



Annual Results Reporting 2010

Analysts and Media Presentation

February 10, 2011

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Agenda



- Introduction

Martin Senn

- Annual Results 2010

Dieter Wemmer

- Q&A

- Closing remarks

Martin Senn



Introduction

Martin Senn
Chief Executive Officer

February 10, 2011

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Financial highlights



in USD millions

for the years ended December 31

	2010	2009 ¹	Change
Business operating profit (BOP)	4,875	5,593	-13%
Net income attributable to shareholders	3,434	3,963	-13%
General Insurance combined ratio	97.9%	96.8%	-1.1pts
Global Life new business value ²	817	782	4% ²
Farmers Mgmt Services managed GEP margin ³	7.3%	7.2%	0.1pts
Shareholders' equity	31,984	29,304	9%
Return on common shareholders' equity (ROE)	11.4%	16.1%	-4.7pts
Business operating profit (after tax) ROE	12.9%	17.6%	-4.7pts

¹ Throughout this document, certain comparatives have been restated. Refer to the audited consolidated financial statements for details.

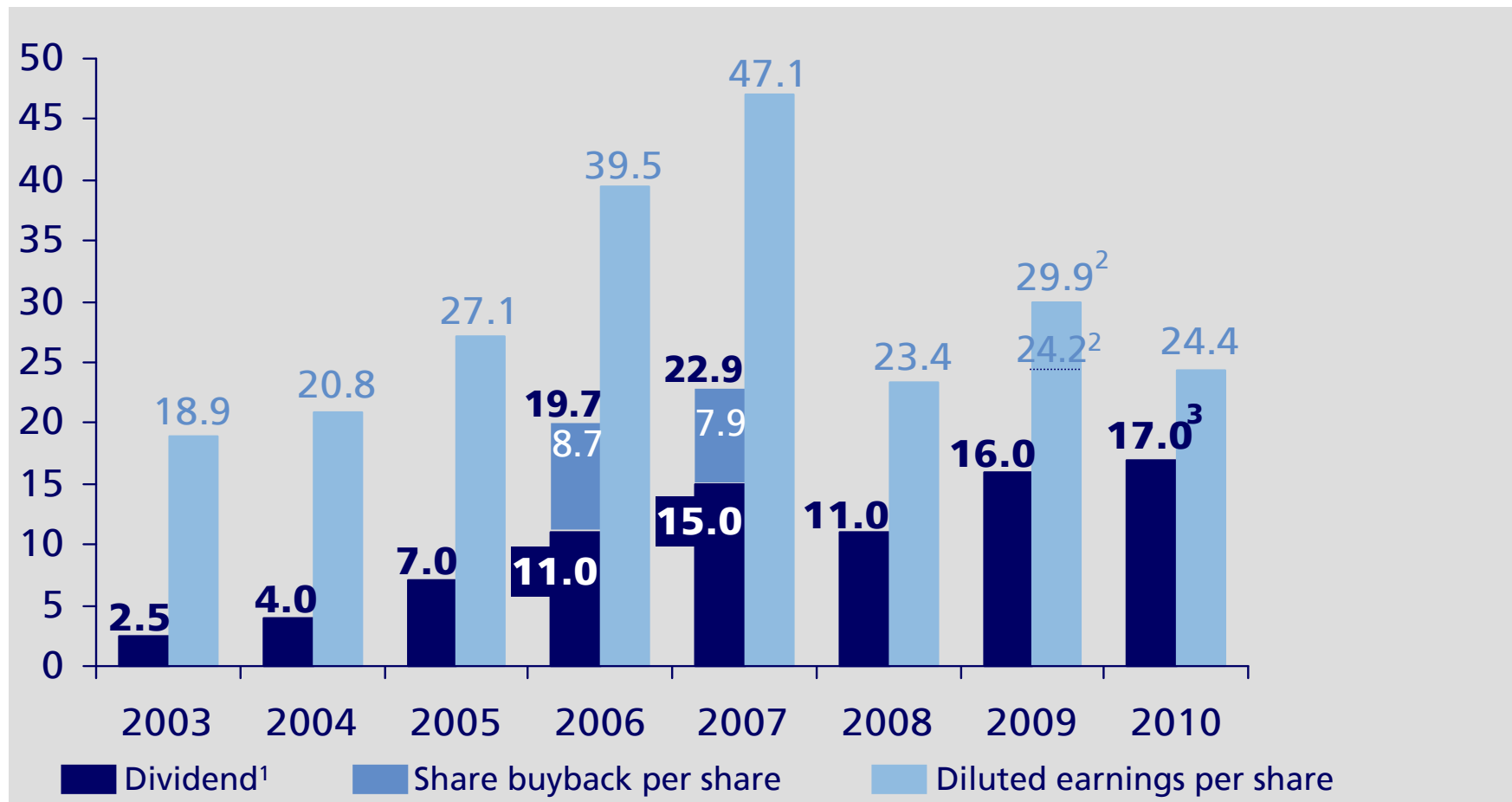
² After tax; change in local currency is 7%.

³ Margin on gross earned premiums of the Farmers Exchanges. Zurich Financial Services Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc., a wholly owned subsidiary of the Group, provides management services to the Farmers Exchanges and receives fees for its services.

Proposed dividend of CHF 17³ per share for 2010 resulting in a payout ratio of 70%



Dividends / EPS in respect of the business year (in CHF)¹



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¹ Dividend includes gross dividend and payout of nominal value reduction per registered share.

² CHF 29.9 as restated; CHF 24.2 as reported in 2009

³ Proposed dividend by the Board of Directors to the Annual General Meeting 2011, scheduled for March 31, 2011.

Key Messages



- Performed well in a challenging environment in 2010
 - Strategically well-positioned for the future
 - Focused on targeted growth in profitable markets
 - Strong capital base and solvency position
 - Strong cash flow generation to sustain our attractive dividend
- 
- Delivering on our promise to drive total shareholder value



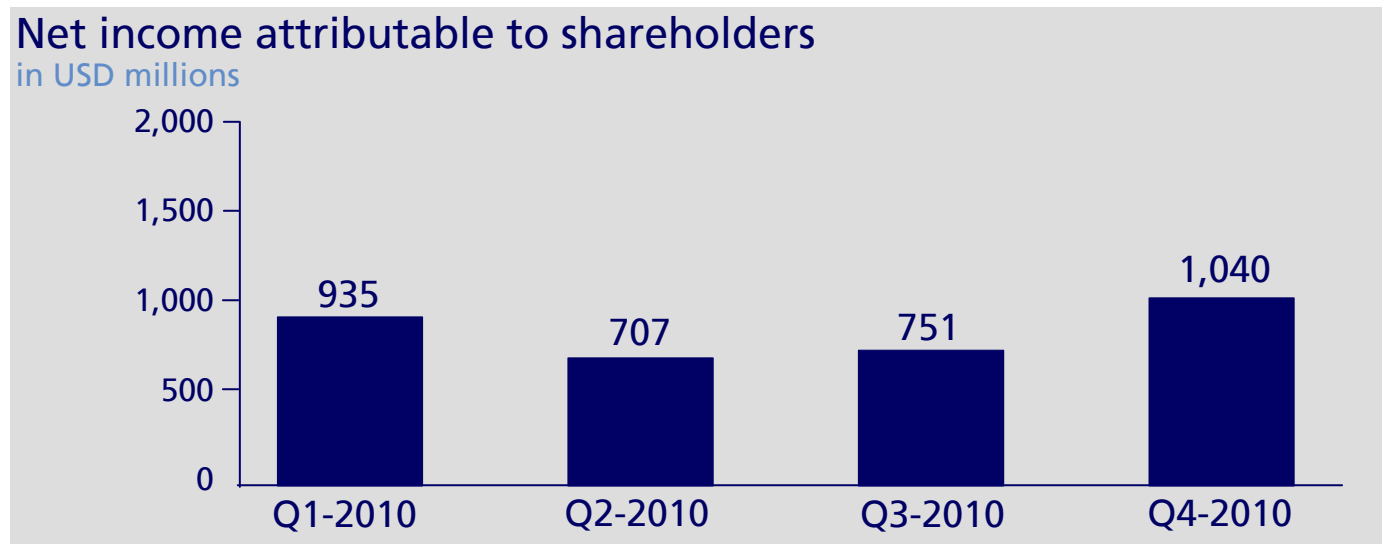
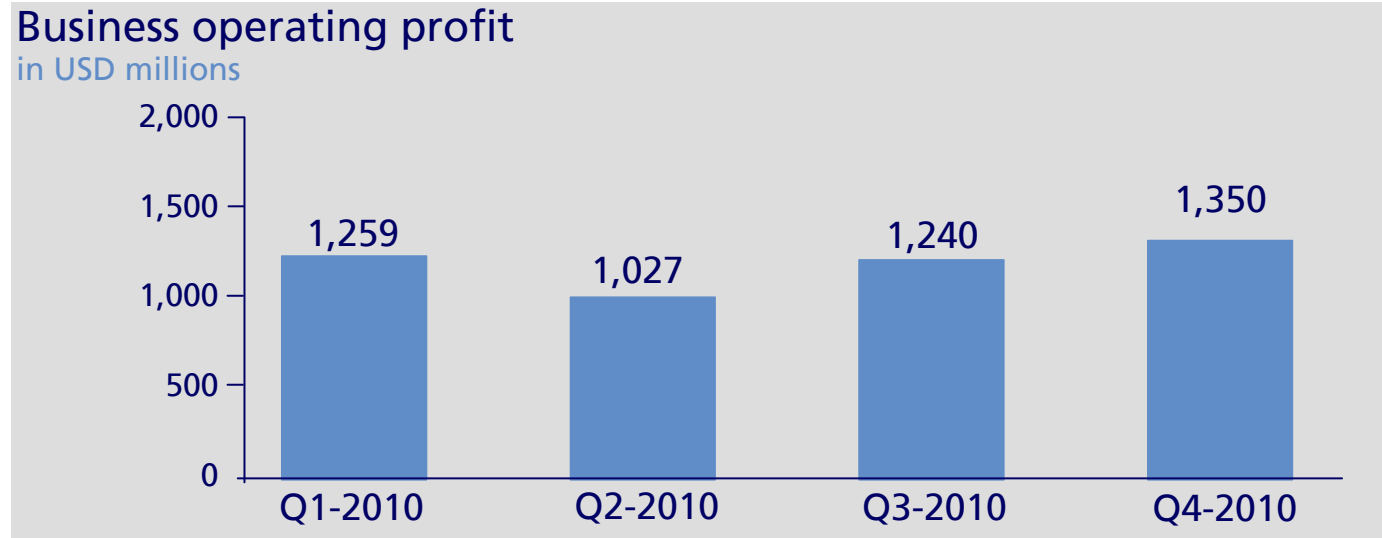
Annual Results 2010

Dieter Wemmer
Chief Financial Officer

February 10, 2011

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Business operating profit and net income by quarter



Business operating profit by segment



in USD millions

for the years ended December 31

	2010	2009 ¹	Change
General Insurance	2,673	3,463	-23%
Global Life	1,474	1,477	0%
Farmers (including Farmers Re)	1,686	1,554	8%
Other Operating Businesses	-801	-611	-31%
Total Core BOP	5,032	5,883	-14%
Non-Core Businesses	-157	-290	46%
Total BOP	4,875	5,593	-13%

¹ Throughout this document, certain comparatives have been restated. Refer to the audited consolidated financial statements for details.

General Insurance – key performance indicators



in USD millions

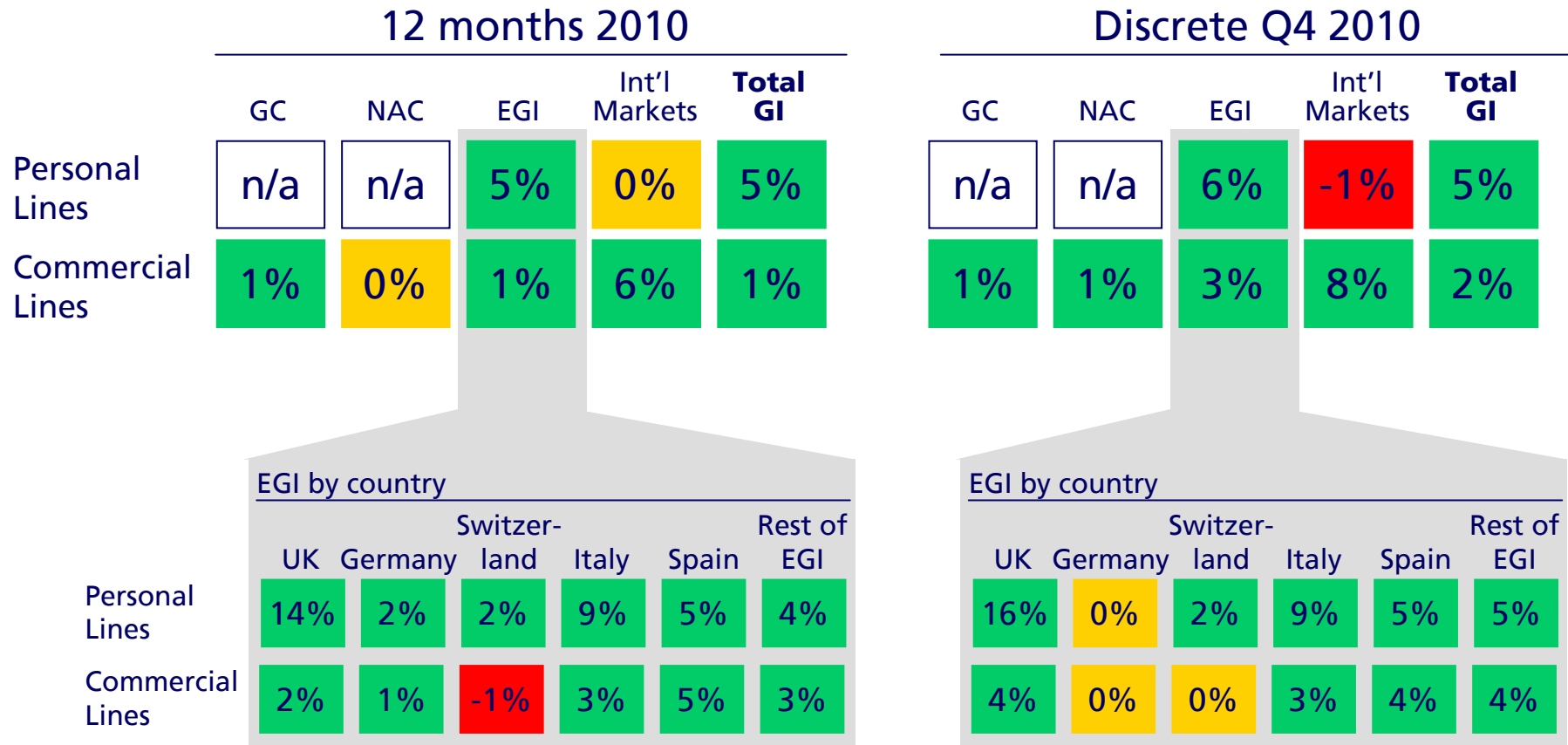
for the years ended December 31

	2010	2009	Change	Change in LC ¹
GWP and policy fees	33,066	34,157	-3%	-3%
Rate change ²	2%	3%	-1pts	
Loss ratio	71.1%	70.9%	-0.2pts	
Expense ratio	26.8%	25.9%	-0.9pts	
Combined ratio	97.9%	96.8%	-1.1pts	
Business operating profit	2,673	3,463	-23%	-22%

¹ Local Currency

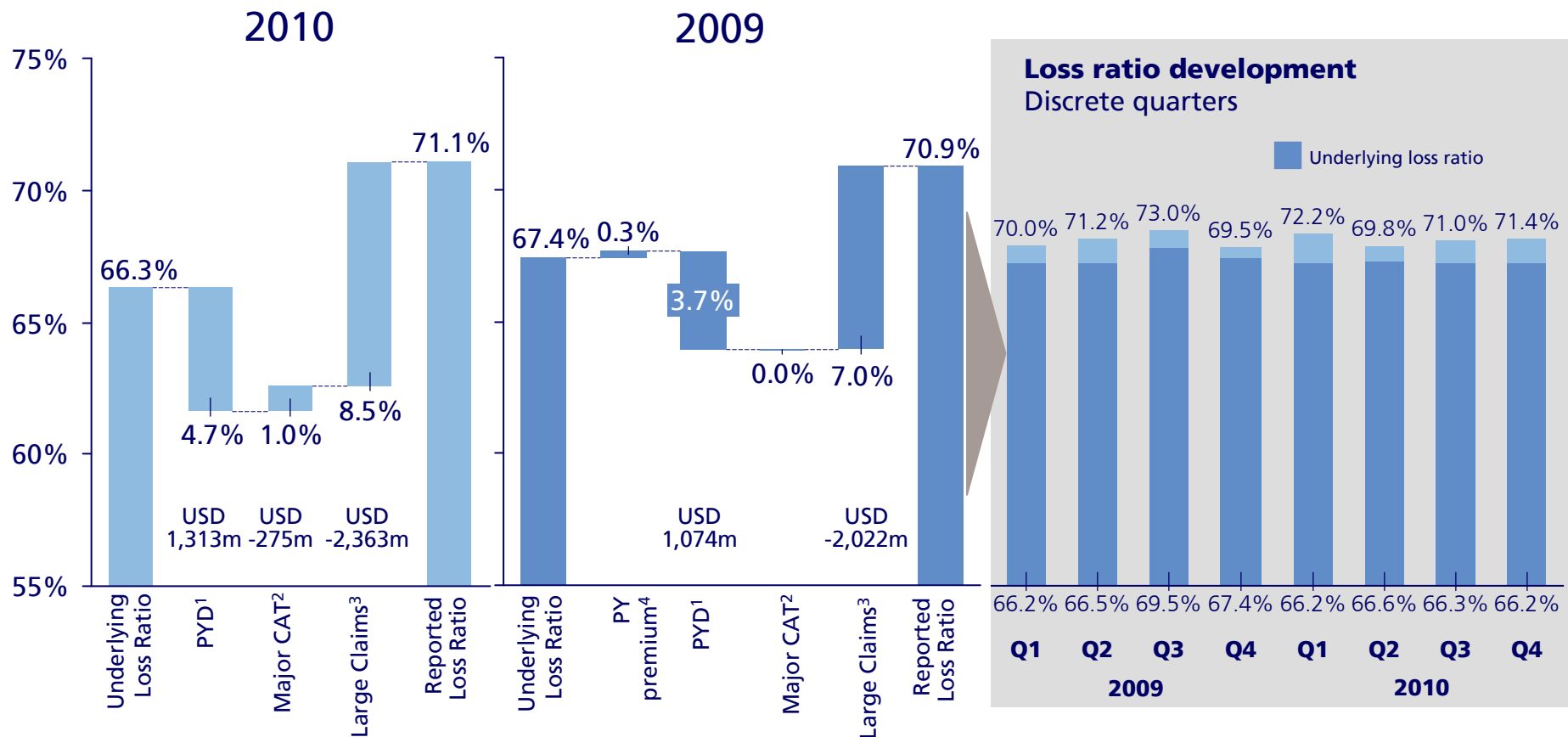
² For details, please refer to specific notes on the following slide “Rate Change Monitor”.

General Insurance – Rate Change Monitor¹ for personal and commercial lines



¹ The Zurich Rate Change Monitor expresses the Gross Written Premium development due to premium rate change as a percentage of the renewed portfolio against a comparable prior period. In this slide, the shown periods 2010 are compared to the same periods 2009.

General Insurance – comparison of loss ratio



¹ Prior year development

² Major CAT (potential USD 100m or larger). 2010 includes USD 175m for the earthquake in Chile and USD 100m for the floods in Australia in 2010.

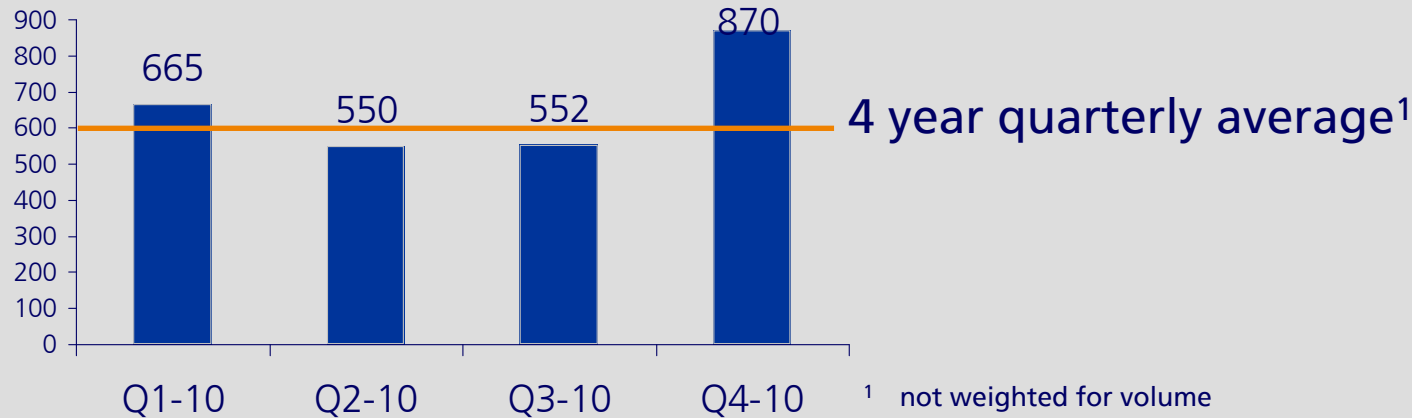
³ Large claims are defined individually by our General Insurance Business Divisions, consistently applied over time, excludes Major CATs.

⁴ This PY premium movement arises from loss sensitive business written in the US. The premium adjustments affect the denominator of the ratio rather than the numerator.

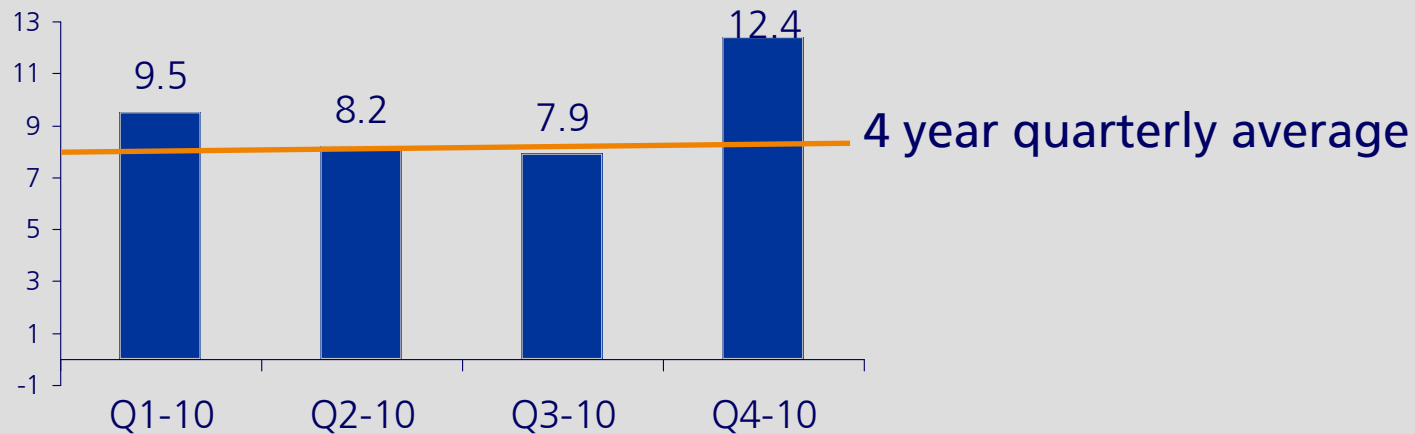
General Insurance – major CAT & large claims: a heavy quarter in a heavy year



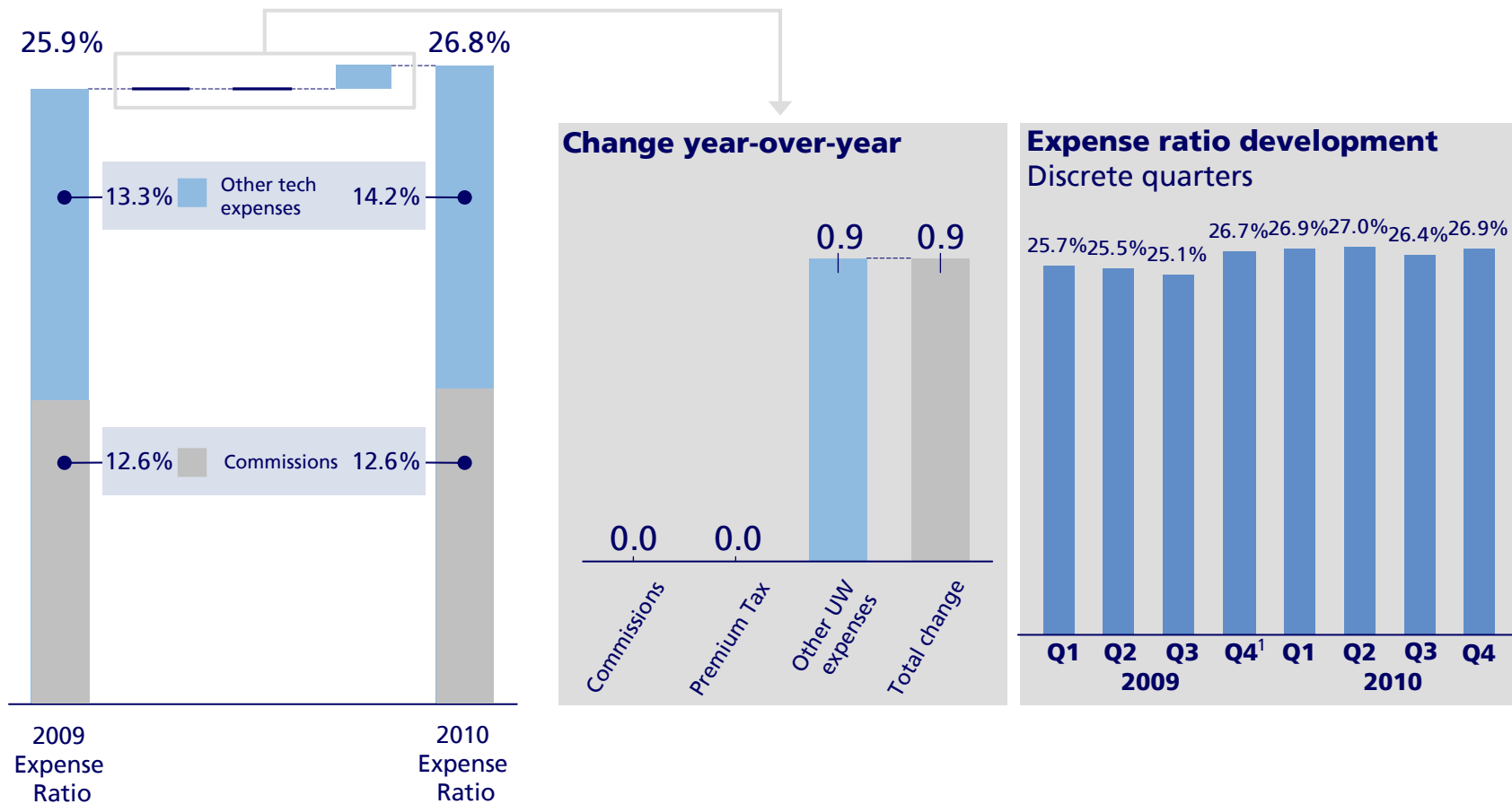
Major CAT and Large Claims
in USD millions



Impact: Major CAT and Large Claims as a % of Net Earned Premiums
in %



General Insurance – expense ratio walk from 2009 to 2010



¹ Adjusted for the PY premium movements from loss sensitive business written in the US. The premium adjustments affect the denominator of the ratio, rather than the numerator. Total premium adjustment is USD 114m for 2009. As reported the expense ratio was 27.1% for Q4-09.

Global Life – key performance indicators



in USD millions

for the years ended December 31

	2010	2009	Change	Change in LC ¹
GWP, policy fees and insurance deposits	27,675	26,029	6%	9%
Net inflows to Assets under Mgmt	5.5bn	5.4bn	2%	
Annual Premium Equivalent (APE)	3,699	3,667	1%	4%
New Business Value (NBV), after tax	817	782	4%	7%
<i>NBV, after tax, carried forward²</i>	862			
New business margin, after tax ³	22.1%	21.3%	0.8pts	
MCEV operating return ⁴	9.6%	14.9%	-5.3pts	
Closing MCEV	16,141	16,752	-4%	
<i>Closing MCEV carried forward²</i>	16,472			
Business operating profit	1,474	1,477	0%	1%

¹ Local Currency

² Including illiquidity premium and change to cost of capital

³ New Business Value as % of APE.

⁴ After tax and before currency translation effects.

Global Life – new business by pillar



in USD millions
for the years ended Dec 31

	NBV 2010	NBV 2009	Change in LC¹	APE 2010	APE 2009	Change in LC¹
Bank Distribution	213	191	19%	932	1,099	-10%
IFA/Brokers	197	167	19%	972	924	7%
Agents	130	189	-29%	510	503	3%
Corporate Life & Pensions	124	101	23%	729	603	24%
International / Expats	73	83	-9%	256	258	2%
Private Banking Client Solutions	12	12	2%	207	186	14%
Direct and Central Initiatives	68	39	72%	93	94	-4%
Total	817	782	7%	3,699	3,667	4%

¹ Local Currency

Global Life – Business operating profit: Profit by Source



in USD millions
for the years ended December 31

	New Business		Business in Force		Total	
	2010	2009	2010	2009	2010	2009
Net Expense margin	-1,751	-1,659	1,529	1,288	-223	-371
Net Risk margin			639	596	639	596
Net Investment margin			697	821	697	821
Other profit margins			-24	7	-24	7
BOP before deferrals	-1,751	-1,659	2,841	2,711	1,089	1,052
Impact of acquisition deferrals	1,589	1,478	-1,010	-978	579	500
BOP before interest, depreciation and amortization	-162	-181	1,831	1,733	1,668	1,552
Interest, depreciation, amortization and non controlling interests	0	0	-361	-333	-361	-333
BOP before special operating items	-162	-181	1,470	1,400	1,308	1,219
Special operating items	0	0	167	258	167	258
Business operating profit	-162	-181	1,636	1,658	1,474	1,477

Note: Restructuring provisions and other items not relevant for BOP are netted in the corresponding line item.

Farmers – key performance indicators



in USD millions

for the years ended December 31¹

	2010	2009	Change
Farmers Management Services			
Managed gross earned premium margin ²	7.3%	7.2%	0.1pts
Business operating profit	1,365	1,326	3%
Farmers Re			
Business operating profit	321	228	41%
Farmers Exchanges²			
Gross written premiums	18,131	17,620	3%
Surplus ratio	42.2%	44.1%	-1.9pts

¹ Includes results from 21st Century/Personal Auto Group (21stC) since July 1, 2009 when transaction closed.

² Margin on gross earned premiums of the Farmers Exchanges. Zurich Financial Services Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc., a wholly owned subsidiary of the Group, provides management services to the Farmers Exchanges and receives fees for its services.

Investment performance of Group investments



in USD millions

for the years ended December 31

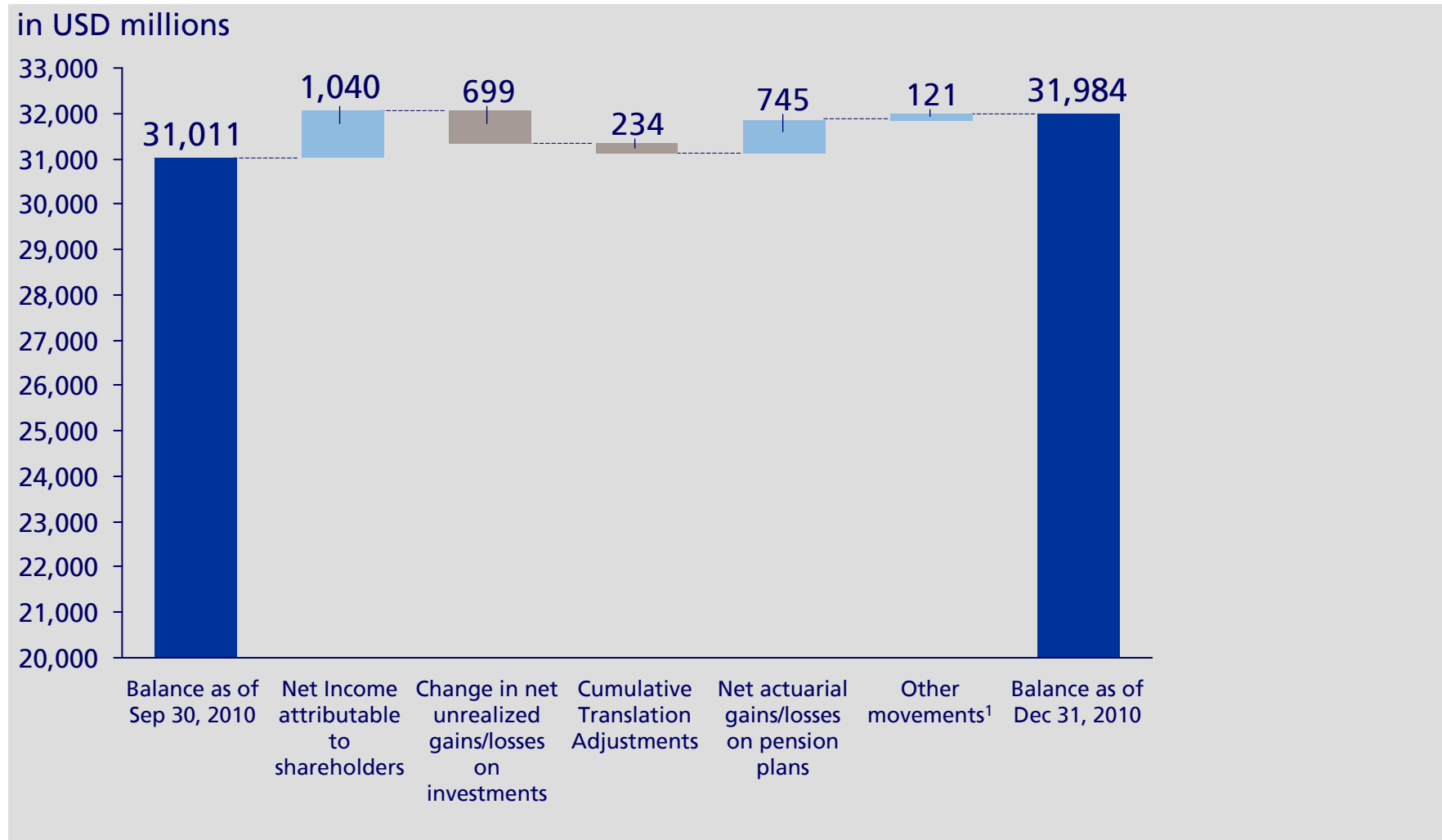
	2010	2009	Change
Net investment income	7,092	7,505	-5%
Net capital gains/(losses) on investments and impairments ¹	898	(1,576)	nm
<i>of which attributable to shareholders</i>	279	(1,528)	nm
Net investment result	7,990	5,929	35%
Net investment result in % ²	4.1%	3.2%	0.9pts
Movements in net unrealized gains on investments included in shareholders' equity ³	2,511	6,084	-59%
Total net investment return ²	5.4%	6.4%	-1pts

¹ Including impairments of USD 1,001m (FY 2009: USD 1,394m) of which USD 349m attributable to bank loans in the UK and Ireland

² In % of average investments

³ Before attribution to policyholders and other

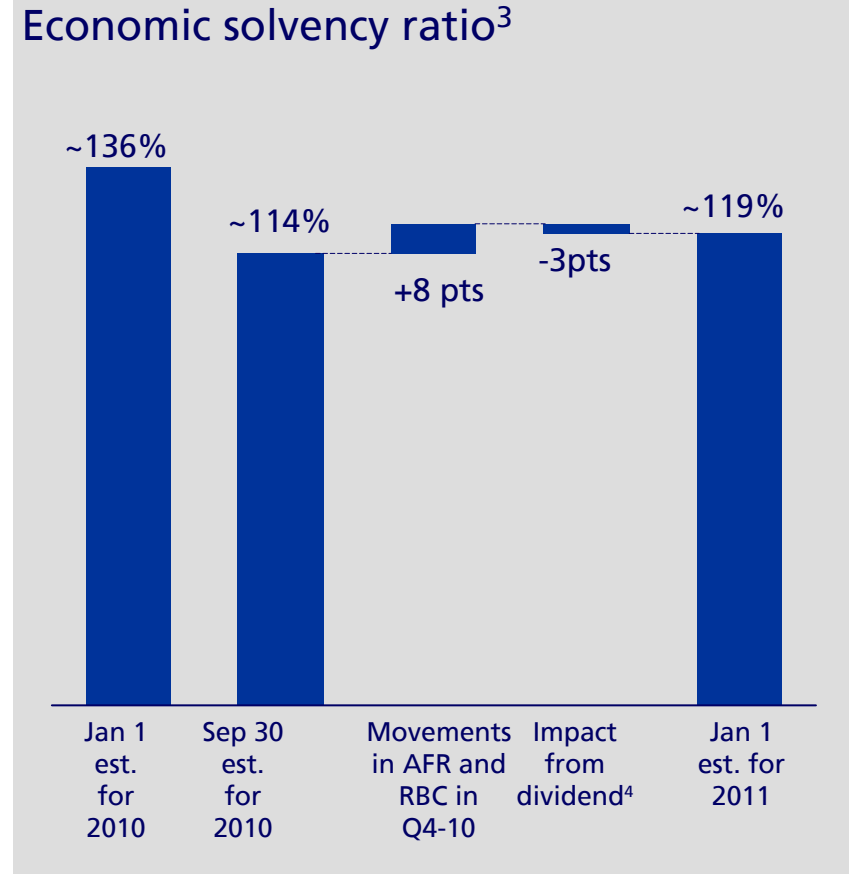
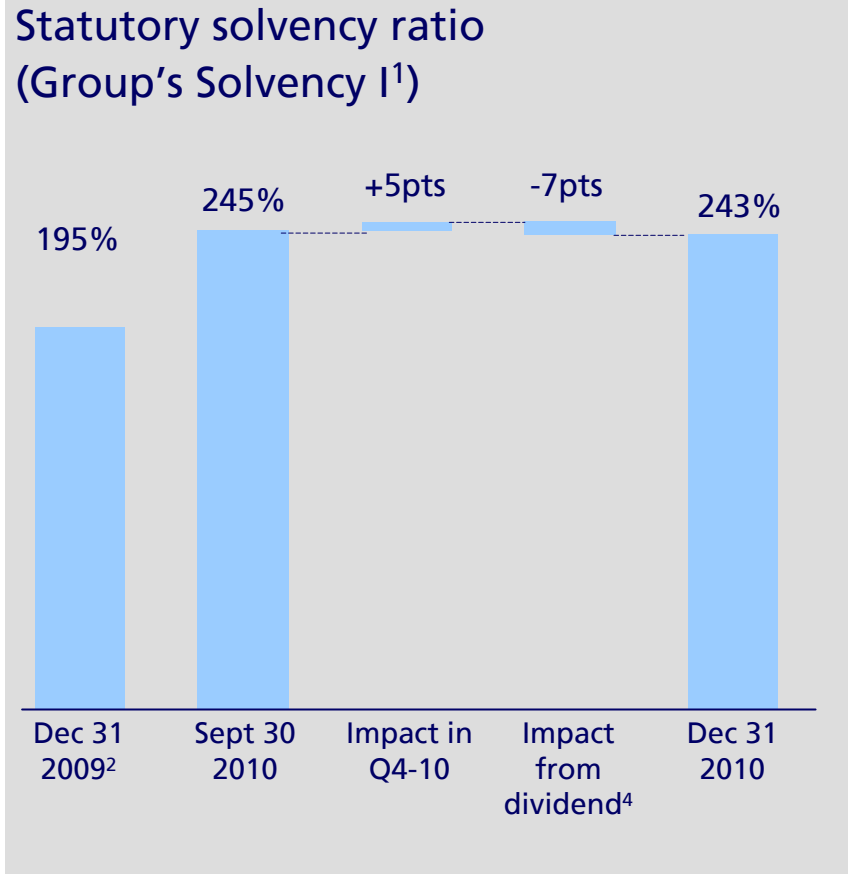
Development of shareholders' equity in Q4 2010



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¹ Includes issuance of share capital share-based payment transactions and other.

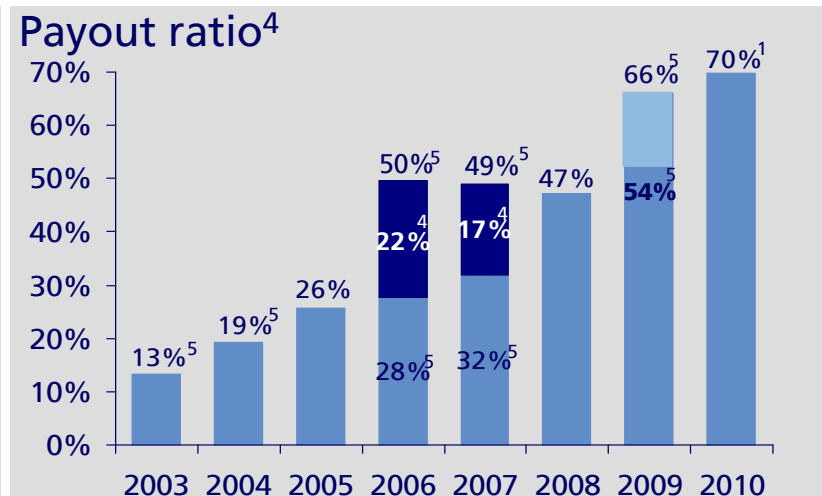
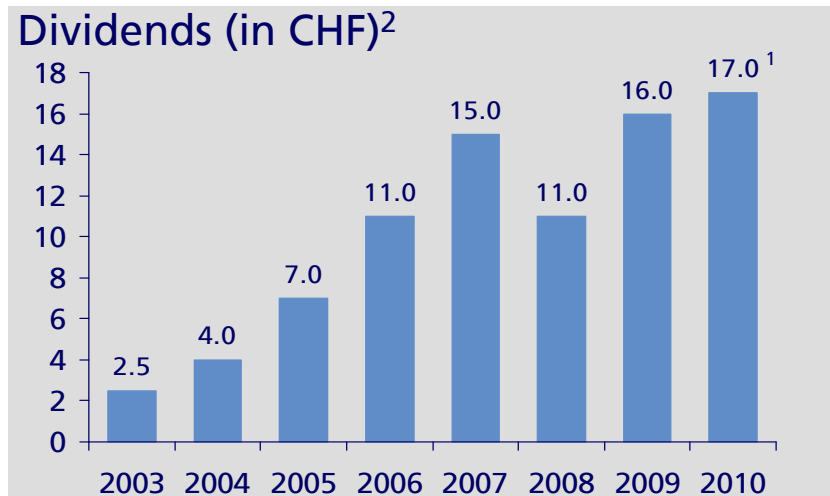
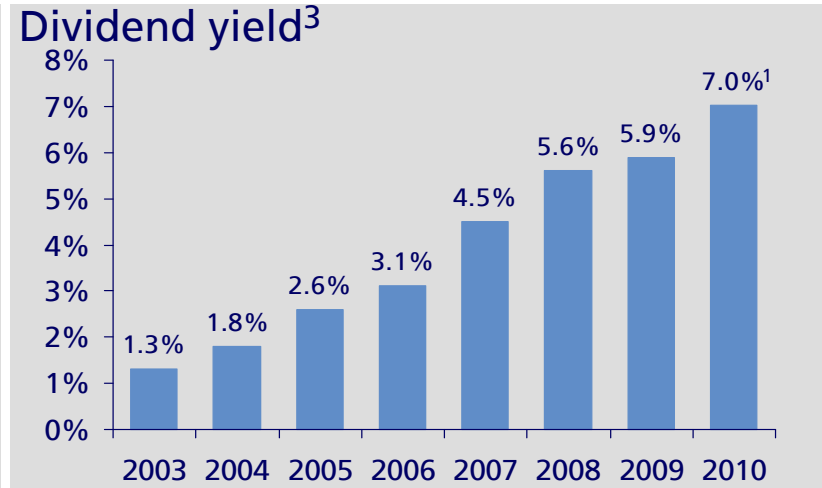
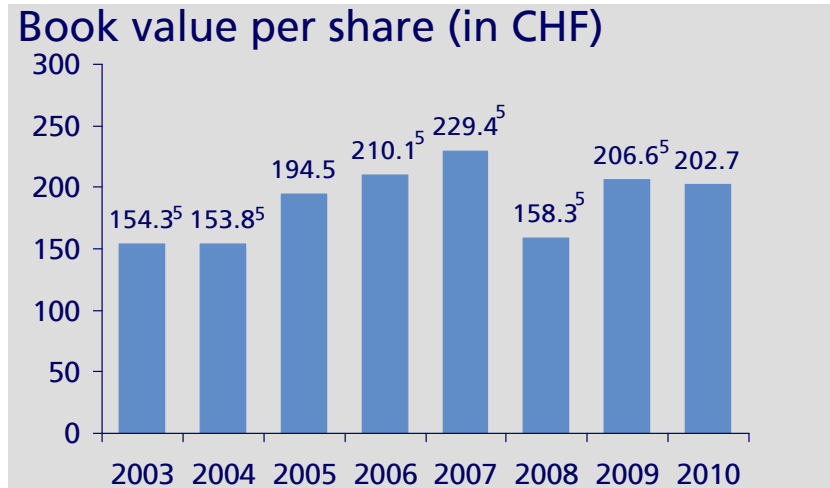
2011 estimated economic and regulatory solvency



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- ¹ Solvency I requirements in accordance with the Swiss insurance supervisory law.
- ² Finalized, restated for accounting change and as filed with the Swiss regulator; after 2009 dividend.
- ³ Economic financial strength is based on Available Financial Resources (AFR) at the beginning of the period and expected risks to be taken during the period (RBC). Economic financial strength is based on **AA calibration**.
- ⁴ 2010 dividend proposed to the Annual General Meeting minus previous pro-rata accrual of dividends in 2010.

Attractive CHF 17 dividend for 2010 without deduction of withholding tax¹



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¹ The Board of Directors proposed a dividend of CHF 17 out of capital contribution reserves to the Annual General Meeting 2011.
² Dividend includes gross dividend and payout of nominal value reduction per registered share.
³ Compared to the close price of the day before the ex-dividend date, except for 2010 for which year-end close price was considered.
⁴ Payout includes share buy-backs of USD 1bn each in respect of 2006 and 2007.
⁵ Restated. Payout ratio 2009: 54% as restated, 66% as reported in 2009



Q & A





Closing remarks

Martin Senn
Chief Executive Officer

February 10, 2011

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Appendix



Top line development by segment



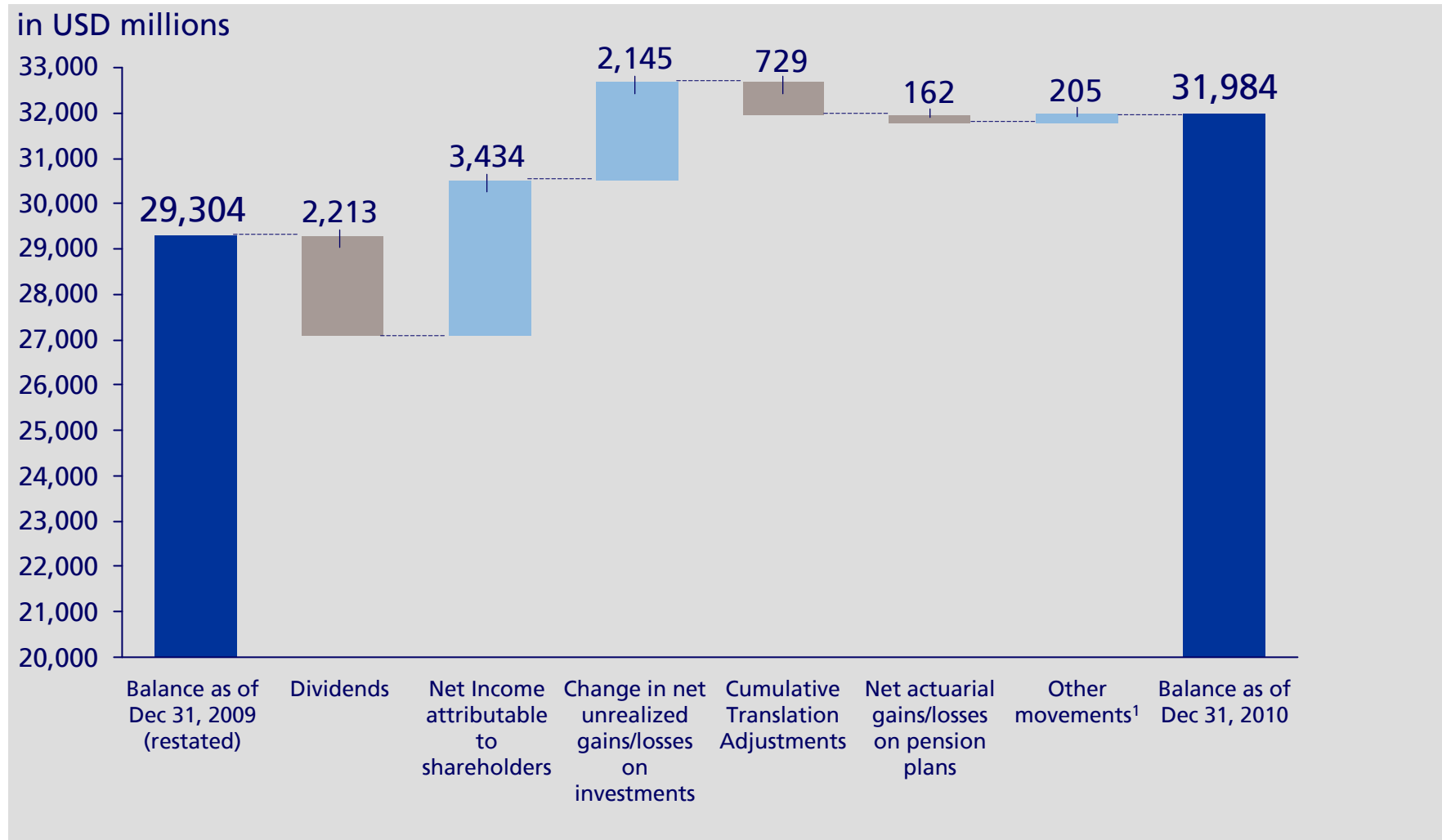
in USD millions
for the years ended December 31

	2010	2009	Change	Change in LC ¹
General Insurance				
GWP and policy fees	33,066	34,157	-3%	-3%
Global Life				
GWP, policy fees and insurance deposits	27,675	26,029	6%	9%
Annual Premium Equivalent (APE) ²	3,699	3,667	1%	4%
Farmers				
Farmers management fees	2,778	2,690	3%	3%
Farmers Re GWP	4,194	6,615	-37%	-37%

¹ Local Currency

² Gross new business Annual Premium Equivalent (APE)

Development of shareholders' equity in 2010



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¹ Includes issuance of share capital and share-based payment transactions and other.

Business division BOP-ROE¹ based on RBC-allocated IFRS equity



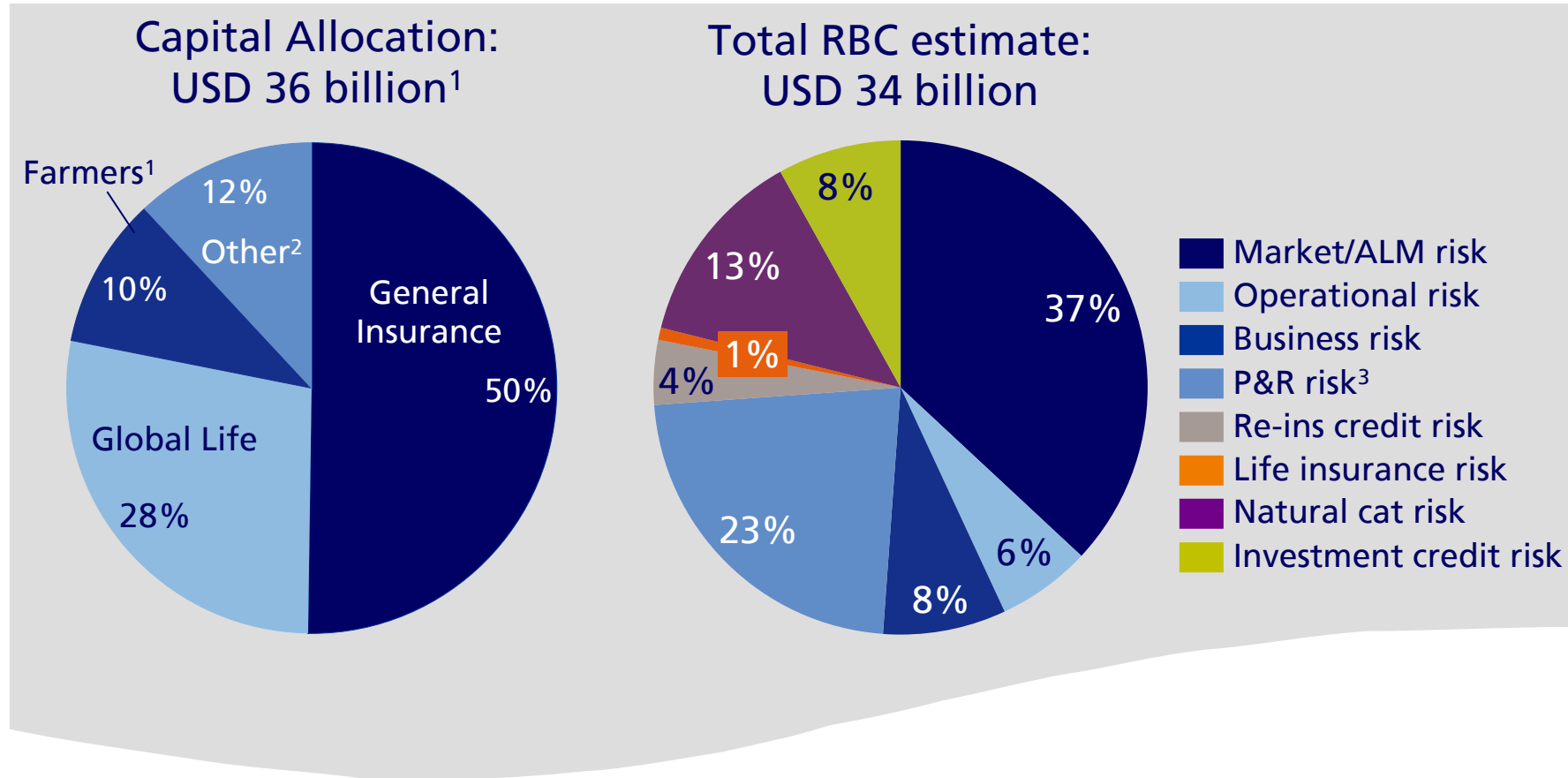
for the years ended December 31

	2010	2009
General Insurance	16.9%	24.0%
<i>Global Corporate</i>	20.0%	23.4%
<i>North America Commercial</i>	20.3%	25.2%
<i>Europe General Insurance</i>	16.7%	24.7%
<i>International Markets</i>	4.4%	21.0%
<i>GI Global Functions including Group Reinsurance</i>	-5.9%	19.1%
Global Life	16.4%	22.1%
Farmers	50.3%	48.8%
Other Operating Businesses	-36.3%	-37.9%
Non-Core Businesses	-7.3%	-21.7%
Total Group	16.1%	22.7%
Total Group BOP (after tax) ROE ²	12.9%	17.6%

¹ Adjusted BOP-ROE based on average IFRS Group equity allocated to the segment based on its share of Zurich risk based capital (RBC).

² Business operating profit (after tax) return on common shareholders' equity.

Zurich RBC by segment and risk type for 2011



¹ Total allocated capital = USD 34bn RBC plus USD 2bn direct allocation to Farmers
² Includes Other Operating Businesses and Non-Core Businesses
³ Premium & reserving risk

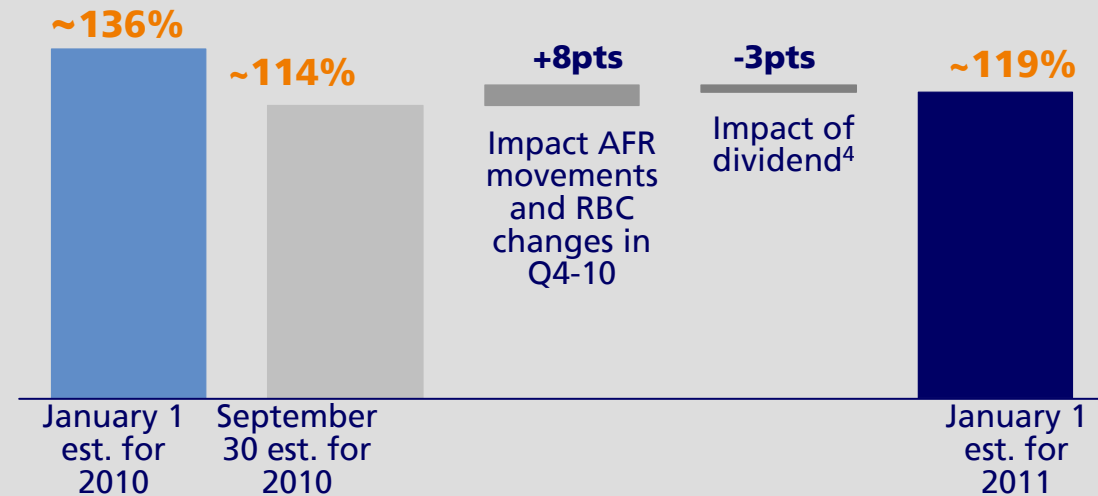
2011 estimated economic and regulatory solvency



Statutory solvency ratio / Group's Solvency I¹

Dec 31, 09	Sep 30, 10	Impact Q4-10	Dividend ⁴	Dec 31, 10
195% ²	245%	+5pts	-7pts	243%

Economic solvency ratio³



What if scenarios

Debt securities at cost	-12pts
GI DAC	+24pts

Impact of illiquidity premium ⁵	+3pts
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¹ Solvency I requirements in accordance with the Swiss insurance supervisory law.

² Finalized, restated for accounting change and as filed with the Swiss regulator; after 2009 dividend.

³ Economic financial strength is based on Available Financial Resources (AFR) at the beginning of the period and expected risks to be taken during the period (RBC). Economic financial strength is based on **AA calibration**.

⁴ 2010 dividend proposed to the AGM minus previous pro-rata accrual of dividends in 2010.

⁵ Consistent with the CFO Forum proposal for Solvency II, including its application to products, with GI being discounted with applying 50% of the illiquidity premium. For details please refer to the MCEV publication. Only impact on AFR considered.

Updated economic solvency view for 2011



in USD billions¹

Available Financial Resources (AFR)		
Estimated AFR as of September 30, 2010	+	37
● Movements in Q4-10	+	4
● Proposed dividend 2010 ²	-	1
January 1 estimate for 2011 AFR	+	40

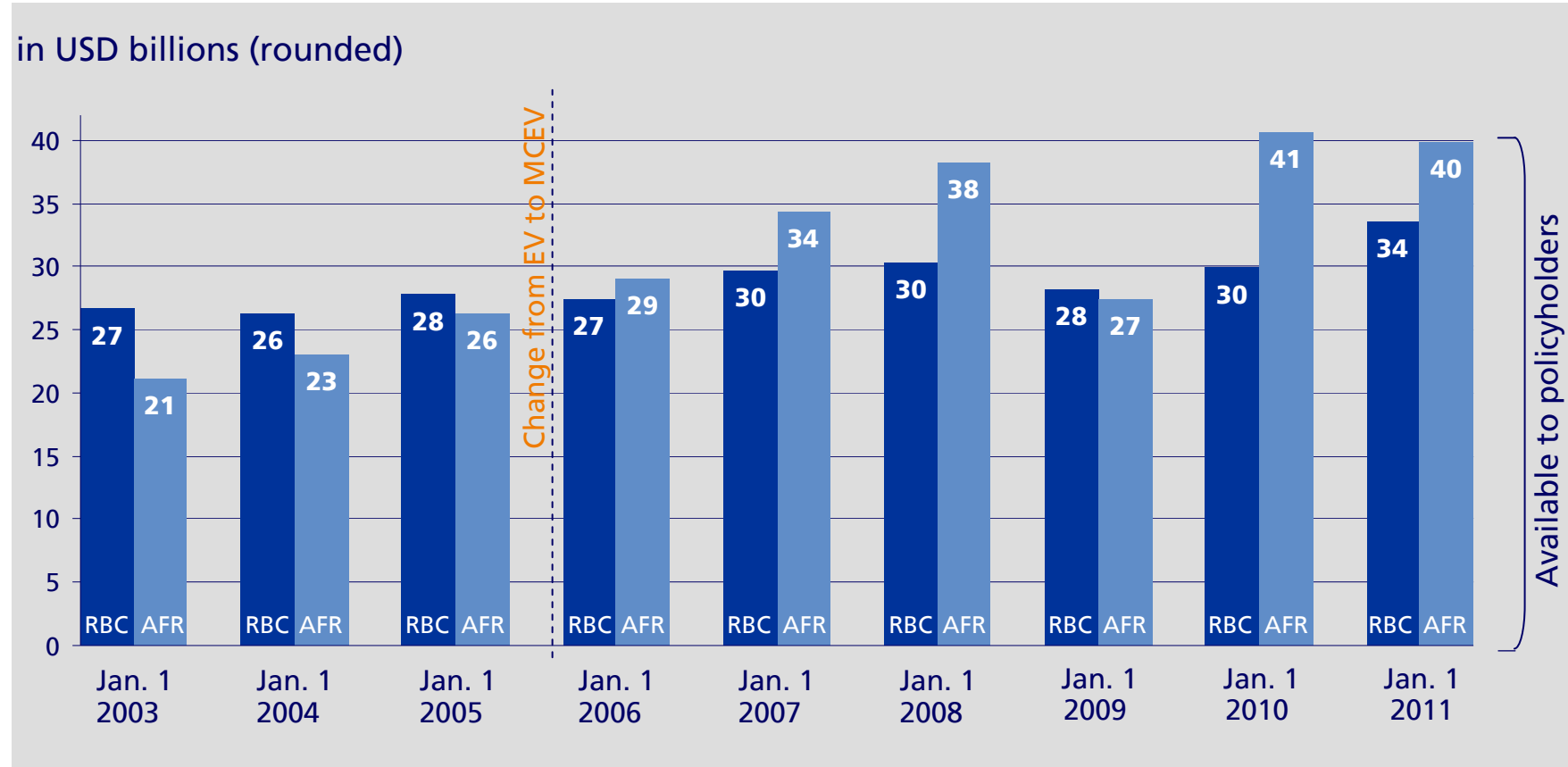
Risk Based Capital (RBC)		
Estimated RBC as of September 30, 2010	+	33
● Movements in Q4-10 & expected changes for 2011	+	1
January 1 estimate for 2011 RBC	+	34

Estimated 2011 economic solvency ratio
~119%

¹ Approximated and rounded.

² 2010 dividend proposed to the Annual General Meeting minus previous pro-rata accrual of dividends in 2010.

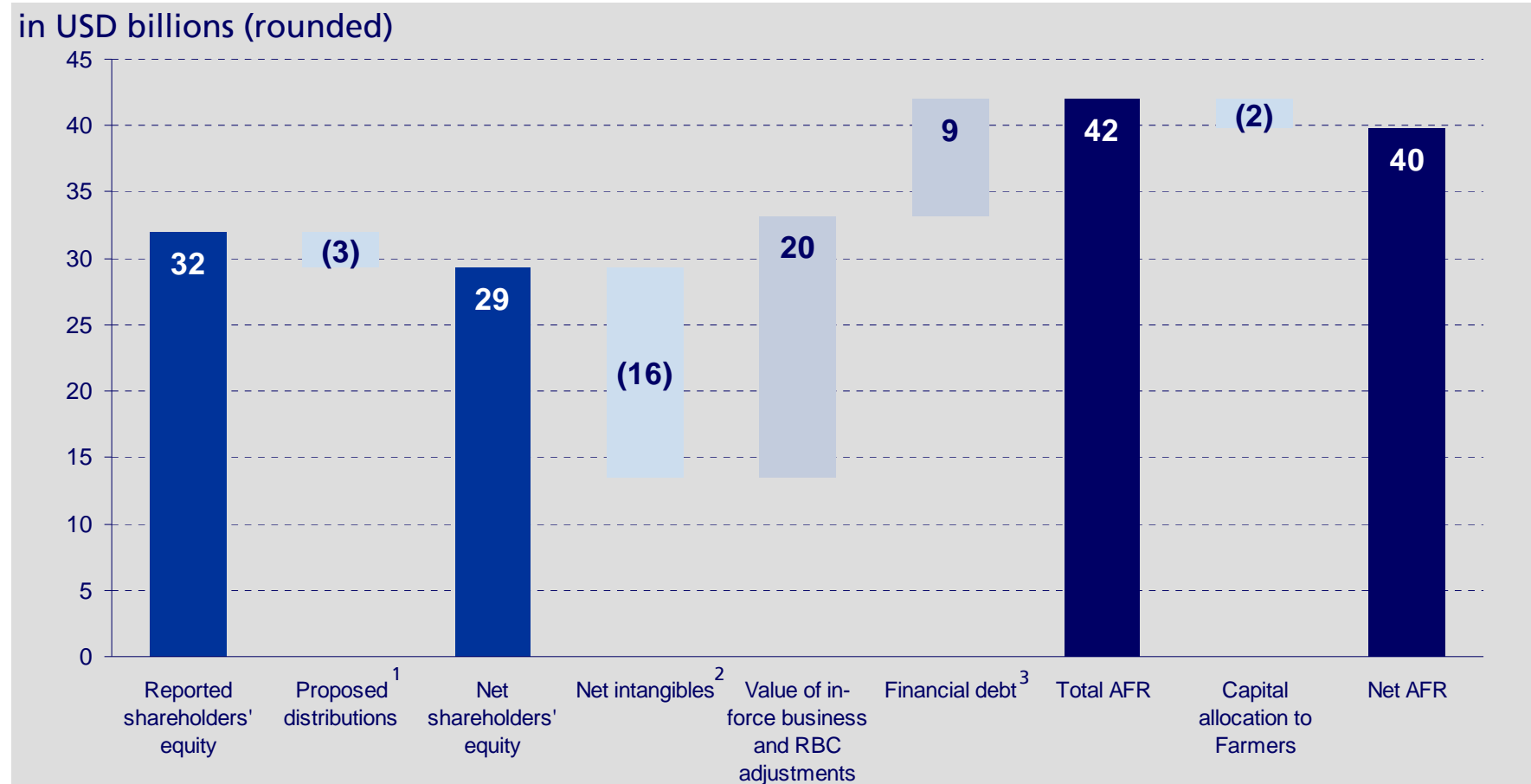
Strong economic solvency¹



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¹ Economic financial strength is based on Available Financial Resources (AFR) **at the beginning of the period** and expected risks to be taken during period (RBC).

Estimation of Available Financial Resources (AFR) as of January 1, 2011



¹ The Board of Directors proposed the 2010 dividend out of capital contribution reserves to the Annual General Meeting 2011.

² Shareholders' intangible assets adjusted for taxes less deferred front-end fees and deferred tax liabilities.

³ All debt issues (senior and subordinated) excluding those classified as operational debt or maturing within one year.

Group's Solvency I calculation



in USD millions

	Dec 31, 2010 ¹	Sep 30, 2010	Jun 30, 2010	Mar 31, 2010	Dec 31, 2009 finalized ²
Eligible equity					
Total equity	33,321	32,361	29,986	29,876	31,104
Net of intangibles and other assets	-6,998	-6,994	-6,855	-7,305	-7,456
Free reserves for policyholder dividends	2,736	4,090	3,076	3,208	2,799
Subordinated debt	4,522	3,814	3,630	3,950	4,161
Deferred policyholder acquisition costs non-life insurance	-2,754	-2,881	-2,816	-3,039	-3,054
Dividends, share buy-back and nominal value reduction	-2,643 ³	-1,773 ⁴	-1,077 ⁴	-550 ⁴	-2,226
Total eligible equity	28,184	28,618	25,945	26,140	25,239
Total required solvency capital	11,613	11,693	11,170	12,340	12,966
Excess margin	16,571	16,925	14,775	13,800	12,273
Solvency ratio	243%	245%	232%	212%	195%

¹ Current estimate

² Finalized, restated for accounting change and as filed with the Swiss regulator; after 2009 dividend.

³ The Board of Directors proposed the 2010 dividend out of capital contribution reserves to the Annual General Meeting 2011.

⁴ Including an accrual for the 2010 dividend, which was calculated as a proportional fraction of the 2009 dividend.

February 10, 2011

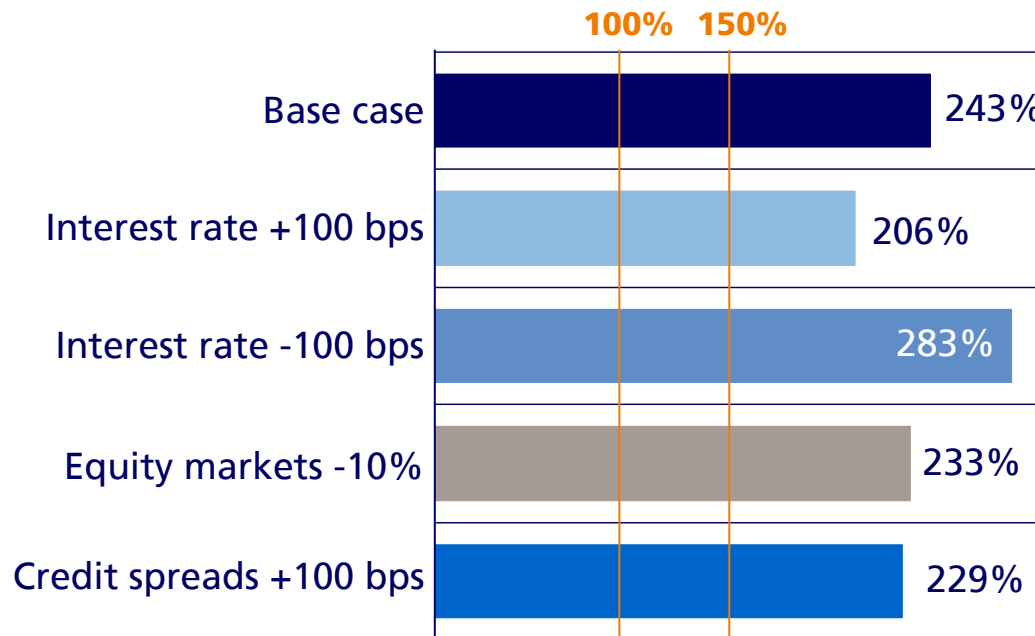
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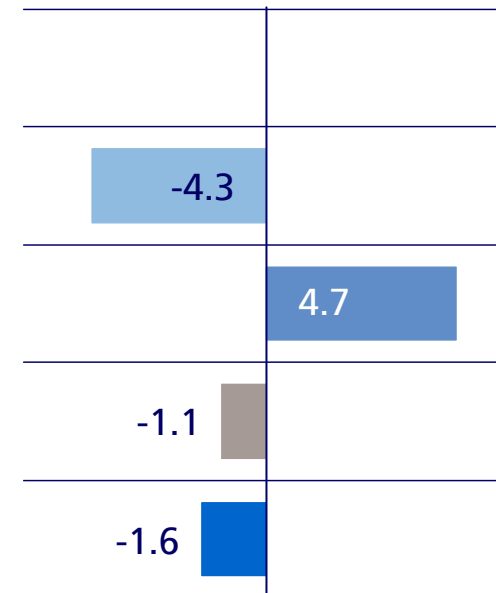
Group's Solvency I - sensitivities¹



Solvency I ratio impact (in %)



Monetary impact on IFRS equity as of Dec 31, 2010 (in USD bn)



¹ Solvency I requirements in accordance with the Swiss insurance supervisory law. The impact on unit-linked business is not included, as policyholders bear the investment risk. The impact on changes to the required capital is not included in the sensitivities for the Solvency I ratio. For further details, please refer to the respective section of the Risk Review 2010.

General Insurance – BOP and Combined ratio by business



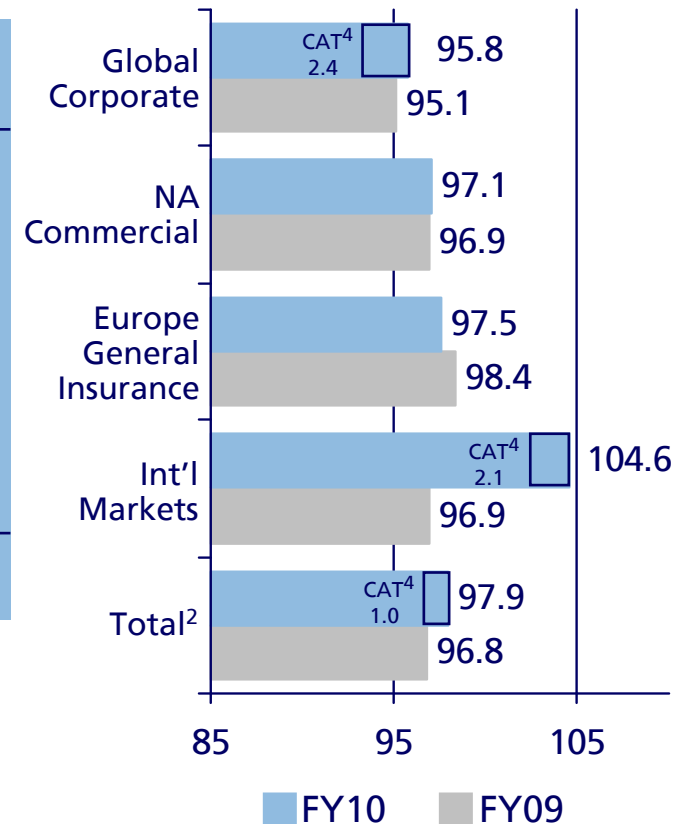
Business operating profit

in USD millions

for the years ended December 31

	2010	2009	Change
Global Corporate	741	787	-6%
North America Commercial	1,118	1,243	-10%
Europe General Insurance	816	1,120	-27%
International Markets	48	169	-72%
GI Global Functions & GRe ¹	-49	144	nm
Total	2,673	3,463	-23%³

Combined ratio (%)



¹ GI Global Functions incl. Group Reinsurance

² Including GI Global Functions, Group Reinsurance and intra-segment eliminations

³ Equivalent to -22% in local currency

⁴ Major CAT (potential USD 100 million or larger)

General Insurance - Gross written premiums and policy fees

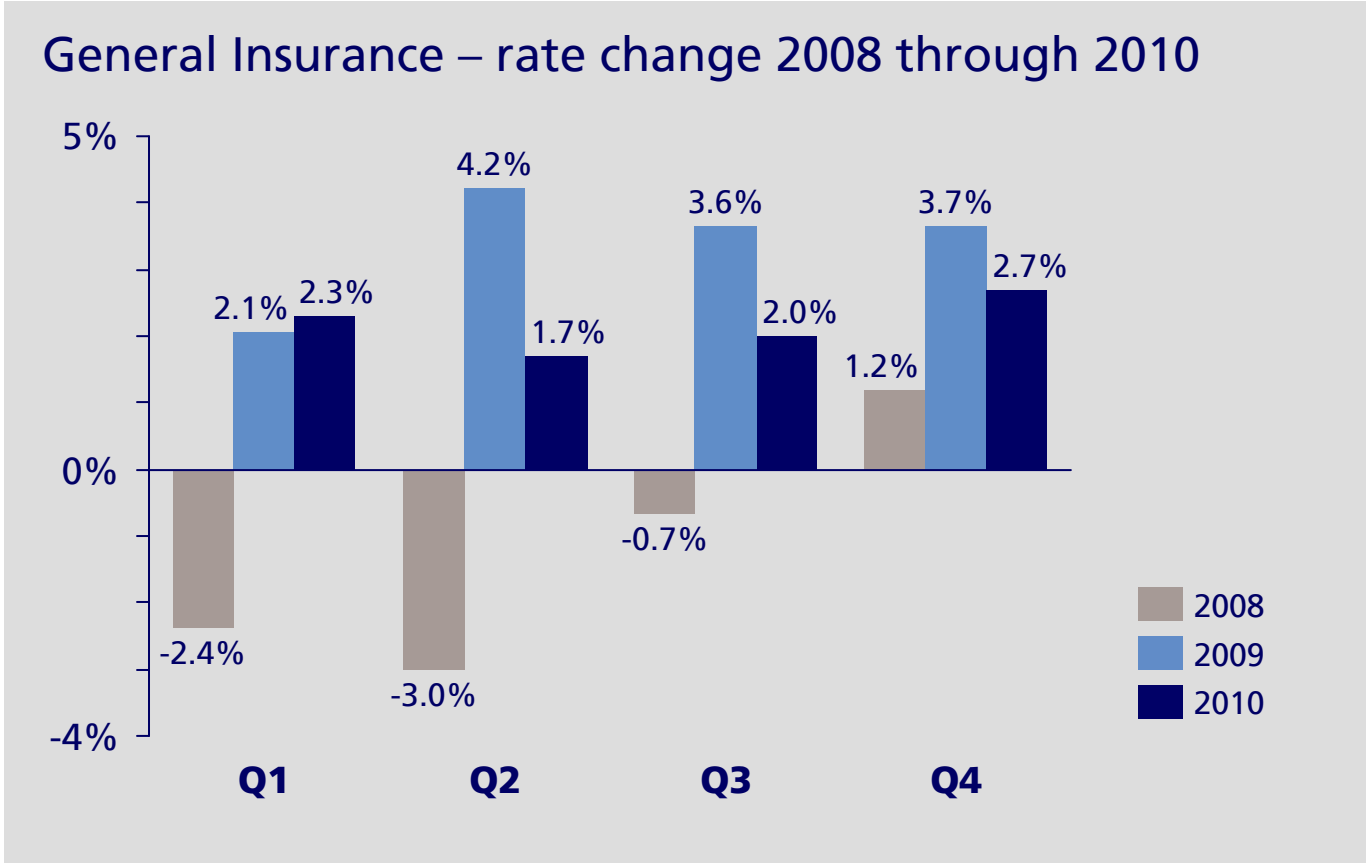


In USD millions for the years ended December 31	2010	2009	Change	Change in LC ¹
Global Corporate	7,624	7,602	0%	0%
North America Commercial	9,728	9,864	-1%	-2%
Europe General Insurance	13,273	14,556	-9%	-7%
International Markets	3,011	2,695	12%	11%
GI Global Functions incl. Group Reinsur. ²	557	486	15%	18%
Total	33,066	34,157	-3%	-3%

¹ Local Currency

² Excluding intra-segment eliminations

General Insurance – written rate change 2008 through 2010



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



in USD millions

	2010	2009
Net reserves for losses and LAE, as of January 1	55,903	52,986
Net losses and LAE paid	-23,240	-23,689
Net losses and LAE incurred	23,620	24,639
- <i>Current year</i>	24,987	25,698
- <i>Prior years¹</i>	-1,367	-1,059
Foreign currency translation effects & other	-308	1,967
Net reserves for losses and LAE, as of December 31	55,976	55,903

¹ Of which within General Insurance: USD -1,313 million and USD -1,074 million for the full year 2010 and 2009 respectively.

Non-life ultimate loss ratios by accident year



Cumulative incurred net loss ratios ¹	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
In the year	81.4%	70.6%	67.1%	68.3%	73.3%	69.6%	72.7%	74.6%	72.3%	73.5%
1 year later	85.7%	72.0%	66.1%	64.2%	68.1%	66.2%	71.7%	74.1%	72.0%	
2 years later	85.8%	72.3%	65.4%	63.5%	66.6%	64.8%	70.6%	72.4%		
3 years later	87.4%	74.5%	65.5%	63.7%	65.0%	63.3%	69.4%			
4 years later	88.5%	74.7%	65.7%	62.9%	63.8%	62.6%				
5 years later	90.2%	73.4%	65.0%	62.2%	63.2%					
6 years later	90.2%	74.3%	64.6%	62.1%						
7 years later	90.3%	74.1%	64.4%							
8 years later	90.6%	74.1%								
9 years later	90.9%									

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¹ In % of net earned premiums in that year
February 10, 2011

Asbestos and environmental reserves



	2010		2009	
	Gross reserves USD m	3-year survival ratio	Gross reserves USD m	3-year survival ratio
Asbestos	3,408	26.3 ²	3,604	29.6 ²
General Insurance	2,967		3,116	34.1
of which: US	400	10.0	383	8.8
of which: UK	2,567	33.2 ¹	2,733	37.7 ¹
Non-Core Businesses	441	3.2 ²	488	3.2 ²
Environmental	290	5.2	280	4.7
Total	3,698		3,884	

¹ 3-year survival ratio for the UK on a local currency basis.

² Survival ratios were impacted by commutations in Non-Core Businesses. Adjusting for these commutations survival ratios would be estimated at 28.4 (2010) and 31.0 (2009) for Total Asbestos and 16.9 (2010) and 16.2 (2009) for Non-Core Businesses.

Global Life – Business operating profit: Profit by Source (1/3)



in USD millions for the years ended December 31	Americas		UK		Germany	
	2010	2009	2010	2009	2010	2009
Net Expense margin	-29	-27	-120	-126	88	-56
Net Risk margin	174	148	103	65	71	86
Net Investment margin	134	114	56	62	159	254
Other profit margins	-1	32	30	17	-32	-44
BOP before deferrals	279	267	69	18	285	240
Impact of acquisition deferrals	62	54	230	161	132	148
BOP before interest, depreciation and amortization	341	321	299	179	417	387
Interest, depreciation, amortization and non controlling interests	-34	-30	-59	-53	-87	-63
BOP before special operating items	307	291	239	126	331	324
Special operating items	10	167	112	135	0	0
Business operating profit	317	458	351	261	331	324

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Note: Restructuring provisions and other items not relevant for BOP are netted in the corresponding line item.

Global Life – Business operating profit: Profit by Source (2/3)



in USD millions for the years ended December 31	Switzerland		Ireland		Spain	
	2010	2009	2010	2009	2010	2009
Net Expense margin	19	12	-117	-84	21	22
Net Risk margin	106	95	58	58	55	59
Net Investment margin	128	150	20	20	81	83
Other profit margins	0	0	0	0	0	0
BOP before deferrals	253	257	-39	-6	157	164
Impact of acquisition deferrals	-28	-14	78	42	-1	-1
BOP before interest, depreciation and amortization	225	243	39	36	156	163
Interest, depreciation, amortization and non controlling interests	-6	-6	-2	-2	-144	-138
BOP before special operating items	219	237	37	34	12	25
Special operating items	25	0	12	2	14	-13
Business operating profit	244	237	49	37	27	13

Note: Restructuring provisions and other items not relevant for BOP are netted in the corresponding line item.

Global Life – Business operating profit: Profit by Source (3/3)



in USD millions for the years ended December 31	Emerging Markets		Rest of World		Total	
	2010	2009	2010	2009	2010	2009
Net Expense margin	-19	-46	-66	-67	-223	-371
Net Risk margin	29	46	43	39	639	596
Net Investment margin	-7	8	126	131	697	821
Other profit margins	-11	-6	-9	8	-24	7
BOP before deferrals	-8	2	94	111	1,089	1,052
Impact of acquisition deferrals	60	70	45	39	579	500
BOP before interest, depreciation and amortization	51	73	139	150	1,668	1,552
Interest, depreciation, amortization and non controlling interests	-7	-8	-23	-33	-361	-333
BOP before special operating items	45	65	116	117	1,308	1,219
Special operating items	28	0	-33	-33	167	258
Business operating profit	73	64	83	84	1,474	1,477

Note: Restructuring provisions and other items not relevant for BOP are netted in the corresponding line item.

Global Life – new business by region/country



in USD millions
for the years ended
December 31

	NBV² 2010	NBV² 2009	Change in LC¹	APE 2010	APE 2009	Change in LC¹
Americas, of which	120	136	-11%	300	259	19%
<i>US</i>	68	100	-32%	98	97	0%
<i>Latin America</i>	52	36	48%	202	161	30%
United Kingdom	145	95	54%	961	785	24%
Germany	171	144	25%	653	622	10%
Switzerland	4	24	-86%	89	118	-27%
Ireland	80	69	21%	370	310	25%
Spain	107	111	1%	509	709	-25%
Emerging markets in Asia	117	128	-7%	486	528	-5%
Rest of the world	74	75	-5%	330	336	0%
Total	817	782	7%	3,699	3,667	4%

¹ Local Currency

² New business value, after tax

Global Life – Embedded Value result



for the years ended December 31

	2010 USD m	2010 Return	2009 USD m	2009 Return
Opening Embedded Value	16,752		12,818	
New business value²	817		782	
Expected contribution ^{1,2}	622		840	
Operating variance ^{2,3}	135		299	
Total operating earnings²	1,574	9.6%	1,921	14.9%
Economic variance and other	-570		1,167	
Embedded value earnings²	1,005	6.2%	3,088	24.0%
Dividends and capital movements	-1,433		31	
Foreign currency effects (fx)	-182		815	
Closing Embedded Value after fx	16,141		16,752	

¹ Operating earnings expected from in-force and net assets

² After tax

³ Other operating variance also includes global development expenses, where significant development work is performed in one country that is intended to have wider application across Global Life.

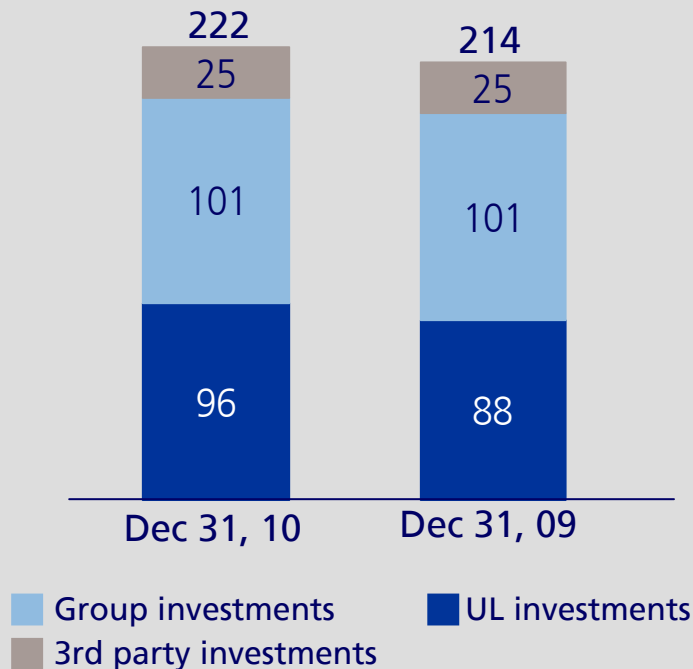
Global Life - Assets under Management¹



AuM increased due to market recovery and a positive development of net policyholder flows

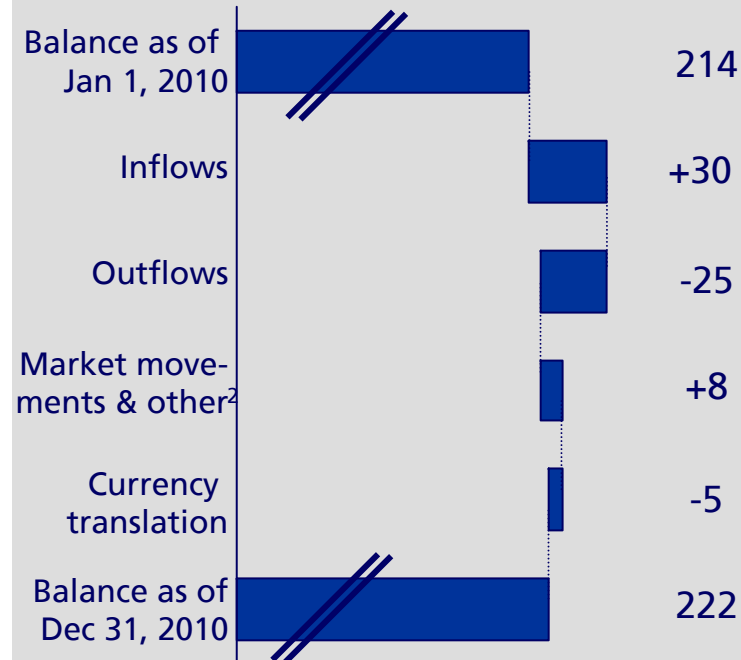
Split of AuM

in USD billions



Development of AuM

in USD billions



¹ Assets under Management comprise the Group and unit-linked investments that are included in the Global Life balance sheet plus assets that are managed by third parties, for which the Group earns fees.

² Other includes dividends, charges levied on Assets under Management, and other changes in invested assets including reinsurance impact.

Farmers – Farmers Management Services – key performance indicators



in USD millions

for the years ended December 31¹

	2010	2009	Change
Management fees and other related revenues	2,778	2,690	3%
Management and other related expenses	-1,440	-1,399	-3%
Gross management result	1,338	1,291	4%
Managed gross earned premium margin ²	7.3%	7.2%	0.1pts
Business operating profit	1,365	1,326	3%

¹ Includes results from 21st Century/Personal Auto Group (21stC) since July 1, 2009 when transaction closed.

² Margin on gross earned premiums of the Farmers Exchanges. Zurich Financial Services Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc., a wholly owned subsidiary of the Group, provides management services to the Farmers Exchanges and receives fees for its services.

Farmers – Farmers Re – key performance indicators



in USD millions

for the years ended December 31

	2010	2009	Change
Gross written premiums	4,194 ¹	6,615 ²	-37%
Net underwriting result	134	58	131%
Combined ratio	97.6%	99.0%	1.4pts
CAT ³ impact	3.6%	3.4%	-0.2pts
Business operating profit	321	228	41%

¹ 2010 GWP includes the portfolio transfers related to the decreases in participation in the All Lines quota share reinsurance treaty from 35% to 25%, effective June 30, 2010 (including the 21stC business) and from 25% to 12%, effective Dec 31, 2010.

² 2009 GWP includes the portfolio transfer related to the increase in participation in the All Lines quota share reinsurance treaty from 25% to 37.5%, effective June 30, 2009 and the reduction from 37.5% to 35.0%, effective Dec. 31, 2009.

³ As defined by the Farmers Exchanges

Farmers Exchanges¹ – key performance indicators



in USD millions

for the years ended December 31

	2010	2009	Change
Gross written premiums	18,131	17,620	3%
Net underwriting result ²	289	284	2%
Combined ratio ²	98.7%	98.9%	0.2pts
Adjusted combined ratio ³	91.4%	91.3%	-0.1pts
CAT ⁴ impact	4.7%	4.7%	0.0pts
Surplus ratio (est.)	42.2%	44.1%	-1.9pts

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

² Before quota share treaties with Farmers Re

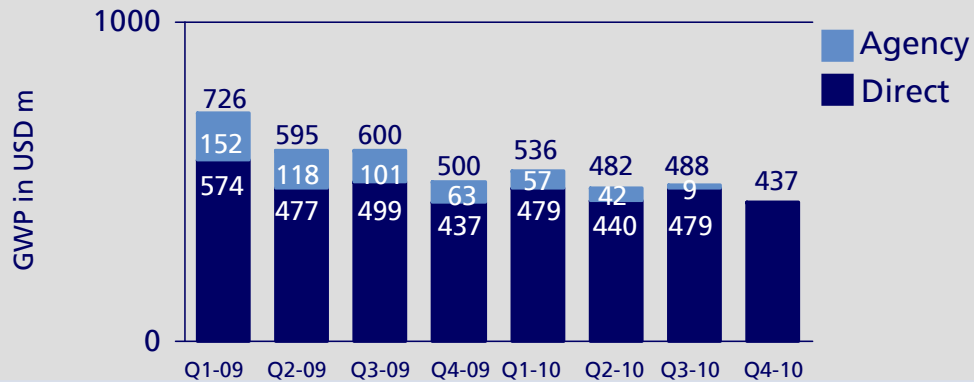
³ Adjusted for profit portion of management fees

⁴ As defined by the Farmers Exchanges

Acquisition of 21st Century¹ – Update

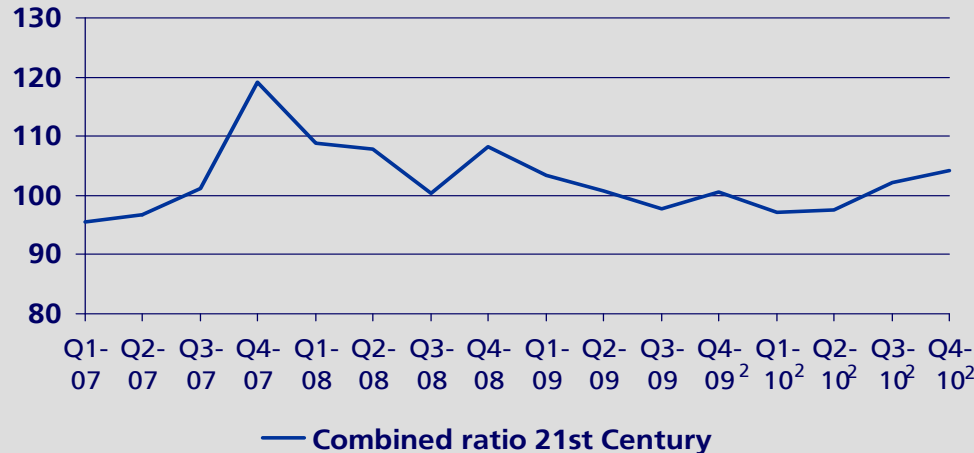


GWP by distribution channel (Direct vs Agency)



- **GWP** in Q4-10 of USD 437m reflects:
 - **Direct:** levels rebounding – Q4-10 shows higher new business applications compared to previous quarters despite residual effect of legacy brand issues and weak US economy
 - **Agency:** business renewing into Foremost
- Cross-sell to Farmers Exclusive Agents (EA) is implemented in all 29 EA states

Combined ratio analysis (in %)



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¹ Acquisition of 21st Century/Personal Auto Group (21stC). Transaction closed on July 1, 2009. All 21stC financial information excludes discontinued operations.

² Combined ratio adjusted for profit portion of management fees

21st Century¹ - contribution



in USD millions

for the years ended December 31¹

	2010	2009
Farmers Management Services:		
Management fees and other related revenues	344	214
Management and other related expenses	-175	-112
Gross management result	169	102
Business operating profit	156	81
Farmers Exchanges:		
Gross written premiums	1,942	1,100
Adjusted combined ratio ²	100.7%	99.9%

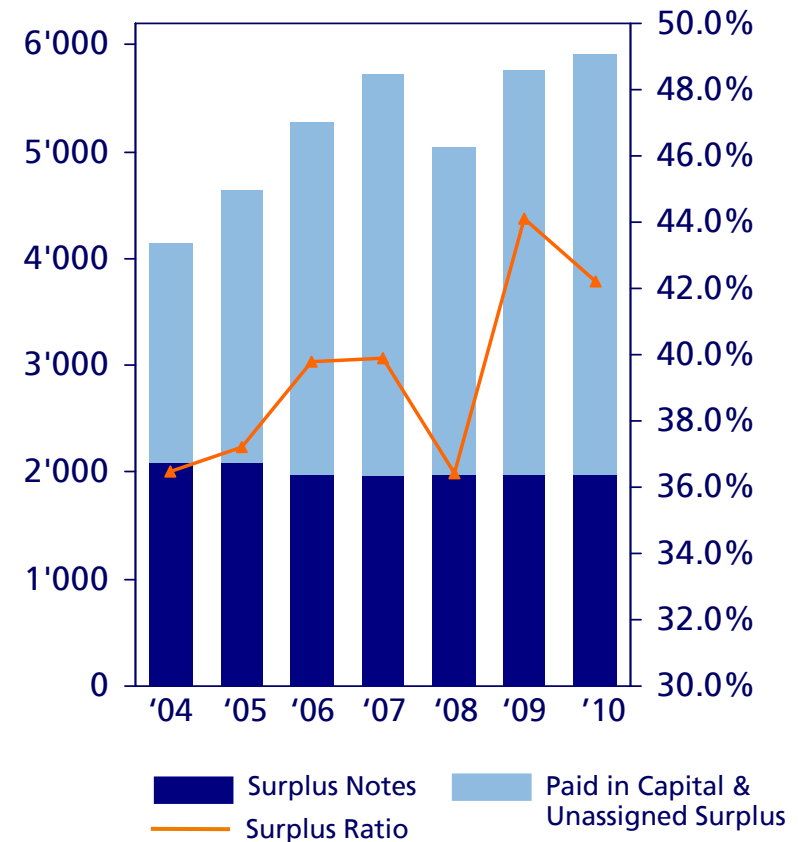
¹ Acquisition of 21st Century/Personal Auto Group (21stC). Transaction closed on July 1, 2009.

² Estimated combined ratio adjusted for profit portion of management fees

Farmers Exchanges – financial highlights



in USD millions for the years ended December 31	2010	2009
Gross written premiums	18,131	17,620
Net underwriting result ¹	289	284
Net surplus growth ² (est.)	204	720
Ending surplus (est.)	5,959	5,755
Surplus ratio (est.)	42.2%	44.1%



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1 Before quota share treaties with Farmers Re
 2 The 2010 results include a USD 100m Farmers Re dividend, as well as the impact of the portfolio transfer due to the reduction in the All Lines quota share treaty that resulted in a USD 178m surplus reduction. The 2009 impact from the portfolio transfer was a USD 105m surplus gain.

Farmers Exchanges – gross written premiums by line of business



in USD millions
for the years ended December 31

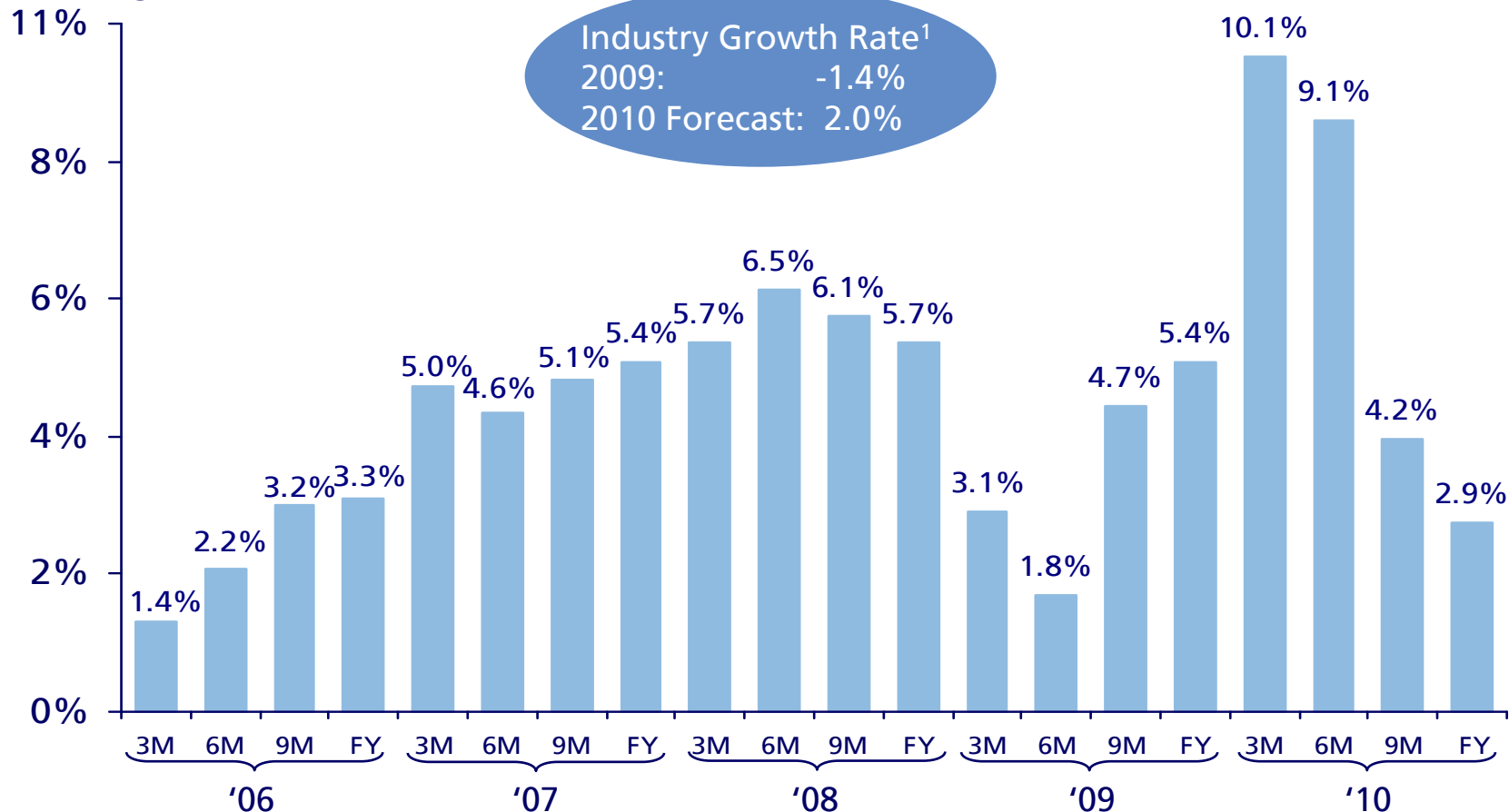
	2010	2009	Change
Auto ¹	9,550	8,964	6.5%
Homeowners	4,511	4,621	-2.4%
Commercial P&C	1,305	1,313	-0.6%
Small Business Solutions	585	534	9.5%
Workers' Compensation	288	312	-7.7%
Specialty	1,651	1,587	4.1%
Other	241	289	nm
Total	18,131	17,620	2.9%

¹ Includes USD 1.8 billion of 2010 premiums and USD 936 million of Q3/Q4 2009 from 21st Century Direct business.

Farmers Exchanges – premium growth outperforming industry



GWP growth²



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¹ Source of FY10 estimate: Conning Property-Casualty Forecast & Analysis By Line Of Insurance Q410 released 1/11/2011 (weighted for Farmers' LOBs).

² Excludes pre-acquisition premiums and portfolio transfers in 2007, 2008 and 2009 related to the Bristol West, Zurich Small Business and 21st Century acquisitions, respectively.

Farmers Exchanges – Policies in Force trend improving in 2010 (1/2)



ZURICH®

in thousand policies	2009 Ending	FY 2010 Change		2010 Ending
		#	%	
Auto	9,468	-98	-1	9,370
Homeowners	5,315	-207	-4	5,109
Commercial P&C	351	8	2	359
Small Business Solutions	229	-19	-8	209
Workers' Compensation	46	2	5	49
Specialty	2,718	5	0	2,723
21st Century Direct	2,386	-78	-3	2,308
Other	301	-5	-2	296
Total (excl 21C Agency – Disc Ops)	20,814	-392	-2	20,422
21st Century Agency - Disc Ops	505	-391	-77	114
Total	21,319	-783	-4	20,536

Farmers Exchanges – Policies in Force

Q4-10 shows improved trend (2/2)



ZURICH®

in thousand policies	Sept 2010	Q4-10		2010
	Ending	Change	%	Ending
		#		
Auto	9,385	-15	0	9,370
Homeowners	5,139	-30	-1	5,109
Commercial P&C	357	2	1	359
Small Business Solutions	215	-6	-3	209
Workers' Compensation	48	1	1	49
Specialty	2,740	-17	-1	2,723
21st Century Direct	2,305	4	0	2,308
Other	296	-1	0	296
Total (excl 21C Agency – Disc Ops)	20,485	-62	0	20,422
21st Century Agency - Disc Ops	199	-85	-43	114
Total	20,683	-147	-1	20,536

Farmers Exchanges – combined ratio



for the years ended December 31

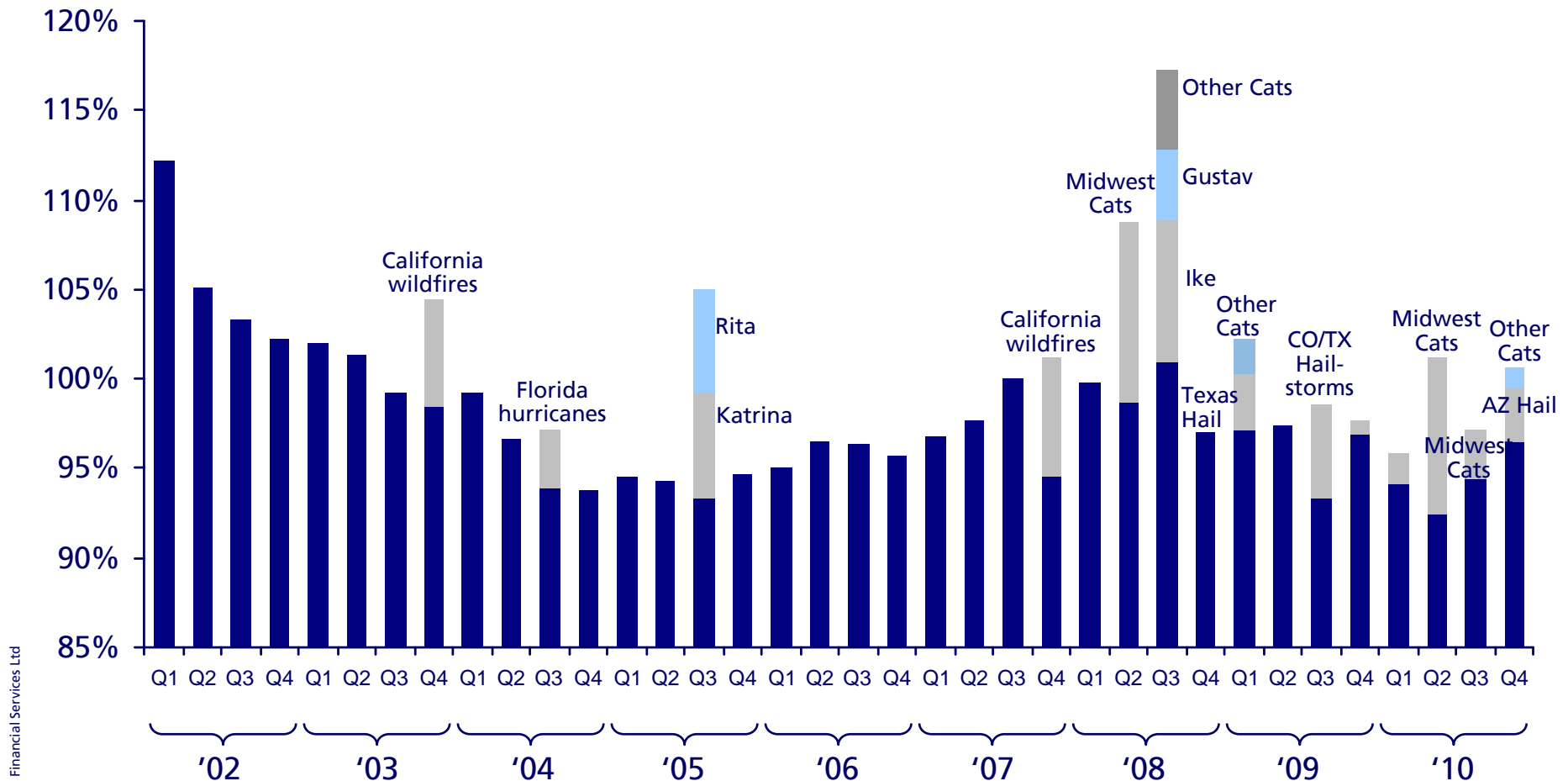
	2010 ¹	2009 ¹	Change
Auto ²	97.3%	96.8%	-0.5pts
Homeowners	100.4%	101.5%	1.1pts
Commercial P&C	99.2%	94.9%	-4.3pts
Small Business Solutions	100.8%	103.9%	3.1pts
Workers' Compensation	100.8%	99.2%	-1.6pts
Specialty	98.3%	103.5%	5.1pts
Total	98.7%	98.9%	0.2pts
Adjusted combined ratio ³	91.4%	91.3%	-0.1pts
CAT ⁴ impact	4.7%	4.7%	0.0pts

1 Before quota share treaties with Farmers Re
 2 Includes 2010 21st Century Direct results
 3 Adjusted for profit portion of management fees
 4 As defined by the Farmers Exchanges

Farmers Exchanges – development of the combined ratio



Quarterly combined ratio

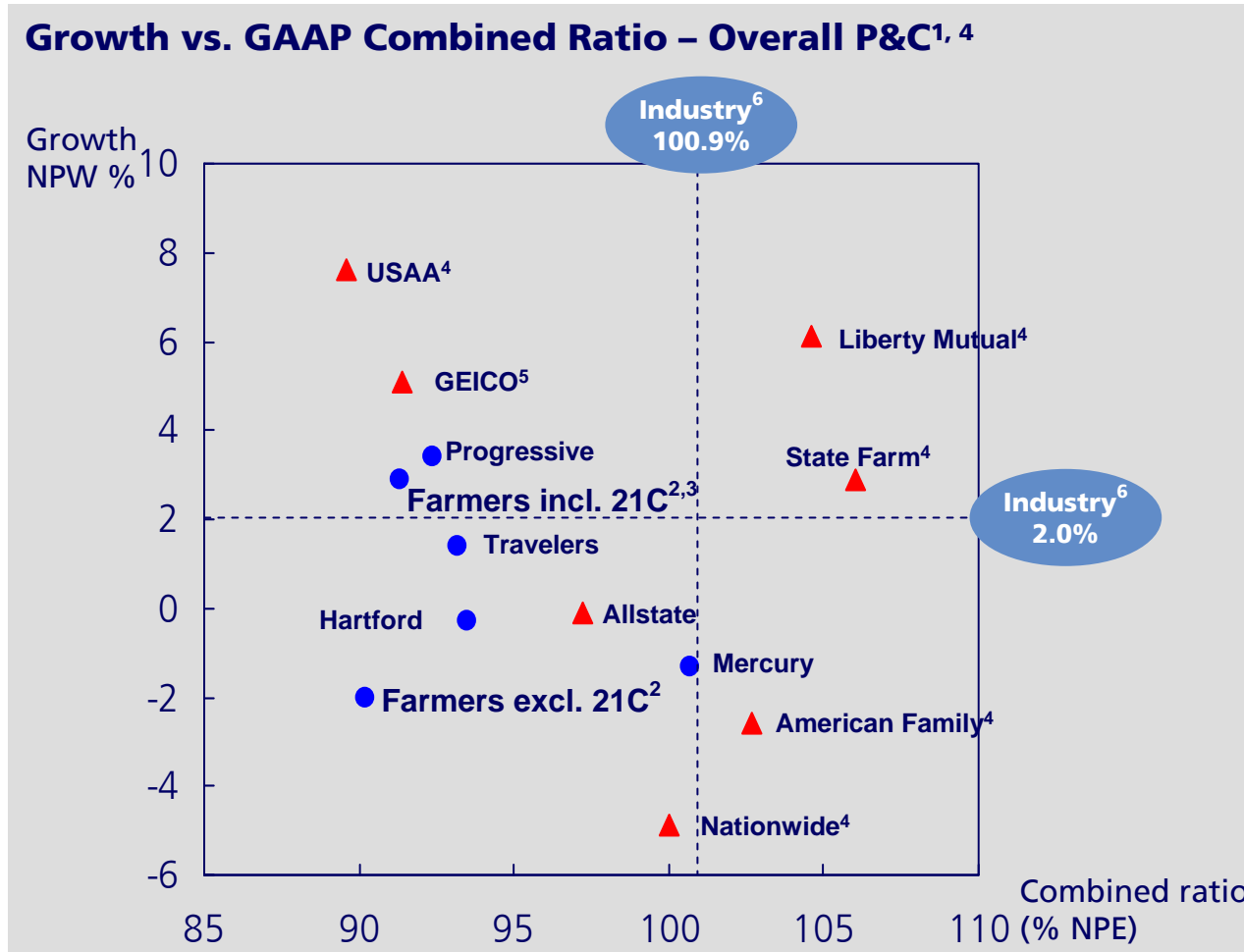


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Competitor Snapshot - Overall



- December 2010
- ▲ September 2010
- FY10 Industry Forecast



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¹ Source: Press releases and investor supplements, except for Farmers and non-public competitors
² Reflects GWP before APD and Quota Share treaties. Combined ratio excludes APD and Quota Share reinsurance agreements and is adjusted for Farmers Management Services' profit portion of management fees.
³ 21stC 2009 results exclude the portfolio transfer.
⁴ Source for non-public competitor data: AMBest database. CRs on STAT basis.
⁵ Based on NPE. GEICO does not report NPW on a quarterly basis.
⁶ Source of FY10 estimate: Conning P&C Forecast & Analysis By Line of Insurance Q410 released 1/11/2011 (weighted for Farmers' LOBs). CR on STAT basis.

Other Operating and Non-Core Businesses – ZURICH®

Business operating profit contribution

in USD millions

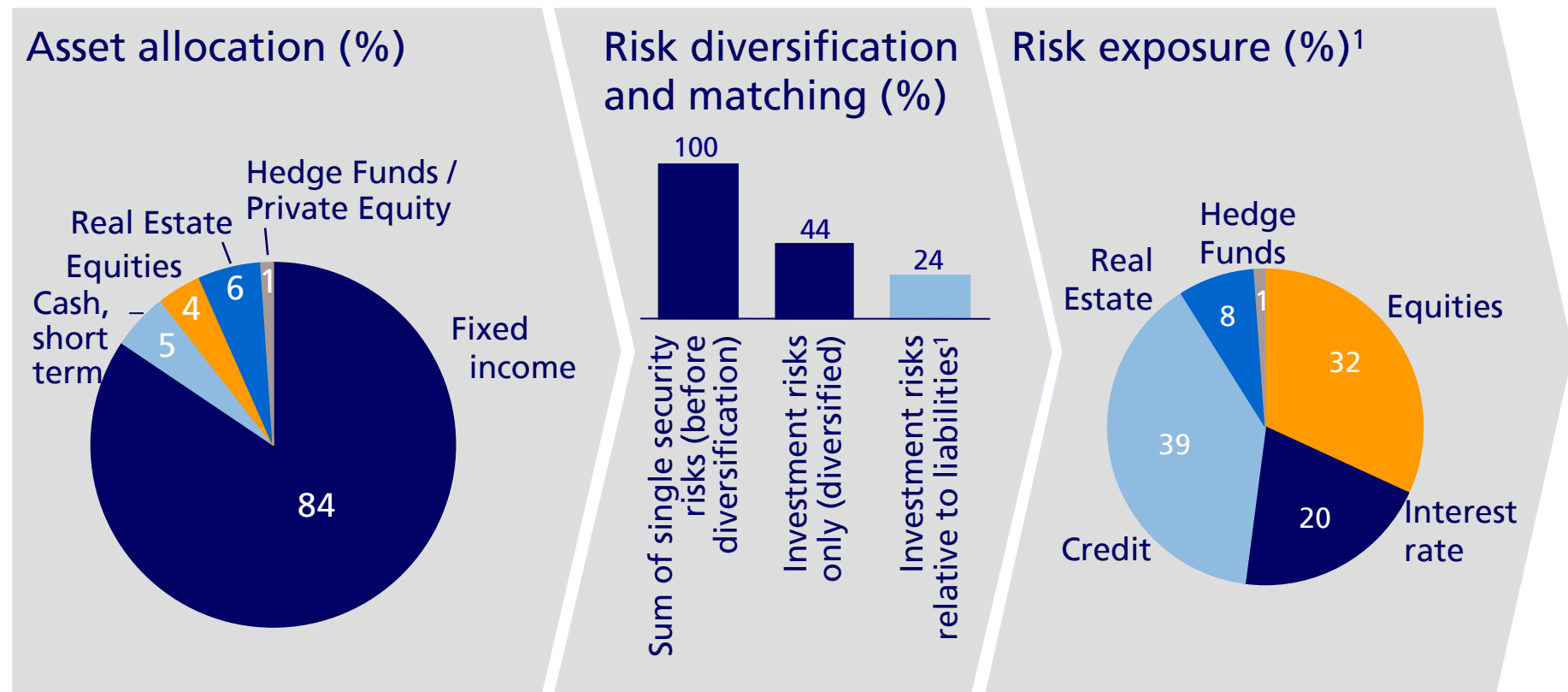
for the years ended December 31

	2010	2009	Change
Other Operating Businesses	-801	-611	-31%
Non-Core Businesses			
- Banking activities	-307	-182	-69%
- Centrally managed businesses	113	-279	nm
- Centre	39	160	-76%
- Other run-off	-2	10	nm
Total Non-Core Businesses	-157	-290	46%

Zurich's investment portfolio benefits greatly from diversification and is balanced in terms of risk



Risk Allocation of Zurich's investment portfolio As of December 31, 2010

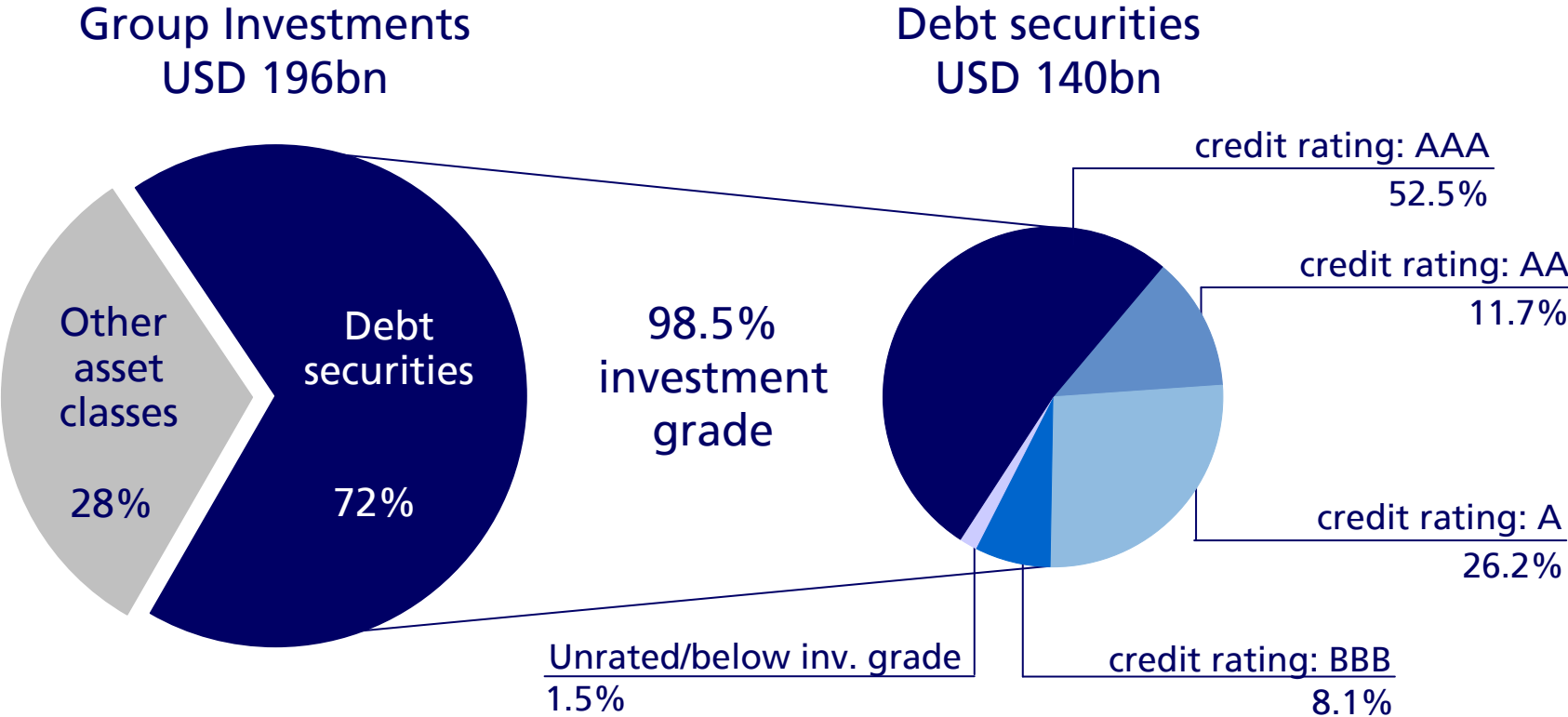


¹ Risks to Zurich's economic net ALM position measured as 12 months value at risk with 99.95% confidence interval.

Group Investments – Zurich’s debt securities are of consistently high quality (98.5% investment grade)



As of December 31, 2010

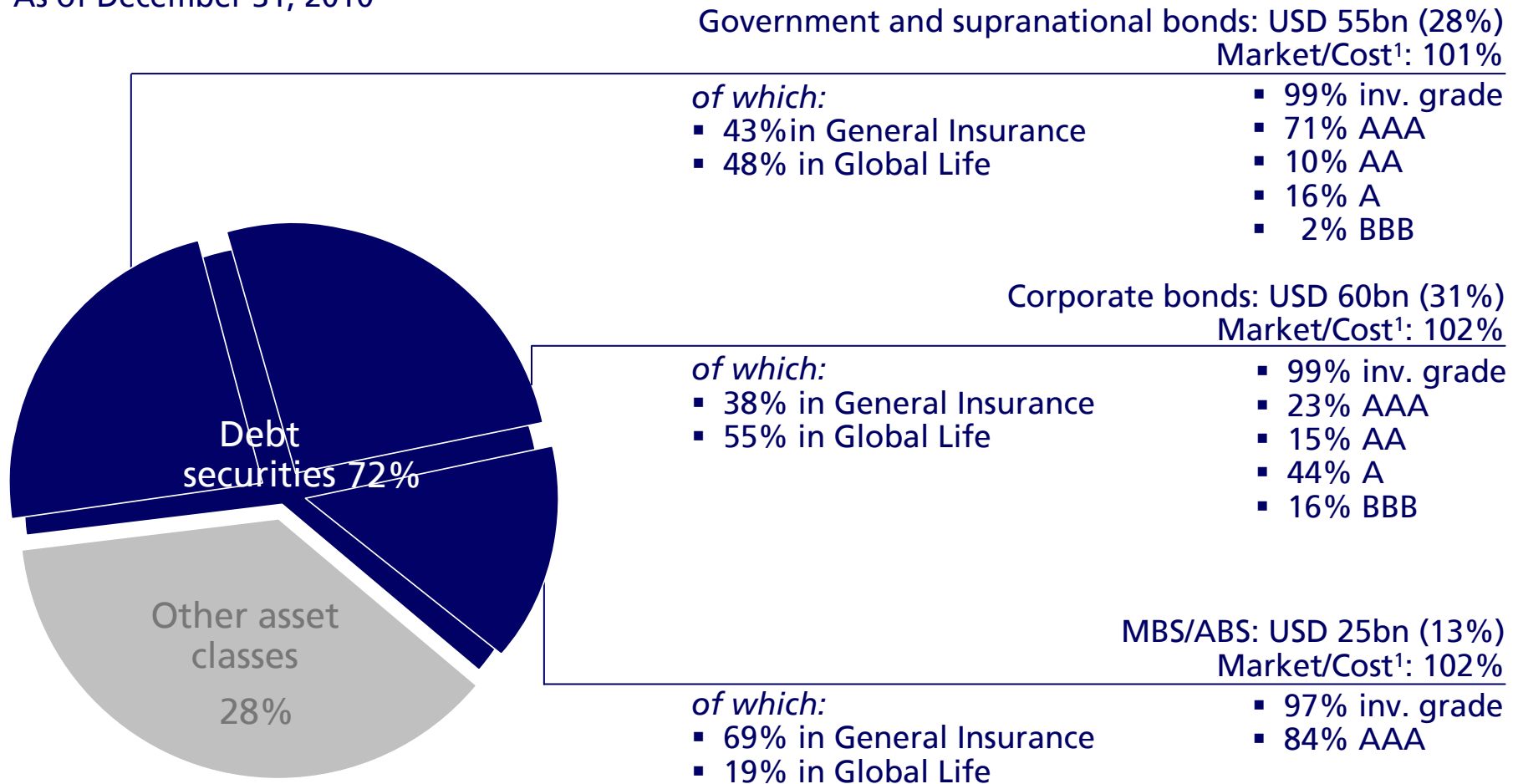


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Group Investments – Zurich’s debt securities are well balanced



Group Investments - USD 196bn (100%)
As of December 31, 2010



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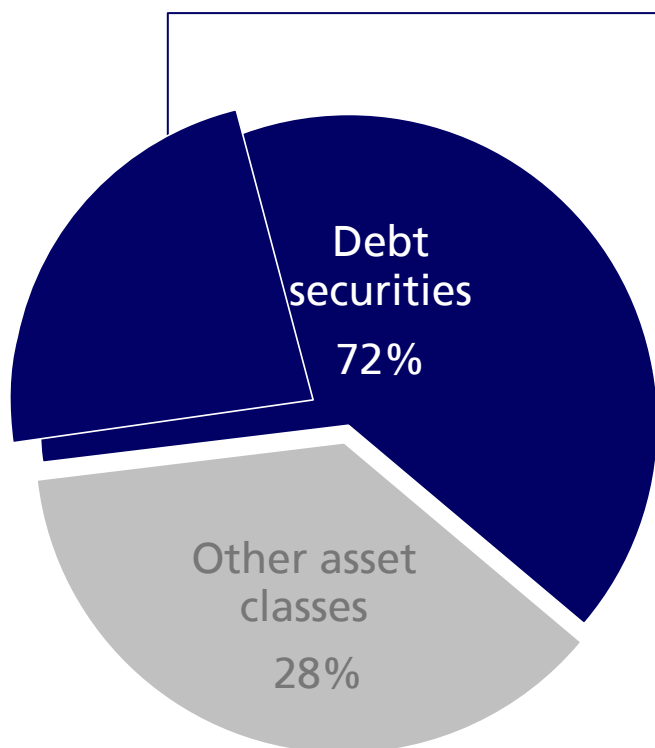
¹ Market value to Cost value ratio

Group Investments – Government & supranational bonds are well diversified



Group Investments - USD 196bn (100%)
As of December 31, 2010

Government and supranational bonds: USD 55bn¹ (28%)
Market/Cost: 101%



of which:

- 43% in General Insurance
- 48% in Global Life

Split by countries

- 19% US
- 19% UK
- 13% Italy
- 10% Switzerland
- 8% Germany²
- 6% France
- 5% Spain
- 4% Canada
- 3% Austria
- 2% Belgium
- 2% Netherlands
- 2% Australia
- 2% Ireland
- 1% Portugal

- 99% inv. grade
- 71% AAA
- 10% AA
- 16% A
- 2% BBB

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¹ This excludes government-backed issuers like GNMA, FNMA, FHLM and other agencies.

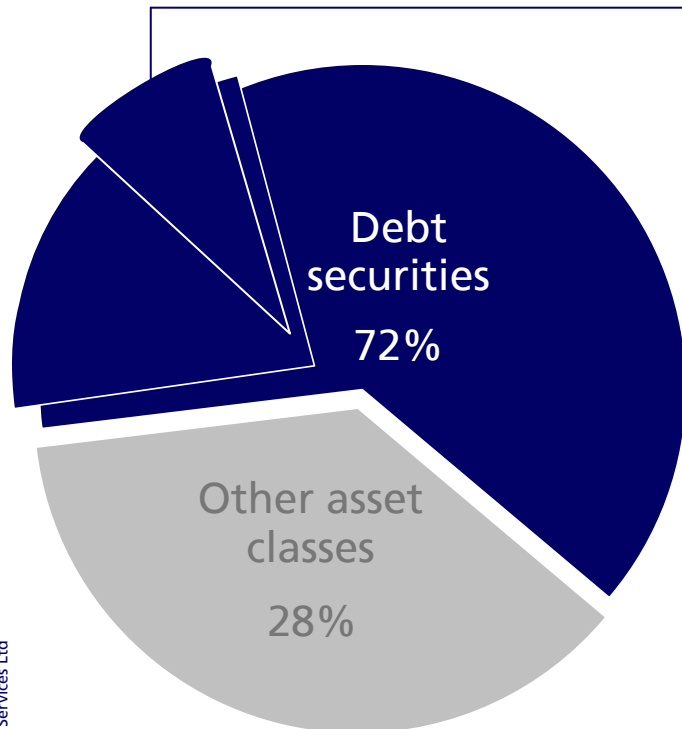
² In addition to the 8% holding in Germany above, the balance sheet item "Other loans" includes USD 5.7bn of "Schuldscheindarlehen" issued by the Federal Republic of Germany and German Federal States, bringing the total for Germany to USD 10.0bn.

Group Investments¹ – Eurozone Government & supranational bonds are well diversified



As of December 31, 2010

Eurozone Government and supranational
bonds: USD 23bn (12%)
Market/Cost: 99%



of which:

- 29% in General Insurance
- 70% in Global Life

Split by credit rating

- 100% inv. grade
- 45% AAA
- 16% AA
- 35% A
- 4% BBB

Split by countries

- 31% Italy
- 18% Germany²
- 14% France
- 11% Spain
- 7% Austria
- 5% Belgium
- 4% Netherlands
- 4% Ireland
- 3% Portugal
- 1% Luxembourg
- 1% Finland

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¹ Total Group Investments of USD 196bn

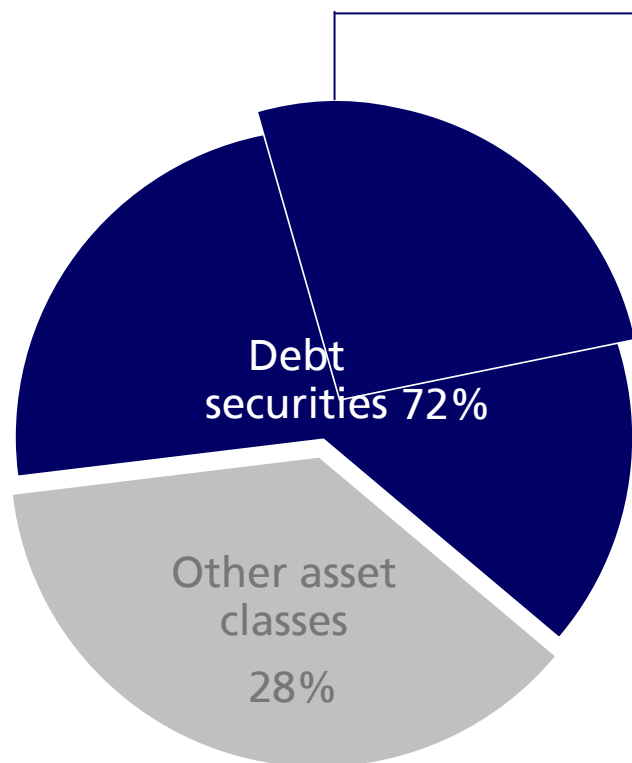
² In addition to the 18% holding in Germany above, the balance sheet item "Other loans" includes USD 5.7bn of "Schuldscheindarlehen" issued by the Federal Republic of Germany and German Federal States, bringing the total for Germany to USD 10.0bn.

Group Investments – Zurich’s Corporate bonds are of high quality



Group Investments - USD 196bn (100%)
As of December 31, 2010

Corporate bonds: USD 60bn (31%)
Market/Cost: 102%



Split by industries

- 42% Banks, including 14.4%¹ covered bonds
- 8% Cities, Agencies, Cantons, Provinces, including 0.7%¹ covered bonds
- 7% Utilities
- 6% Financial Institutions, including 0.5%¹ covered bonds
- 5% Telecom
- 4% Oil & gas
- 3% Insurance
- 3% Conglomerates
- 2% Pharmaceuticals

Split by credit rating

- 99% inv. grade
- 23% AAA
- 15% AA
- 44% A
- 16% BBB

Split by country/region

- 31% US
- 22% Germany
- 9% UK
- 6% France
- 5% Switzerland
- 4% Spain
- 4% Netherlands
- 3% Chile
- 10% Rest of Europe

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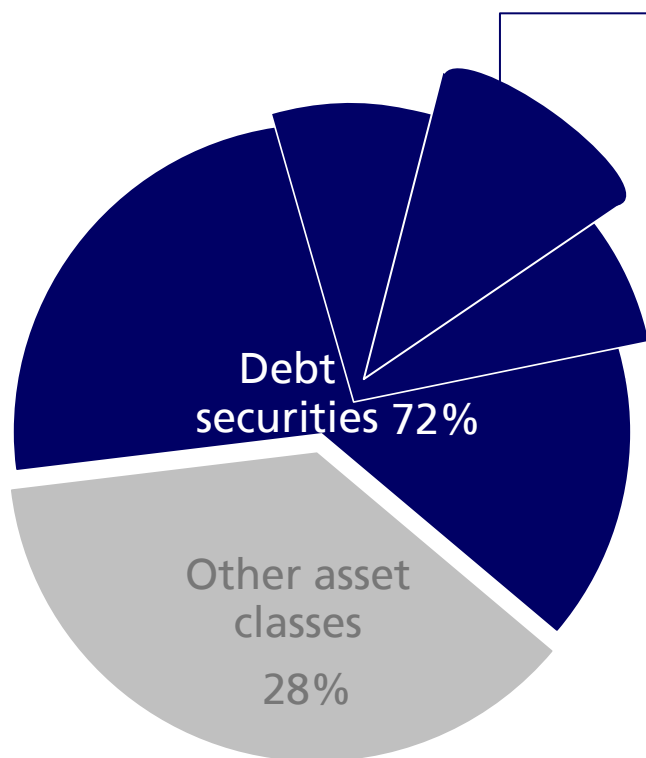
¹ 100% = USD 60bn

Group Investments – Banks Corporate bonds are of high quality and well diversified



Group Investments - USD 196bn (100%)
As of December 31, 2010

Banks Corporate bonds: USD 25bn (13%)
Market/Cost: 101%



Split by seniority

- 35% Covered bonds
- 50% Senior bonds
- 15% Subordinated

Split by credit rating

- 99% inv. grade
- 38% AAA
- 14% AA
- 44% A
- 3% BBB

Split by country/region

- 35% Germany
- 18% US
- 6% UK
- 6% Spain
- 5% Switzerland
- 5% France
- 5% Netherlands
- 4% Australia
- 3% Italy

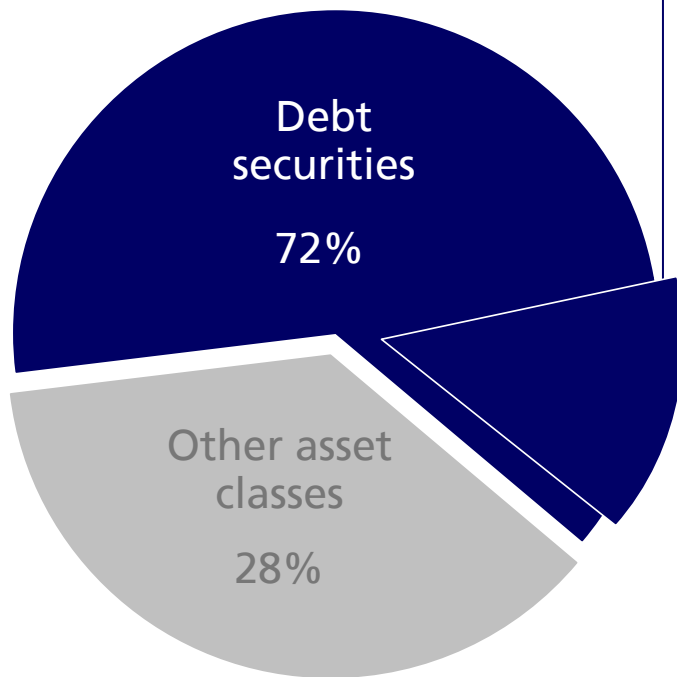
of which:

- 32% in General Insurance
- 65% in Global Life

Group Investments – Split of total MBS/ABS of USD 25bn (13%)



Group Investments
USD 196bn (100%)



MBS/ABS: USD 25bn (13%)
Market/Cost: 102%

<ul style="list-style-type: none"> 97% inv. grade 84% AAA 	
<i>includes:</i>	
	<p>US MBS: USD 16.1bn (8.2%) Market/Cost: 104%</p> <ul style="list-style-type: none"> 96% inv. grade; 87% AAA
	<p>US ABS¹: USD 4.1bn (2.1%) Market/Cost: 101%</p> <ul style="list-style-type: none"> 96% inv. grade, 89% AAA e.g. Automobile and Credit Card ABS
	<p>UK MBS/ABS: USD 2.4bn (1.2%) Market/Cost: 93%</p> <ul style="list-style-type: none"> 98% inv. grade; 67% AAA Commercial MBS of USD 0.7bn (31% AAA) "Whole Loan" Residential MBS USD 1.3bn (92% AAA)
	<p>German ABS: USD 0.4bn (0.2%) Market/Cost: 106%</p> <ul style="list-style-type: none"> 100% inv. grade; 66% AAA mostly German MBS ("Pfandbriefe")
	<p>Swiss MBS: USD 0.9bn (0.5%) Market/Cost: 105%</p> <ul style="list-style-type: none"> 100% AAA 100% Swiss MBS ("Pfandbriefe")

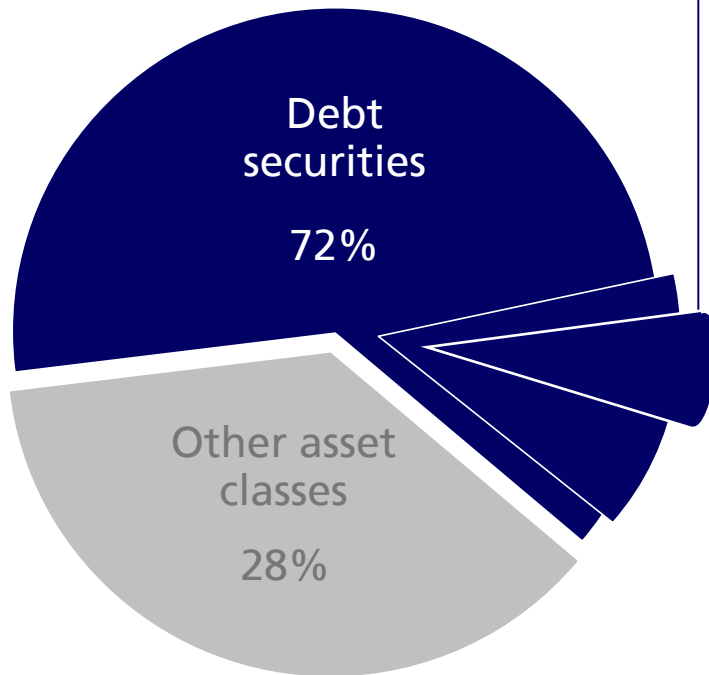
As of December 31, 2010

¹ US ABS in addition to the US MBS mentioned above

Group Investments – Split of US MBS of USD 16.1bn (8.2%)



Group Investments
USD 196bn (100%)



US-MBS: USD 16.1bn (8.2%)
Market/Cost: 104%

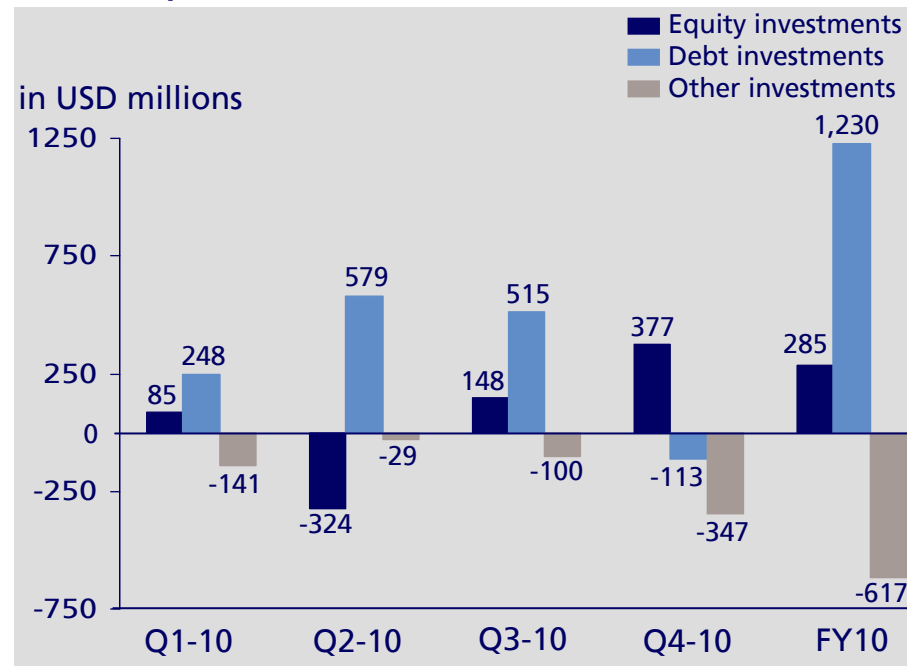
of which:	<ul style="list-style-type: none"> ▪ 96% inv. grade ▪ 87% AAA
	<p><i>US "Agency" MBS: USD 9.9bn (5.1%)</i> Market/Cost: 104%</p> <ul style="list-style-type: none"> ▪ 100% AAA ▪ USD 2.8bn backed by GNMA ▪ USD 7.0bn backed by FNMA and FHLMC
	<p><i>US Commercial MBS: USD 5.0bn (2.6%)</i> Market/Cost: 104%</p> <ul style="list-style-type: none"> ▪ 97% inv. grade ▪ 74% AAA
	<p><i>US "Whole Loan" Residential MBS: USD 1.1bn (0.6%)</i> Market/Cost: 103%</p> <ul style="list-style-type: none"> ▪ 51% inv. grade ▪ 35% AAA

As of December 31, 2010

Group Investments – capital losses in P&L



Net capital losses/gains on investments and impairments (in P&L)



Total **191** **227** **563** **-83** **898**

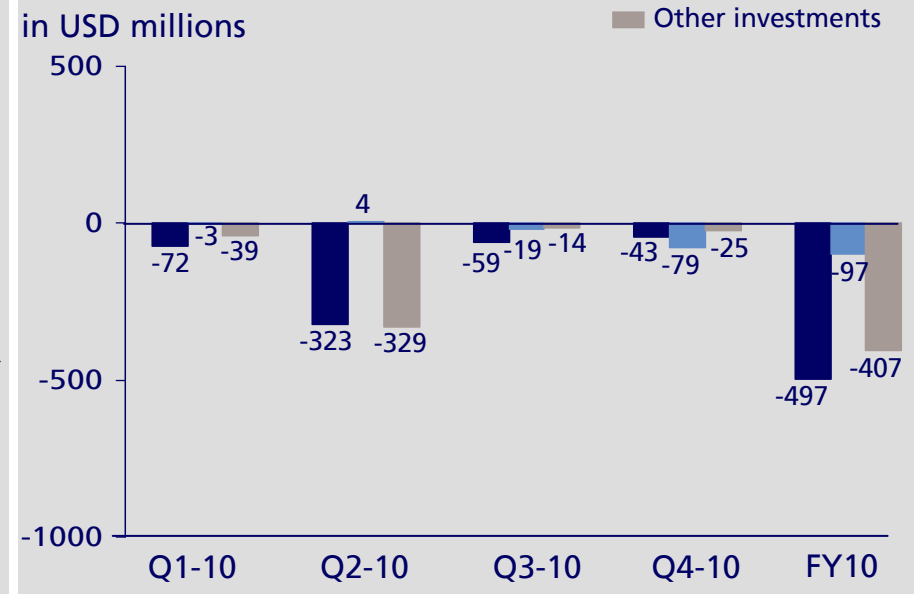
of which in:

- GI 28% -13% 24% nm 36%
 - G-Life 57% 55% 38% nm 57%

of which:

- attributable to shareholders
 22 24 298 -65 279

of which: impairments



Total **-114** **-648** **-92** **-146** **-1,001**

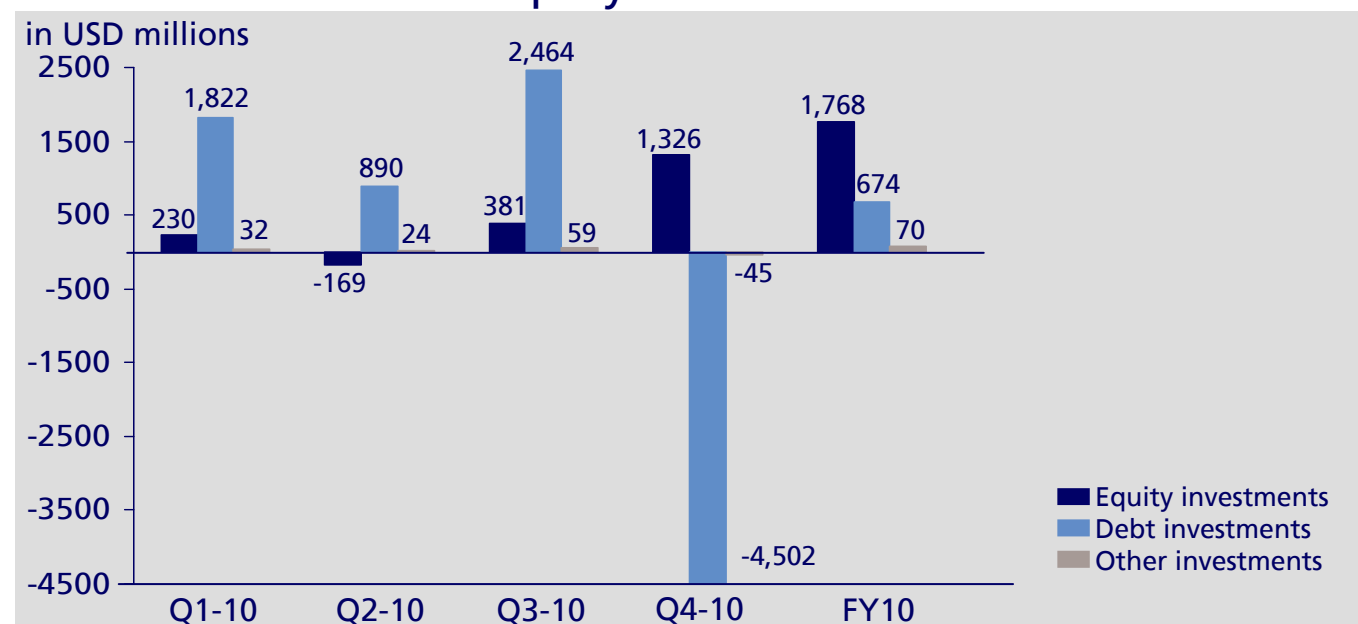
of which in:

- GI 53% 28% 66% 50% 38%
 - G-Life 33% 19% 31% 28% 23%

Group Investments – unrealized gains / losses



Change in net unrealized gains/losses on investments
incl. in shareholders' equity¹



Total ¹	2,084	745	2,903	-3,220	2,511
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of which in:

- GI	38%	54%	35%	38%	39%
- G-Life	58%	29%	60%	94%	5%

of which:

- attributable to shareholders ²	949	665	1,231	-699	2,145
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¹ Before attribution to policyholders and other

² After attribution to policyholders and other