		Farmers Management Services		Farmers Re		Eliminations		Total	
		2009	2008	2009	2008	2009	2008	2009	2008
Gross written premiums and policy fees		–	–	1,827	427	–	–	1,827	427
Net earned premiums and policy fees		–	–	1,114	419	–	–	1,114	419
Management fees and other related revenues		624	607	–	–	–	–	624	607
Insurance benefits and losses, net		–	–	(752)	(310)	–	–	(752)	(310)
Total net technical expenses		(325)	(314)	(329)	(110)	–	–	(654)	(423)
Net underwriting result		299	293	32	(1)	–	–	331	293
Net investment income		21	23	46	24	–	–	68	47
Net non-technical result (excl. items not included in BOP)		1	1	–	–	–	–	1	1
Business operating profit before non-controlling interests		322	317	78	23	–	–	400	340
Business operating profit		322	317	78	23	–	–	400	340
Ratios, as % of net earned premiums and policy fees									
Loss ratio		–	–	67.6%	74.0%	–	–	–	–
Expense ratio		–	–	29.6%	26.1%	–	–	–	–
Combined ratio		–	–	97.1%	100.1%	–	–	–	–

Summary of quarterly consolidated financial information (unaudited)

Summary of
quarterly
consolidated
financial
information

in USD millions, for the six months ended	06/30/09	03/31/09	12/31/08	09/30/08	06/30/08	03/31/08	12/31/07	09/30/07	06/30/07
Gross written premiums and policy fees	13,184	14,242	12,800	12,399	12,345	14,350	11,532	10,977	11,602
Net earned premiums and policy fees	11,198	11,280	11,825	10,520	10,786	10,976	10,750	10,122	2,737
Net investment result on Group investments	1,619	816	1,087	770	1,803	2,173	2,627	2,682	2,417
Net investment income on Group investments	1,933	1,844	2,173	2,150	2,239	2,163	2,208	2,101	2,220
Net capital gains/(losses) on Group investments and impairments	(314)	(1,028)	(1,086)	(1,380)	(437)	10	420	580	198
Net investment result on unit-linked investments	4,226	(3,303)	(4,105)	(8,221)	(396)	(9,008)	17	872	4,055
Other revenues	1,005	992	1,067	860	1,161	1,052	1,073	1,137	1,014
Total revenues	18,047	9,786	9,873	3,929	13,354	5,193	14,468	14,812	10,224
Insurance benefits and losses, net of reinsurance	8,326	9,041	10,170	8,381	8,123	8,138	7,811	7,560	475
Policyholder dividends and participation in profits, net of reinsurance	4,418	(3,229)	(4,506)	(8,293)	(527)	(8,188)	376	1,313	4,212
Other expenses	4,016	3,765	4,394	3,961	4,208	3,824	4,406	4,015	3,736
Total benefits, losses and expenses	16,760	9,576	10,058	4,048	11,804	3,775	12,593	12,888	8,424
Net income before income taxes	1,287	209	(185)	(119)	1,550	1,418	1,876	1,924	1,799
Net income attributable to shareholders	892	362	205	154	1,254	1,427	1,529	1,509	1,286
Business operating profit	1,491	1,061	1,002	636	1,785	1,764	1,796	1,627	1,542

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 Financial Report 2008 and the unaudited consolidated financial statements.

Information regarding accounting policies and embedded value performance measures is located in the notes to the consolidated financial statements and the embedded value report in the Financial Report 2008.

The Group

Book value per share – This measure is calculated by dividing common shareholders' equity by the number of shares issued less the number of treasury shares.

Business operating profit (BOP) – 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 shareholders' taxes, net capital gains on investments and impairments (except for the capital markets and banking operations included in Other Operating 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. **Business operating profit before interest, depreciation and amortization (BOPBIDA)** is BOP before interest expense on debt, depreciation of property and equipment and amortization and impairment of goodwill and other intangibles, but including amortization of DAC and DOC. **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 share of the Group's total IFRS equity allocated based on the segment's proportion of the Group's total risk based capital at each 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, annualized on a linear basis and adjusted 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.

Investments – 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.

Operational debt – This non-IFRS term refers to debt items that are excluded from rating agency leverage calculations such as collateralized loans, debt related to banking activities and obligations to repurchase securities.

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, annualized on a linear 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 elements 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 Financial Report 2008.

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 percent 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

Gross management result – 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.

Managed gross earned premium margin – This performance measure is calculated as gross operating profit of Farmers Management Services divided by the gross earned premiums of the Farmers Exchanges, which we manage but do not own.

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.

Disclaimer & Cautionary Statement

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

It should be noted that past performance is not a guide to future performance. Please also note that interim results are not necessarily indicative of the full year results.

Persons requiring advice should consult an independent adviser.

This communication does not constitute an offer or an invitation for the sale or purchase of securities in any jurisdiction.

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