

# Financial Supplement 2010

Zurich Financial Services Group  
Results for the Three Months ended March 31, 2010

## Results for the Three Months to March 31, 2010 Financial Supplement (unaudited)

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## Financial highlights (unaudited)

## Business operating profit by business segment

in USD millions, for the three months ended March 31

	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Eliminations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
<b>Revenues</b>														
Direct written premiums and policy fees <sup>1</sup>	9,442	9,400	3,367	3,211	–	–	–	–	95	133	–	(7)	12,904	12,737
Assumed written premiums	567	413	23	22	1,495	1,056	35	35	20	39	(61)	(60)	2,079	1,505
Gross written premiums and policy fees	10,010	9,814	3,389	3,233	1,495	1,056	35	35	115	173	(61)	(67)	14,983	14,242
Less premiums ceded to reinsurers	(1,358)	(1,309)	(204)	(186)	–	–	(13)	(14)	(11)	(15)	61	67	(1,525)	(1,456)
Net written premiums and policy fees	8,651	8,505	3,186	3,047	1,495	1,056	23	21	104	158	–	–	13,458	12,786
Net change in reserves for unearned premiums	(1,622)	(1,548)	(14)	(11)	102	53	(1)	–	1	1	1	–	(1,533)	(1,506)
Net earned premiums and policy fees	7,030	6,956	3,172	3,035	1,597	1,109	22	21	105	159	1	–	11,925	11,280
Farmers management fees and other related revenues	–	–	–	–	703	623	–	–	–	–	–	–	703	623
Net investment result on Group investments	734	776	1,100	791	42	41	130	54	149	(76)	(221)	(193)	1,935	1,394
Net investment income on Group investments	721	762	973	973	42	41	130	102	135	147	(221)	(193)	1,779	1,832
Net capital gains/(losses) and impairments on Group investments	14	14	127	(181)	–	–	–	(48)	15	(223)	–	–	156	(438)
Net investment result on unit-linked investments	–	–	4,343	(2,980)	–	–	–	–	190	(322)	–	–	4,533	(3,303)
Other income	164	165	196	183	26	3	179	275	25	49	(279)	(289)	311	386
<b>Total BOP revenues</b>	<b>7,928</b>	<b>7,897</b>	<b>8,811</b>	<b>1,030</b>	<b>2,368</b>	<b>1,776</b>	<b>331</b>	<b>350</b>	<b>469</b>	<b>(191)</b>	<b>(500)</b>	<b>(481)</b>	<b>19,407</b>	<b>10,380</b>
<i>of which: inter-segment revenues</i>	(95)	(80)	(66)	(52)	(19)	(20)	(301)	(314)	(19)	(15)	500	481	–	–
<b>Benefits, losses and expenses</b>														
Insurance benefits and losses, net	5,073	4,870	2,636	2,981	1,041	806	21	(24)	135	132	–	–	8,906	8,766
Losses and loss adjustment expenses, net	5,061	4,860	25	7	1,041	806	–	1	40	47	(1)	(1)	6,168	5,720
Life insurance death and other benefits, net	11	10	2,729	2,462	–	–	21	19	174	171	–	1	2,935	2,662
(Decrease)/increase in future life policyholders' benefits, net <sup>1</sup>	1	–	(119)	513	–	–	–	(45)	(80)	(85)	1	–	(197)	383
Policyholder dividends and participation in profits, net	(2)	2	4,565	(2,899)	–	–	–	–	218	(333)	1	–	4,781	(3,229)
Income tax expense/(benefit) attributable to policyholders	–	–	236	(274)	–	–	–	–	–	–	–	–	236	(274)
Underwriting and policy acquisition costs, net	1,343	1,286	421	405	497	327	–	–	2	1	(2)	(1)	2,261	2,019
Administrative and other operating expense (excl. depreciation/amortization)	784	744	406	383	335	284	196	150	46	8	(273)	(272)	1,494	1,298
Interest credited to policyholders and other interest	14	11	108	99	–	–	1	–	16	16	(1)	(4)	140	122
Restructuring provisions and other items not included in BOP	(34)	(9)	(29)	(9)	(13)	–	20	26	–	276	–	–	(56)	285
Total BOP benefits, losses and expenses (before interest, depreciation and amortization)	7,179	6,905	8,343	687	1,860	1,417	238	153	417	102	(274)	(278)	17,762	8,986
<b>Business operating profit (before interest, depreciation and amortization)</b>	<b>749</b>	<b>992</b>	<b>468</b>	<b>342</b>	<b>509</b>	<b>358</b>	<b>93</b>	<b>198</b>	<b>52</b>	<b>(293)</b>	<b>(226)</b>	<b>(204)</b>	<b>1,645</b>	<b>1,393</b>
Depreciation and impairments of property and equipment	21	17	8	8	20	16	9	8	1	1	–	–	59	50
Amortization and impairments of intangible assets	39	33	82	87	26	16	11	6	1	1	–	–	159	143
Interest expense on debt	55	51	18	21	–	2	272	227	26	36	(226)	(204)	145	134
Business operating profit before non-controlling interests	635	891	360	226	462	324	(199)	(43)	24	(331)	–	–	1,281	1,067
Non-controlling interests	13	2	9	4	–	–	–	–	–	–	–	–	22	6
<b>Business operating profit</b>	<b>621</b>	<b>889</b>	<b>351</b>	<b>222</b>	<b>462</b>	<b>324</b>	<b>(199)</b>	<b>(43)</b>	<b>24</b>	<b>(331)</b> <sup>2</sup>	<b>–</b>	<b>–</b>	<b>1,259</b>	<b>1,061</b>
Supplementary information														
Additions and capital improvements to property, equipment and intangible assets	42	170	12	61	136	130	16	18	1	1	–	–	207	380

<sup>1</sup> The Global Life segment includes approximately USD 351 million and USD 857 million of gross written premiums and future life policyholders' benefits for certain universal life-type contracts in our Spanish operations for the three months ended March 31, 2010 and 2009, respectively (see not 3 of the Group's Financial Report 2009).

<sup>2</sup> Business operating profit (BOP) has not been restated for the change in the current value of certain insurance liabilities and assets amounting to USD 230 million in order to ensure a fair reflection of sustainable operating profit and comparability (see note 1 to the unaudited Consolidated Financial Statements).

## Financial highlights (unaudited)

Adjusted business operating profit by business segment	in USD millions, as of March 31											
	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Average allocated common shareholders' equity	15,059	11,659	6,937	4,122	3,243	2,908	1,564	546	1,394	1,245	28,197	20,481
Adjusted business operating profit	591	872	302	179	440	312	(91)	33	17	(335)	1,259	1,061
<b>Adjusted BOP return on common shareholders' equity</b>	<b>15.7%</b>	<b>29.9%</b>	<b>17.4%</b>	<b>17.4%</b>	<b>54.3%</b>	<b>42.8%</b>	<b>(24.0%)</b>	<b>18.4%</b>	<b>4.8%</b>	<b>(107.6%)</b>	<b>17.8%</b>	<b>20.6%</b>
<b>BOPAT return on average allocated common shareholders' equity</b>											<b>13.5%</b>	<b>15.5%</b>

Reconciliation of BOP to net income after income taxes	in USD millions, for the three months ended March 31											
	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
<b>Business operating profit</b>	<b>621</b>	<b>889</b>	<b>351</b>	<b>222</b>	<b>462</b>	<b>324</b>	<b>(199)</b>	<b>(43)</b>	<b>24</b>	<b>(331)</b>	<b>1,259</b>	<b>1,061</b>
Revenues/(expenses) not included in BOP:												
Net capital gains/(losses) on investments and impairments, net of policyholder allocation	40	(378)	(18)	(161)	2	(17)	21	(34)	(10)	(44)	36	(635)
Net gain/(loss) on divestments of businesses	–	(2)	–	–	–	–	–	–	–	(3)	–	(4)
Restructuring provisions and other	(34)	(9)	(29)	(9)	(13)	–	20	26	–	276 <sup>1</sup>	(56)	285
Add back:												
Business operating profit attributable to non-controlling interests	13	2	9	4	–	–	–	–	–	–	22	6
<b>Net income before shareholders' taxes</b>	<b>641</b>	<b>503</b>	<b>313</b>	<b>56</b>	<b>451</b>	<b>306</b>	<b>(158)</b>	<b>(51)</b>	<b>15</b>	<b>(102)</b>	<b>1,261</b>	<b>713</b>
Income tax expense attributable to policyholders	–	–	236	(274)	–	–	–	–	–	–	236	(274)
<b>Net income before income taxes</b>	<b>641</b>	<b>503</b>	<b>549</b>	<b>(218)</b>	<b>451</b>	<b>306</b>	<b>(158)</b>	<b>(51)</b>	<b>15</b>	<b>(102)</b>	<b>1,497</b>	<b>439</b>
Income tax expense (attributable to policyholders and shareholders)											(545)	99
<b>Net income after taxes</b>											<b>952</b>	<b>538</b>

<sup>1</sup> Business operating profit (BOP) has not been restated for the change in the current value of certain insurance liabilities and assets amounting to USD 230 million in order to ensure a fair reflection of sustainable operating profit and comparability (see note 1 to the unaudited Consolidated Financial Statements).

## 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	
	03/31/10	12/31/09	03/31/10	12/31/09	03/31/10	12/31/09	03/31/10	12/31/09	03/31/10	12/31/09	03/31/10	12/31/09	03/31/10	12/31/09
<b>Assets</b>														
Total Group Investments	85,195	85,413	99,334	101,597	4,263	4,561	20,486	18,027	14,979	15,826	(30,578)	(29,167)	193,679	196,258
Cash and cash equivalents	10,637	9,940	4,740	4,385	598	734	8,950	6,226	3,121	2,762	(15,169)	(12,417)	12,876	11,631
Equity securities	4,661	4,743	4,667	5,342	71	85	1,466	1,538	428	742	–	–	11,294	12,450
Debt securities	63,510	63,594	62,448	62,883	1,313	1,302	3,012	2,920	6,750	6,669	(987)	(1,024)	136,045	136,344
Real estate held for investment	2,873	3,004	4,349	4,408	150	149	45	46	174	181	–	–	7,592	7,789
Mortgage loans	1,395	1,483	8,483	9,021	–	–	–	–	2,151	2,264	–	(33)	12,029	12,736
Other loans	2,112	2,623	14,544	15,432	2,130	2,290	7,010	7,294	2,274	3,129	(14,423)	(15,693)	13,648	15,077
Equity method accounted investments	8	25	104	125	–	–	3	3	81	79	–	–	195	232
Investments for unit-linked contracts	–	–	87,280	87,430	–	–	–	–	11,866	11,737	–	–	99,146	99,167
<b>Total investments</b>	<b>85,195</b>	<b>85,413</b>	<b>186,614</b>	<b>189,026</b>	<b>4,263</b>	<b>4,561</b>	<b>20,486</b>	<b>18,027</b>	<b>26,845</b>	<b>27,563</b>	<b>(30,578)</b>	<b>(29,167)</b>	<b>292,825</b>	<b>295,425</b>
Reinsurers' share of reserves for insurance contracts	13,307	12,957	1,887	2,160	211	211	–	(95)	4,670	4,812	(1,099)	(1,293)	18,976	18,751
Deposits made under assumed reinsurance contracts	64	66	4	3	3,166	3,158	–	–	649	664	(31)	(29)	3,852	3,861
Deferred policy acquisition costs	3,412	3,374	11,720	12,276	503	529	–	–	2	2	–	–	15,636	16,181
Deferred origination costs	–	–	812	856	–	–	–	–	–	–	–	–	812	856
Goodwill	1,013	1,029	418	442	821	821	5	5	–	–	–	–	2,257	2,297
Other intangible assets	1,354	1,419	3,689	4,000	1,465	1,397	218	219	9	9	–	–	6,736	7,044
Other assets <sup>1</sup>	15,611	15,339	6,950	6,730	1,765	1,547	1,597	1,737	1,618	1,470	(2,120)	(2,037)	25,420	24,786
<b>Total assets (after cons. of investments in subsidiaries)</b>	<b>119,956</b>	<b>119,597</b>	<b>212,095</b>	<b>215,494</b>	<b>12,194</b>	<b>12,224</b>	<b>22,306</b>	<b>19,893</b>	<b>33,793</b>	<b>34,521</b>	<b>(33,829)</b>	<b>(32,527)</b>	<b>366,515</b>	<b>369,202</b>
<b>Liabilities</b>														
Liabilities for investment contracts	–	–	46,212	46,374	–	–	–	–	–	–	(250)	(250)	45,962	46,124
Reserves for insurance contracts, gross	80,487	79,900	133,266	136,256	3,962	3,946	61	365	22,731	22,903	(1,081)	(1,276)	239,427	242,094
Reserves for losses and loss adjustment expenses, gross	62,742	63,476	39	35	1,911	1,793	49	49	3,378	3,531	(820)	(799)	67,300	68,086
Reserves for unearned premiums, gross	16,551	15,191	304	302	2,051	2,153	6	5	32	33	(6)	(7)	18,937	17,676
Future life policyholders' benefits, gross	93	98	71,419	74,760	–	–	6	311	4,483	4,572	(256)	(470)	75,745	79,271
Policyholders' contract deposits and other funds, gross	1,102	1,135	15,366	14,691	–	–	–	–	2,973	3,030	1	1	19,441	18,857
Reserves for unit-linked contracts, gross	–	–	46,139	46,468	–	–	–	–	11,865	11,736	–	–	58,004	58,204
Debt related to capital markets and banking activities	–	–	–	–	–	–	553	553	2,223	2,584	(1,937)	(2,298)	840	839
Senior debt	4,938	3,462	223	265	–	–	23,355	23,224	1,155	1,082	(23,612)	(21,756)	6,058	6,277
Subordinated debt	2,043	2,054	953	1,019	–	–	5,048	5,206	146	155	(3,180)	(3,268)	5,010	5,167
Other liabilities	14,684	14,942	17,847	17,615	1,802	1,801	3,821	1,709	4,955	5,208	(3,768)	(3,679)	39,342	37,596
<b>Total liabilities</b>	<b>102,153</b>	<b>100,357</b>	<b>198,501</b>	<b>201,530</b>	<b>5,764</b>	<b>5,747</b>	<b>32,839</b>	<b>31,058</b>	<b>31,211</b>	<b>31,932</b>	<b>(33,829)</b>	<b>(32,527)</b>	<b>336,639</b>	<b>338,098</b>
<b>Equity</b>														
Common shareholders' equity													27,650	28,743
Preferred securities													556	561
Shareholders' equity													28,206	29,304
Non-controlling interests													1,670	1,800
Total equity													29,876	31,104
<b>Total liabilities and equity</b>													<b>366,515</b>	<b>369,202</b>

<sup>1</sup> The General Insurance segment, includes assets held for sale of USD 43 million and USD 67 million as of March 31, 2010 and December 31, 2009, respectively, related to land and buildings formerly classified as held for own use.

## General Insurance (unaudited)

General Insurance –  
Customer segment  
overview

in USD millions, for the three months ended March 31

	Global Corporate		North America Commercial		Europe General Insurance		International Markets		GI Global Functions including Group Reinsurance		Eliminations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Gross written premiums and policy fees	2,490	2,388	2,253	2,382	4,714	4,602	660	616	124	115	(232)	(289)	10,010	9,814
Net earned premiums and policy fees	1,235	1,191	1,818	2,029	3,464	3,243	505	484	9	10	–	–	7,030	6,956
Insurance benefits and losses, net	884	897	1,173	1,383	2,518	2,299	390	311	108	(20)	–	–	5,073	4,870
Policyholder dividends and participation in profits, net	(2)	–	3	2	(3)	–	–	–	–	–	–	–	(2)	2
Total net technical expenses	246	220	588	576	868	803	188	179	4	13	(3)	(3)	1,891	1,789
Net underwriting result	106	74	54	69	81	140	(73)	(7)	(104)	17	3	3	68	295
Net investment income	139	154	278	298	248	269	40	35	16	9	–	(3)	721	762
Net capital gains/(losses) and impairments on investments	3	4	9	8	1	2	–	–	–	–	–	–	14	14
Net non-technical result (excl. items not included in BOP)	(22)	(26)	(63)	(62)	(101)	(89)	41	(7)	(18)	3	(4)	1	(168)	(180)
Business operating profit before non-controlling interests	226	207	277	311	229	322	8	22	(106)	29	–	–	635	891
Non-controlling interests	–	–	–	–	–	1	14	1	–	–	–	–	13	2
Business operating profit	226	207	278	311	229	321	(6)	21	(106)	29	–	–	621	889

Ratios, as % of net earned premiums and policy fees

Loss ratio	71.6%	75.3%	64.5%	68.1%	72.7%	70.9%	77.2%	64.4%	nm	nm	n/a	n/a	72.2%	70.0%
Expense ratio	19.8%	18.5%	32.5%	28.5%	25.0%	24.8%	37.2%	37.0%	nm	nm	n/a	n/a	26.9%	25.7%
Combined ratio	91.4%	93.8%	97.0%	96.6%	97.7%	95.7%	114.4%	101.4%	nm	nm	n/a	n/a	99.0%	95.8%

## General Insurance (unaudited)

General Insurance – Revenues by region	in USD millions, for the three months ended March 31	Gross written premiums and policy fees from external customers	
		2010	2009
<b>Global Corporate</b>			
North America		720	760
Europe		1,599	1,498
Rest of Global Corporate		91	73
<b>Subtotal</b>		<b>2,410</b>	<b>2,330</b>
<b>Europe &amp; Africa</b>			
United Kingdom		602	563
Germany		1,351	1,317
Switzerland		1,265	1,165
Italy		517	500
Spain		358	356
Southern Africa		173	157
Rest of Europe & Africa		468	494
<b>Subtotal</b>		<b>4,734</b>	<b>4,553</b>
<b>Americas</b>			
United States		2,106	2,249
Rest of North America		104	80
Latin America		330	321
<b>Subtotal</b>		<b>2,540</b>	<b>2,650</b>
<b>Asia-Pacific &amp; Middle East</b>			
Asia-Pacific Mature Markets		258	222
China & South East Asia		59	59
<b>Subtotal</b>		<b>317</b>	<b>280</b>
<b>Central Region</b>			
Europe		1	–
<b>Subtotal</b>		<b>1</b>	<b>–</b>
<b>Total</b>		<b>10,002</b>	<b>9,814</b>

## General Insurance (unaudited)

General Insurance – Assets by region	in USD millions, as of	Property/equipment and intangible assets	
		03/31/10	12/31/09
Europe & Africa			
United Kingdom		207	222
Germany		237	253
Switzerland		124	127
Italy		66	75
Spain		696	747
Southern Africa		19	22
Rest of Europe & Africa		1,414	1,437
<b>Subtotal</b>		<b>2,764</b>	<b>2,883</b>
Americas			
United States		213	216
Rest of North America		6	6
Latin America		156	164
<b>Subtotal</b>		<b>374</b>	<b>386</b>
Asia-Pacific & Middle East			
Asia-Pacific Mature Markets		96	93
China & South East Asia		23	24
<b>Subtotal</b>		<b>119</b>	<b>117</b>
<b>Total</b>		<b>3,257</b>	<b>3,385</b>



## General Insurance (unaudited)

Customer segment reporting – Europe General Insurance by region	in USD millions, for the three months ended March 31																	
	United Kingdom		Germany		Switzerland		Italy		Spain		Southern Africa		Rest of Europe & Africa		Eliminations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Gross written premiums and policy fees	605	570	1,351	1,320	1,265	1,166	517	506	358	361	173	157	445	714	(1)	(192)	4,714	4,602
Net earned premiums and policy fees	749	701	719	602	555	510	541	499	311	274	144	116	444	540	–	–	3,464	3,243
Net underwriting result	5	33	57	55	63	53	(43)	(48)	21	14	16	(4)	(32)	40	(6)	(5)	81	140
<b>Business operating profit</b>	<b>48</b>	<b>95</b>	<b>80</b>	<b>93</b>	<b>95</b>	<b>70</b>	<b>(25)</b>	<b>(31)</b>	<b>22</b>	<b>26</b>	<b>7</b>	<b>1</b>	<b>2</b>	<b>67</b>	<b>–</b>	<b>–</b>	<b>229</b>	<b>321</b>
Ratios, as % of net earned premiums and policy fees																		
Loss ratio	72.8%	69.7%	70.9%	69.5%	67.0%	67.9%	84.8%	86.2%	67.8%	71.5%	47.3%	75.9%	79.5%	61.4%	n/a	n/a	72.7%	70.9%
Expense ratio	26.5%	25.6%	21.2%	21.3%	21.6%	21.6%	23.1%	23.5%	25.4%	23.3%	41.7%	27.2%	27.8%	31.1%	n/a	n/a	25.0%	24.8%
Combined ratio	<b>99.4%</b>	<b>95.2%</b>	<b>92.1%</b>	<b>90.8%</b>	<b>88.6%</b>	<b>89.5%</b>	<b>107.9%</b>	<b>109.6%</b>	<b>93.3%</b>	<b>94.9%</b>	<b>89.0%</b>	<b>103.1%</b>	<b>107.2%</b>	<b>92.5%</b>	<b>n/a</b>	<b>n/a</b>	<b>97.7%</b>	<b>95.7%</b>

Customer segment reporting – Europe General Insurance split into Commercial and Personal	in USD millions, for the three months ended March 31							
	Commercial		Personal		Eliminations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Gross written premiums and policy fees	2,079	2,068	2,635	2,535	–	(1)	4,714	4,602
Net earned premiums and policy fees	1,390	1,304	2,074	1,938	–	–	3,464	3,243
Net underwriting result	115	84	(16)	59	(17)	(3)	81	140
<b>Business operating profit</b>	<b>197</b>	<b>192</b>	<b>32</b>	<b>129</b>	<b>–</b>	<b>–</b>	<b>229</b>	<b>321</b>
Ratios, as % of net earned premiums and policy fees								
Loss ratio	66.2%	69.1%	77.0%	72.1%	n/a	n/a	72.7%	70.9%
Expense ratio	25.5%	24.4%	23.8%	24.9%	n/a	n/a	25.0%	24.8%
Combined ratio	<b>91.7%</b>	<b>93.6%</b>	<b>100.8%</b>	<b>97.0%</b>	<b>n/a</b>	<b>n/a</b>	<b>97.7%</b>	<b>95.7%</b>

## General Insurance (unaudited)

Customer segment reporting – International Markets by region	in USD millions, for the three months ended March 31															
	Latin America		Asia-Pacific Mature Markets		China & South East Asia		Middle East		Rest of Asia Pacific & Middle East		Rest of International Markets		Eliminations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Gross written premiums and policy fees	330	328	258	224	72	64	–	–	–	–	–	–	–	–	660	616
Net earned premiums and policy fees	183	224	268	216	53	44	–	–	–	–	–	–	–	–	505	484
Net underwriting result	(50)	(2)	(21)	(18)	(1)	13	–	–	–	–	–	–	–	–	(73)	(7)
<b>Business operating profit</b>	<b>(4)</b>	<b>14</b>	<b>(3)</b>	<b>(5)</b>	<b>2</b>	<b>13</b>	<b>–</b>	<b>–</b>	<b>(3)</b>	<b>–</b>	<b>3</b>	<b>(1)</b>	<b>–</b>	<b>–</b>	<b>(6)</b>	<b>21</b>

Ratios, as % of net earned premiums and policy fees

Loss ratio	82.3%	60.7%	79.3%	77.9%	48.6%	16.5%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	77.2%	64.4%
Expense ratio	45.1%	40.2%	28.7%	30.2%	52.8%	54.4%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	37.2%	37.0%
Combined ratio	<b>127.5%</b>	<b>100.9%</b>	<b>108.0%</b>	<b>108.1%</b>	<b>101.5%</b>	<b>70.9%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>114.4%</b>	<b>101.4%</b>

Customer segment reporting – International Markets split into Commercial and Personal	in USD millions, for the three months ended March 31							
	Commercial		Personal		Eliminations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Gross written premiums and policy fees	314	282	352	334	(6)	–	660	616
Net earned premiums and policy fees	247	223	258	261	–	–	505	484
Net underwriting result	(72)	(12)	–	6	–	–	(73)	(7)
<b>Business operating profit</b>	<b>(13)</b>	<b>4</b>	<b>7</b>	<b>17</b>	<b>–</b>	<b>–</b>	<b>(6)</b>	<b>21</b>

Ratios, as % of net earned premiums and policy fees

Loss ratio	94.4%	71.0%	60.8%	58.7%	n/a	n/a	77.2%	64.4%
Expense ratio	34.7%	34.4%	39.4%	39.1%	n/a	n/a	37.2%	37.0%
Combined ratio	<b>129.1%</b>	<b>105.4%</b>	<b>100.2%</b>	<b>97.9%</b>	<b>n/a</b>	<b>n/a</b>	<b>114.4%</b>	<b>101.4%</b>

## Global Life (unaudited)

Global Life –  
Overview

in USD millions, for the three months ended March 31

	Americas		United Kingdom		Germany		Switzerland		Ireland		Spain		Emerging Markets in Asia		Rest of the world		Eliminations		Total		
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	
<b>Revenues</b>																					
Life insurance deposits	68	148	854	652	619	437	9	13	720	245	606	448	292	269	187	83	–	–	3,354	2,296	
Gross written premiums and policy fees <sup>1</sup>	364	292	409	103	739	725	704	691	210	77	554	1,078	146	60	274	210	(11)	(4)	3,389	3,233	
Net earned premiums and policy fees	291	233	361	56	715	701	702	689	186	55	528	1,054	137	49	252	200	–	–	3,172	3,035	
Net investment income on Group investments	114	109	74	80	418	411	150	147	21	18	99	114	9	14	87	81	–	–	973	973	
Net capital gains/(losses) and impairments on Group investments	1	1	75	(70)	31	(106)	17	(9)	3	5	–	2	7	2	(7)	(6)	–	–	127	(181)	
Net investment result on Group investments	115	109	149	10	449	305	167	138	24	23	100	115	16	16	80	75	–	–	1,100	791	
Net investment income on unit-linked investments	(7)	(5)	351	332	9	10	7	1	42	38	21	29	1	–	15	16	–	–	439	421	
Net capital gains/(losses) and impairments on unit-linked investments	30	(23)	2,524	(2,636)	434	(295)	5	(9)	314	(249)	16	(27)	462	(106)	118	(56)	–	–	3,904	(3,401)	
Net investment result on unit-linked investments	23	(29)	2,875	(2,304)	443	(285)	12	(9)	357	(211)	37	2	464	(106)	133	(39)	–	–	4,343	(2,980)	
Other income	29	30	43	46	40	46	12	14	–	–	12	10	13	8	48	29	–	–	196	183	
<b>Total BOP revenues</b>	<b>457</b>	<b>343</b>	<b>3,429</b>	<b>(2,192)</b>	<b>1,646</b>	<b>767</b>	<b>894</b>	<b>832</b>	<b>567</b>	<b>(133)</b>	<b>677</b>	<b>1,182</b>	<b>630</b>	<b>(34)</b>	<b>513</b>	<b>265</b>	<b>–</b>	<b>–</b>	<b>8,811</b>	<b>1,030</b>	
<b>Benefits, losses and expenses</b>																					
Insurance benefits and losses, net <sup>1</sup>	205	150	162	116	754	783	661	663	140	10	548	1,103	45	9	121	147	–	–	2,636	2,981	
Policyholder dividends and participation in profits, net	23	(26)	2,801	(2,287)	553	(321)	79	32	363	(188)	39	2	462	(100)	244	(10)	–	–	4,565	(2,899)	
Income tax expense/(benefit) attributable to policyholders	–	–	221	(287)	12	8	–	–	3	(1)	–	–	–	–	–	5	–	–	236	(274)	
Underwriting and policy acquisition costs, net	48	52	90	147	112	86	41	40	22	19	6	14	69	14	33	33	–	–	421	405	
Administrative and other operating expense (excl. depreciation/amortization)	54	54	81	86	64	88	43	46	6	14	31	13	29	23	98	60	–	–	406	383	
Interest credited to policyholders and other interest	42	42	3	4	39	36	4	4	11	–	1	4	6	6	3	3	–	–	108	99	
Restructuring provisions and other items not included in BOP	–	–	(15)	1	–	–	–	5	–	–	(7)	(12)	(5)	–	(2)	(3)	–	–	(29)	(9)	
<b>Total BOP benefits, losses and expenses</b>	<b>371</b>	<b>271</b>	<b>3,344</b>	<b>(2,219)</b>	<b>1,534</b>	<b>681</b>	<b>829</b>	<b>790</b>	<b>545</b>	<b>(145)</b>	<b>618</b>	<b>1,123</b>	<b>606</b>	<b>(48)</b>	<b>497</b>	<b>234</b>	<b>–</b>	<b>–</b>	<b>8,343</b>	<b>687</b>	
<b>Business operating profit (before interest, depreciation and amortization)</b>	<b>86</b>	<b>72</b>	<b>84</b>	<b>27</b>	<b>112</b>	<b>86</b>	<b>65</b>	<b>42</b>	<b>22</b>	<b>12</b>	<b>59</b>	<b>58</b>	<b>23</b>	<b>14</b>	<b>15</b>	<b>31</b>	<b>–</b>	<b>–</b>	<b>468</b>	<b>342</b>	
Depreciation and impairments of property and equipment	–	–	2	2	3	3	1	1	–	–	–	–	1	1	–	–	–	–	8	8	
Amortization and impairments of intangible assets	5	5	12	11	21	9	–	–	–	–	37	42	1	1	7	19	–	–	82	87	
Interest expense on debt	1	1	1	1	–	–	1	1	–	–	14	16	–	–	2	3	–	–	18	21	
Business operating profit before non-controlling interests	80	66	69	13	89	74	63	40	22	12	9	–	21	12	7	8	–	–	360	226	
Non-controlling interests	3	1	–	–	2	2	–	–	–	–	3	1	–	–	–	–	–	–	9	4	
<b>Business operating profit</b>	<b>76</b>	<b>65</b>	<b>69</b>	<b>13</b>	<b>86</b>	<b>72</b>	<b>63</b>	<b>40</b>	<b>22</b>	<b>12</b>	<b>5</b>	<b>(1)</b>	<b>21</b>	<b>12</b>	<b>7</b>	<b>8</b>	<b>–</b>	<b>–</b>	<b>351</b>	<b>222</b>	
<b>Supplementary information</b>																					
Gross written premiums and policy fees from external customers	364	292	408	101	726	712	704	691	210	77	554	1,078	137	55	270	209	–	–	3,373	3,216	
Property, equipment and intangible assets	287	287	410	391	931	948	141	181	5	6	2,661	2,569	9	14	137	235	–	–	4,583	4,632	

<sup>1</sup> The Global Life segment includes approximately USD 351 million and USD 857 million of gross written premiums and future life policyholders' benefits for certain universal life-type contracts in our Spanish operations for the three months ended March 31, 2010 and 2009, respectively (see note 3 of the Group's Financial Report 2009).

## Global Life (unaudited)

Global Life –  
Americas

in USD millions, for the three months ended March 31

	United States		Latin America		Eliminations		Total Americas	
	2010	2009	2010	2009	2010	2009	2010	2009
Insurance deposits	56	135	12	13	–	–	68	148
Gross written premiums and policy fees	187	184	177	108	–	–	364	292
Net earned premiums and policy fees	135	132	156	101	–	–	291	233
Net investment income on Group investments	85	86	28	23	–	–	114	109
Net capital gains/(losses) and impairments on Group investments	1	1	–	–	–	–	1	1
Net investment result on Group investments	86	86	28	23	–	–	115	109
Net investment result on unit-linked investments	9	(33)	14	4	–	–	23	(29)
Total BOP benefits, losses and expenses	196	152	175	120	–	–	371	271
<b>Business operating profit</b>	<b>53</b>	<b>54</b>	<b>24</b>	<b>12</b>	<b>–</b>	<b>–</b>	<b>76</b>	<b>65</b>

Global Life –  
Emerging Markets  
in Asia

in USD millions, for the three months ended March 31

	Total		of which			
			ZIS		Hong Kong	
	2010	2009	2010	2009	2010	2009
Insurance deposits	292	269	251	239	41	30
Gross written premiums and policy fees	146	60	119	39	19	17
Net earned premiums and policy fees	137	49	110	28	11	15
Net investment income on Group investments	9	14	1	6	8	8
Net capital gains/(losses) and impairments on Group investments	7	2	–	1	7	1
Net investment result on Group investments	16	16	1	6	16	9
Net investment result on unit-linked investments	464	(106)	459	(109)	5	3
Total BOP benefits, losses and expenses	606	(48)	556	(75)	32	21
<b>Business operating profit</b>	<b>21</b>	<b>12</b>	<b>25</b>	<b>6</b>	<b>–</b>	<b>6</b>

## Global Life (unaudited)

Global Life – Rest of the world	in USD millions, for the three months ended March 31				of which	
			Total		Italy	
	2010	2009	2010	2009	2010	2009
Insurance deposits	187	83	122	49		
Gross written premiums and policy fees	274	210	108	95		
Net earned premiums and policy fees	252	200	105	97		
Net investment income on Group investments	87	81	56	53		
Net capital gains/(losses) and impairments on Group investments	(7)	(6)	9	(4)		
Net investment result on Group investments	80	75	65	49		
Net investment result on unit-linked investments	133	(39)	92	14		
Total BOP benefits, losses and expenses	497	234	243	133		
<b>Business operating profit</b>	<b>7</b>	<b>8</b>	<b>10</b>	<b>6</b>		

Global Life – Total investments	Americas		United Kingdom		Germany		Switzerland		Ireland		Spain		Emerging Markets in Asia		Rest of the world		Total	
	03/31/10	12/31/09	03/31/10	12/31/09	03/31/10	12/31/09	03/31/10	12/31/09	03/31/10	12/31/09	03/31/10	12/31/09	03/31/10	12/31/09	03/31/10	12/31/09	03/31/10	12/31/09
	Total Group investments	91.0	91.0	14.6	15.1	80.8	81.4	97.0	96.9	26.0	26.4	66.9	69.8	16.9	16.8	62.3	63.5	53.2
Cash and cash equivalents	2.8	3.2	14.5	14.7	3.1	2.0	3.3	3.0	8.4	6.6	8.2	7.6	17.3	15.6	1.4	2.0	4.8	4.3
Equity securities	1.0	1.0	7.2	10.0	2.2	2.2	6.7	7.8	20.2	20.8	0.2	1.2	8.2	8.4	11.8	11.6	4.7	5.3
Debt securities	87.7	88.2	74.7	72.4	48.3	47.8	60.5	59.1	69.3	70.4	73.6	70.8	67.3	67.6	81.4	80.3	62.9	61.9
Equity method accounted investments	–	–	0.2	0.2	–	–	–	–	–	–	0.1	0.1	–	–	0.8	1.0	0.1	0.1
Other investments	8.4	7.6	3.4	2.6	46.5	48.0	29.6	30.0	2.1	2.2	17.9	20.3	7.2	8.5	4.5	5.0	27.6	28.4
Investments for unit-linked contracts	9.0	9.0	85.4	84.9	19.2	18.6	3.0	3.1	74.0	73.6	33.1	30.2	83.1	83.2	37.7	36.5	46.8	46.3
<b>Total investments</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Global Life – Reserves for life insurance contracts and liabilities for investment contracts, net of reinsurance	Americas		United Kingdom		Germany		Switzerland		Ireland		Spain		Emerging Markets in Asia		Rest of the world		Eliminations		Total	
	03/31/10	12/31/09	03/31/10	12/31/09	03/31/10	12/31/09	03/31/10	12/31/09	03/31/10	12/31/09	03/31/10	12/31/09	03/31/10	12/31/09	03/31/10	12/31/09	03/31/10	12/31/09	03/31/10	12/31/09
	Unit-linked insurance and investment contracts	1,255	1,233	50,620	51,968	9,659	9,467	1,828	1,842	8,886	8,484	4,603	4,411	7,641	7,486	7,859	7,951	–	–	92,351
Other life insurance liabilities	6,769	6,730	4,627	4,394	40,906	42,645	15,755	15,678	1,409	1,337	8,839	9,670	1,129	1,115	5,474	5,735	1	(2)	84,910	87,304
<b>Total reserves and liabilities</b>	<b>8,024</b>	<b>7,964</b>	<b>55,246</b>	<b>56,363</b>	<b>50,565</b>	<b>52,111</b>	<b>17,583</b>	<b>17,520</b>	<b>10,295</b>	<b>9,821</b>	<b>13,443</b>	<b>14,080</b>	<b>8,770</b>	<b>8,601</b>	<b>13,333</b>	<b>13,686</b>	<b>1</b>	<b>(2)</b>	<b>177,261</b>	<b>180,145</b>

## Farmers (unaudited)

Farmers –  
Overview

in USD millions, for the three months ended March 31

	Farmers Management Services		Farmers Re		Eliminations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Gross written premiums and policy fees	–	–	1,495	1,056	–	–	1,495	1,056
Net earned premiums and policy fees	–	–	1,597	1,109	–	–	1,597	1,109
Management fees and other related revenues	703	623	–	–	–	–	703	623
Insurance benefits and losses, net	–	–	(1,041)	(806)	–	–	(1,041)	(806)
Total net technical expenses	(361)	(311)	(497)	(327)	–	–	(858)	(639)
Net underwriting result	342	311	60	(25)	–	–	402	286
Net investment income	14	21	28	20	–	–	42	41
Net non-technical result (excl. items not included in BOP)	(5)	(11)	23	7	–	–	18	(4)
Business operating profit before non-controlling interests	351	322	111	2	–	–	462	324
Business operating profit	351	322	111	2	–	–	462	324
Ratios, as % of net earned premiums and policy fees								
Loss ratio	nm	nm	65.2%	72.7%	–	–	–	–
Expense ratio	nm	nm	31.1%	29.5%	–	–	–	–
Combined ratio	nm	nm	96.3%	102.3%	–	–	–	–

## Additional information (unaudited)

Principal exchange rates	USD per foreign currency unit	Balance sheets		Income statements and cash flows	
		03/31/10	12/31/09	03/31/10	03/31/09
		Euro	1.3523	1.4333	1.3848
Swiss franc	0.9498	0.9649	0.9462	0.8720	
British pound	1.5184	1.6164	1.5611	1.4349	

Currency translation impact on key financial figures – General Insurance	variance over the prior period, for the three months ended March 31, 2010	in USD		change	change in
		millions	in %	in USD	local currency
	Gross written premiums and policy fees	548	6%	2%	(4%)
	Net investment income on total investments	31	4%	(5%)	(9%)
	Net capital gains/(losses) and impairments on total investments	–	1%	(6%)	(7%)
	Insurance benefits and losses, net of reinsurance	(281)	(6%)	(4%)	2%
	Business operating profit	(12)	(1%)	(30%)	(29%)

Currency translation impact on key financial figures – Global Life	variance over the prior period, for the three months ended March 31, 2010	in USD		change	change in
		millions	in %	in USD	local currency
	Insurance deposits	217	9%	46%	37%
	Gross written premiums and policy fees	226	7%	5%	(2%)
	Net investment result on Group investments	57	7%	39%	32%
	Net investment income on Group investments	58	6%	–	(6%)
	Net capital gains/(losses) and impairments on Group investments	(1)	–	nm	nm
	Net investment result on unit-linked investments	330	11%	nm	nm
	Insurance benefits and losses, net of reinsurance	(176)	(6%)	12%	17%
	Business operating profit	6	3%	58%	55%

## Additional information (unaudited)

Investment result	in USD millions, for the three months ended March 31					
	Net investment income		Net capital gains/(losses) on investments and impairments <sup>1</sup>		Investment result	
	2010	2009	2010	2009	2010	2009
Group investments						
Cash and cash equivalents	13	41	2	(1)	15	40
Equity securities	66	74	85	(476)	151	(402)
Debt securities	1,335	1,379	248	(581)	1,583	798
Real estate held for investment	118	112	(7)	(4)	111	108
Mortgage loans	133	137	(17)	(15)	116	122
Other loans	169	147	–	1	169	148
Equity method accounted investments	4	(5)	(22)	–	(17)	(5)
Other investments <sup>2</sup>	–	–	(97)	3	(97)	3
Investment result, gross, for Group investments	1,839	1,885	191	(1,073)	2,030	812
Investment expenses for Group investments <sup>3</sup>	(60)	(53)	–	–	(60)	(53)
Investment result, net, for Group investments	1,779	1,832	191	(1,073)	1,970	759
Investments for unit-linked contracts						
Investment result, net, for investments for unit-linked contracts	368	374	4,164	(3,677)	4,533	(3,303)
Total investments						
Investment result, net, for total investments	2,148	2,206	4,356	(4,749)	6,503	(2,544)

<sup>1</sup> Impairment charges on investments amounted in total to USD 114 million and USD 500 million for the three months ended March 31, 2010 and 2009, respectively, of which impairments on equity securities comprised USD 72 million and USD 303 million, on debt securities USD 3 million and USD 183 million, and on mortgage loans and equity method accounted investments USD 39 million and USD 15 million for the three months ended March 31, 2010 and 2009, respectively.

<sup>2</sup> The net capital gains/(losses) in other investments arise entirely from derivative financial instruments and include net capital gains/(losses) on derivatives attributable to cash flow hedges ineffectiveness amounted to USD 14 million and USD 18 million for the three months ended March 31, 2010 and 2009, respectively.

<sup>3</sup> Including rental operating expense for real estate held for total investments of USD 30 million and USD 28 million for the three months ended March 31, 2010 and 2009, respectively.



## Additional information (unaudited)

## Details of investments by category

as of March 31	Group investments				Investments for unit-linked products		Total investments	
	2010		2009		2010	2009	2010	2009
	USD millions	% of total	USD millions	% of total	USD millions	USD millions	USD millions	USD millions
Cash and cash equivalents	12,876	6.6	11,631	5.9	6,183	5,840	19,058	17,471
Equity securities:								
Fair value through profit or loss	4,093	2.1	5,018	2.6	77,934	78,311	82,028	83,329
<i>of which: trading</i>	447	0.2	879	0.4	–	–	447	879
<i>of which: trading equity portfolios in capital markets and banking activities</i>	102	0.1	461	0.2	–	–	102	461
Available-for-sale	7,201	3.7	7,432	3.8	–	–	7,201	7,432
Total equity securities	11,294	5.8	12,450	6.3	77,934	78,311	89,229	90,761
Debt securities:								
Fair value through profit or loss	7,347	3.8	7,684	3.9	10,216	10,194	17,563	17,878
<i>of which: trading</i>	293	0.2	82	0.0	–	–	293	82
Available-for-sale	123,519	63.8	123,516	62.9	–	–	123,519	123,516
Held-to-maturity	5,179	2.7	5,143	2.6	–	–	5,179	5,143
Total debt securities	136,045	70.2	136,344	69.5	10,216	10,194	146,261	146,538
Real estate held for investment	7,592	3.9	7,789	4.0	3,799	3,897	11,391	11,686
Mortgage loans	12,029	6.2	12,736	6.5	–	–	12,029	12,736
Other loans	13,648	7.0	15,077	7.7	1,014	924	14,661	16,001
Equity method accounted investments	195	0.1	232	0.1	–	–	195	232
Total investments	193,679	100.0	196,258	100.0	99,146	99,167	292,825	295,425

## Equity securities (including trading equity portfolios in capital markets and banking activities)

as of March 31	Group investments				Investments for unit-linked contracts		Total investments	
	2010		2009		2010	2009	2010	2009
	USD millions	% of total	USD millions	% of total	USD millions	USD millions	USD millions	USD millions
Common stocks, including equity unit trusts	8,382	4.3	8,839	4.5	69,349	69,004	77,731	77,842
Unit trusts (debt securities, real estate, short-term investments)	2,322	1.2	2,477	1.3	8,586	9,307	10,908	11,784
Common stock portfolios backing the participating with-profit policyholder contracts	488	0.3	674	0.3	–	–	488	674
Trading equity portfolios in capital markets and banking activities	102	0.1	461	0.2	–	–	102	461
Total equity securities	11,294	5.8	12,450	6.3	77,934	78,311	89,229	90,761

## Information for the three months ended March 31 – FX adjusted (unaudited)

Business operating  
profit by business  
segment  
– FX adjusted

	variance in % over the prior period, for the three months ended March 31, 2010													
	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Eliminations		Total	
	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC
<b>Revenues</b>														
Direct written premiums and policy fees	–	(5)	5	(2)	n/a	n/a	n/a	n/a	(29)	(29)	nm	nm	1	(5)
Assumed written premiums	37	32	4	–	42	42	1	(6)	(50)	(50)	(2)	4	38	37
Gross written premiums and policy fees	2	(4)	5	(2)	42	42	1	(6)	(33)	(34)	9	14	5	–
Less premiums ceded to reinsurers	(4)	2	(10)	(3)	n/a	n/a	6	13	24	27	(9)	(14)	(5)	1
Net written premiums and policy fees	2	(4)	5	(2)	42	42	5	(2)	(34)	(34)	n/a	n/a	5	–
Net change in reserves for unearned premiums	(5)	1	(24)	(14)	93	93	nm	nm	2	(5)	n/a	n/a	(2)	4
Net earned premiums and policy fees	1	(4)	4	(2)	44	44	3	(4)	(34)	(34)	n/a	n/a	6	–
Farmers management fees and other related revenues	n/a	n/a	n/a	n/a	13	13	n/a	n/a	n/a	n/a	n/a	n/a	13	13
Net investment result on Group investments	(5)	(9)	39	32	3	3	nm	nm	nm	nm	(15)	(11)	39	33
Net investment income on Group investments	(5)	(9)	–	(6)	3	3	27	23	(9)	(11)	(15)	(11)	(3)	(8)
Net capital gains/(losses) and impairments on Group investments	(6)	(7)	nm	nm	n/a	n/a	nm	nm	nm	nm	n/a	n/a	nm	nm
Net investment result on unit-linked investments	n/a	n/a	nm	nm	n/a	n/a	n/a	n/a	nm	nm	n/a	n/a	nm	nm
Other income	(1)	(7)	7	(2)	nm	nm	(35)	(40)	(49)	(50)	3	12	(19)	(24)
<b>Total BOP revenues</b>	<b>–</b>	<b>(5)</b>	<b>nm</b>	<b>nm</b>	<b>33</b>	<b>33</b>	<b>(5)</b>	<b>(11)</b>	<b>nm</b>	<b>nm</b>	<b>(4)</b>	<b>3</b>	<b>87</b>	<b>77</b>
<b>Benefits, losses and expenses</b>														
Insurance benefits and losses, net	(4)	2	12	17	(29)	(29)	nm	nm	(2)	(2)	n/a	n/a	(2)	4
Losses and loss adjustment expenses, net	(4)	2	nm	nm	(29)	(29)	88	86	13	13	(53)	(56)	(8)	(3)
Life insurance death and other benefits, net	(11)	(4)	(11)	(4)	n/a	n/a	(9)	–	(2)	(2)	nm	nm	(10)	(4)
(Decrease)/increase in future life policyholders' benefits, net	nm	nm	nm	nm	n/a	n/a	nm	nm	(7)	(7)	(9)	(2)	nm	nm
Policyholder dividends and participation in profits, net	nm	nm	nm	nm	n/a	n/a	n/a	n/a	nm	nm	n/a	n/a	nm	nm
Income tax expense/(benefit) attributable to policyholders	n/a	n/a	nm	nm	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	nm	nm
Underwriting and policy acquisition costs, net	(4)	–	(4)	2	(52)	(52)	nm	nm	(69)	(68)	33	29	(12)	(8)
Administrative and other operating expense (excl. depreciation/amortization)	(6)	7	(6)	5	(18)	(18)	(30)	(12)	nm	nm	–	(8)	(15)	(5)
Interest credited to policyholders and other interest	(33)	(6)	(9)	(5)	n/a	n/a	nm	nm	–	6	(87)	(87)	(14)	(8)
Restructuring provisions and other items not included in BOP	nm	nm	nm	nm	n/a	n/a	24	27	100	100	n/a	n/a	nm	nm
Total BOP benefits, losses and expenses (before interest, depreciation and amortization)	(4)	2	nm	nm	(31)	(31)	(56)	(37)	nm	nm	(1)	(9)	(98)	(86)
<b>Business operating profit (before interest, depreciation and amortization)</b>	<b>(25)</b>	<b>(24)</b>	<b>37</b>	<b>33</b>	<b>42</b>	<b>42</b>	<b>(53)</b>	<b>(48)</b>	<b>nm</b>	<b>nm</b>	<b>(11)</b>	<b>(6)</b>	<b>18</b>	<b>19</b>
Depreciation and impairments of property and equipment	(4)	4	(7)	–	(26)	(26)	(12)	(3)	(1)	3	n/a	n/a	(13)	(7)
Amortization and impairments of intangible assets	(17)	(11)	6	11	(64)	(64)	(90)	(75)	12	20	n/a	n/a	(11)	(6)
Interest expense on debt	(8)	(5)	16	21	nm	nm	(20)	(15)	28	29	11	6	(9)	(6)
Business operating profit before non-controlling interests	(29)	(27)	59	56	43	43	nm	nm	nm	nm	n/a	n/a	20	23
Non-controlling interests	nm	nm	nm	nm	n/a	n/a	n/a	n/a	nm	nm	n/a	n/a	nm	nm
<b>Business operating profit</b>	<b>(30)</b>	<b>(29)</b>	<b>58</b>	<b>55</b>	<b>43</b>	<b>43</b>	<b>nm</b>	<b>nm</b>	<b>nm</b>	<b>nm</b>	<b>n/a</b>	<b>n/a</b>	<b>19</b>	<b>21</b>

## Information for the three months ended March 31 – FX adjusted (unaudited)

## Assets and liabilities by business segment – FX adjusted

Assets and liabilities by business segment – FX adjusted	variance in % over the prior period, for the three months ended March 31, 2010														
	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Eliminations		Total		
	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	
<b>Assets</b>															
Total Group Investments	–	2	(2)	2	(7)	(7)	14	15	(5)	(3)	(5)	(7)	(1)	2	
Cash and cash equivalents	7	10	8	14	(19)	(19)	44	46	13	15	(22)	(25)	11	15	
Equity securities	(2)	–	(13)	(9)	(16)	(16)	(5)	(4)	(42)	(39)	n/a	n/a	(9)	(7)	
Debt securities	–	2	(1)	4	1	1	3	4	1	2	4	–	–	3	
Real estate held for investment	(4)	(1)	(1)	2	–	–	(2)	–	(3)	n/a	n/a	n/a	(3)	1	
Mortgage loans	(6)	(4)	(6)	(2)	n/a	n/a	n/a	n/a	(5)	1	nm	nm	(6)	(1)	
Other loans	(19)	(17)	(6)	–	(7)	(7)	(4)	(2)	(27)	(25)	8	5	(9)	(5)	
Equity method accounted investments	(69)	(67)	(17)	(16)	n/a	n/a	–	2	2	2	n/a	n/a	(16)	(15)	
Investments for unit-linked contracts	n/a	n/a	–	6	n/a	n/a	n/a	n/a	1	1	n/a	n/a	–	5	
<b>Total investments</b>	<b>–</b>	<b>2</b>	<b>(1)</b>	<b>4</b>	<b>(7)</b>	<b>(7)</b>	<b>14</b>	<b>15</b>	<b>(3)</b>	<b>(1)</b>	<b>(5)</b>	<b>(7)</b>	<b>(1)</b>	<b>3</b>	
Reinsurers' share of reserves for insurance contracts	3	5	(13)	(9)	–	–	nm	nm	(3)	(1)	15	14	1	3	
Deposits made under assumed reinsurance contracts	(3)	(1)	40	49	–	–	n/a	n/a	(2)	(2)	(6)	(7)	–	–	
Deferred policy acquisition costs	1	4	(5)	–	(5)	(5)	50	50	(3)	(1)	nm	nm	(3)	1	
Deferred origination costs	n/a	n/a	(5)	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(5)	1	
Goodwill	(2)	–	(5)	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(2)	–	
Other intangible assets	(5)	(1)	(8)	(3)	5	5	–	1	(4)	2	n/a	n/a	(4)	(1)	
Other assets	2	5	3	9	14	14	(8)	(7)	10	12	(4)	(7)	3	6	
<b>Total assets (after cons. of investments in subsidiaries)</b>	<b>–</b>	<b>3</b>	<b>(2)</b>	<b>4</b>	<b>–</b>	<b>–</b>	<b>12</b>	<b>14</b>	<b>(2)</b>	<b>(1)</b>	<b>(4)</b>	<b>(7)</b>	<b>(1)</b>	<b>3</b>	
<b>Liabilities</b>															
Liabilities for investment contracts	n/a	n/a	–	5	n/a	n/a	n/a	n/a	n/a	n/a	–	–	–	5	
Reserves for insurance contracts, gross	1	3	(2)	3	–	–	(83)	(83)	(1)	–	15	14	(1)	3	
Reserves for losses and loss adjustment expenses, gross	(1)	1	12	27	7	7	–	–	(4)	(1)	(3)	(8)	(1)	1	
Reserves for unearned premiums, gross	9	12	–	5	(5)	(5)	20	20	(2)	–	13	nm	7	10	
Future life policyholders' benefits, gross	(6)	(1)	(4)	–	n/a	n/a	(98)	(98)	(2)	(2)	46	45	(4)	–	
Policyholders' contract deposits and other funds, gross	(3)	(1)	5	8	n/a	n/a	n/a	n/a	(2)	(2)	–	1	3	6	
Reserves for unit-linked contracts, gross	n/a	n/a	(1)	5	n/a	n/a	(3)	n/a	1	1	n/a	n/a	–	5	
Debt related to capital markets and banking activities	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(14)	(13)	16	16	–	3	
Senior debt	43	48	(16)	(12)	n/a	n/a	1	2	7	9	(9)	(11)	(3)	(2)	
Subordinated debt	–	–	(7)	(2)	n/a	n/a	(3)	(2)	(6)	–	3	1	(3)	(2)	
Other liabilities	(2)	3	1	6	–	–	nm	nm	(5)	(1)	(2)	(9)	5	9	
<b>Total liabilities</b>	<b>2</b>	<b>4</b>	<b>(2)</b>	<b>4</b>	<b>–</b>	<b>–</b>	<b>6</b>	<b>8</b>	<b>(2)</b>	<b>(1)</b>	<b>(4)</b>	<b>(7)</b>	<b>–</b>	<b>3</b>	
<b>Equity</b>															
Common shareholders' equity														(4)	(18)
Preferred securities														(1)	(1)
Shareholders' equity														(4)	(18)
Non-controlling interests														(7)	nm
Total equity														(4)	(2)
<b>Total liabilities and equity</b>														<b>(1)</b>	<b>3</b>

## Information for the three months ended March 31 – FX adjusted (unaudited)

General Insurance – Customer segment overview – FX adjusted	variance in % over the prior period, for the three months ended March 31, 2010													
	Global Corporate		North America Commercial		Europe General Insurance		International Markets		GI Global Functions including Group Reinsurance		Eliminations		Total	
	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC
Gross written premiums and policy fees	4	(2)	(5)	(6)	2	(5)	7	–	8	4	20	23	2	(4)
Net earned premiums and policy fees	4	(2)	(10)	(11)	7	(1)	4	(4)	(10)	(15)	n/a	n/a	1	(4)
Insurance benefits and losses, net	1	7	15	16	(10)	(2)	(25)	(15)	nm	nm	n/a	n/a	(4)	2
Policyholder dividends and participation in profits, net	nm	nm	(49)	(49)	nm	nm	n/a	n/a	n/a	n/a	n/a	n/a	nm	nm
Total net technical expenses	(12)	(7)	(2)	(1)	(8)	1	(5)	3	67	68	7	3	(6)	–
Net underwriting result	44	36	(21)	(21)	(42)	(48)	nm	nm	nm	nm	7	3	(77)	(78)
Net investment income	(10)	(13)	(7)	(7)	(8)	(15)	12	(1)	87	82	nm	nm	(5)	(9)
Net capital gains/(losses) and impairments on investments	(21)	(22)	17	17	(51)	(55)	n/a	n/a	n/a	n/a	n/a	n/a	(6)	(7)
Net non-technical result (excl. items not included in BOP)	12	17	(2)	(2)	(13)	(2)	nm	nm	nm	nm	nm	nm	7	33
Business operating profit before non-controlling interests	9	4	(11)	(11)	(29)	(34)	(62)	90	nm	nm	n/a	n/a	(29)	(27)
Non-controlling interests	nm	nm	n/a	n/a	nm	nm	nm	nm	n/a	n/a	n/a	n/a	nm	nm
Business operating profit	10	4	(11)	(11)	(29)	(34)	nm	33	nm	nm	n/a	n/a	(30)	(29)

General Insurance – Customer segment reporting – Europe General Insurance by region – FX adjusted	variance in % over the prior period, for the three months ended March 31, 2010																	
	United Kingdom		Germany		Switzerland		Italy		Spain		Southern Africa		Rest of Europe & Africa		Eliminations		Total	
	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC
Gross written premiums and policy fees	6	(2)	2	(4)	8	–	2	(4)	(1)	(6)	10	(17)	(38)	(42)	99	100	2	(5)
Net earned premiums and policy fees	7	(2)	20	13	9	–	8	2	14	7	24	(6)	(18)	(24)	nm	nm	7	(1)
Net underwriting result	(85)	(87)	3	(3)	19	9	11	16	48	39	nm	nm	nm	nm	(17)	(12)	(42)	(48)
Business operating profit	(49)	(53)	(14)	(19)	34	24	21	26	(16)	(20)	nm	nm	(97)	(96)	n/a	n/a	(29)	(34)

General Insurance – Customer segment reporting – International Markets by region – FX adjusted	variance in % over the prior period, for the three months ended March 31, 2010																	
	Latin America		Asia-Pacific Mature Markets		China & South East Asia		Middle East		Rest of Asia Pacific & Middle East		Rest of International Markets		Eliminations		Total			
	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC		
Gross written premiums and policy fees	1	–	15	(1)	12	8	n/a	n/a	n/a	n/a	n/a	n/a	nm	nm	7	–		
Net earned premiums and policy fees	(18)	(16)	24	3	22	18	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4	(4)		
Net underwriting result	nm	nm	(22)	18	nm	nm	n/a	n/a	n/a	n/a	n/a	n/a	nm	nm	nm	nm		
Business operating profit	nm	nm	38	84	(88)	(89)	n/a	n/a	n/a	n/a	nm	nm	n/a	n/a	nm	33		

## Information for the three months ended March 31 – FX adjusted (unaudited)

Global Life –  
Overview  
– FX adjusted

variance in % over the prior period, for the three months ended March 31, 2010	Americas		United Kingdom		Germany		Switzerland		Ireland		Spain		Emerging Markets in Asia		Rest of the world		Eliminations		Total		
	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	
<b>Revenues</b>																					
Life insurance deposits	(54)	(54)	31	20	42	33	(34)	(39)	nm	nm	35	27	8	1	nm	nm	n/a	n/a	46	37	
Gross written premiums and policy fees	25	20	nm	nm	2	(4)	2	(6)	nm	nm	(49)	(52)	nm	nm	30	17	nm	nm	5	(2)	
Net earned premiums and policy fees	25	20	nm	nm	2	(4)	2	(6)	nm	nm	(50)	(53)	nm	nm	26	15	n/a	n/a	4	(2)	
Net investment income on Group investments	5	2	(8)	(15)	2	(4)	2	(6)	16	9	(13)	(18)	(32)	(32)	7	–	n/a	n/a	–	(6)	
Net capital gains/(losses) and impairments on Group investments	(3)	(3)	nm	nm	nm	nm	nm	nm	(41)	(45)	(75)	(77)	nm	nm	(18)	nm	n/a	n/a	nm	nm	
Net investment result on Group investments	5	2	nm	nm	47	39	22	12	4	(3)	(14)	(19)	6	6	6	12	n/a	n/a	39	32	
Net investment income on unit-linked investments	(38)	(35)	6	(3)	(13)	(18)	nm	nm	12	6	(28)	(32)	n/a	n/a	(7)	(23)	n/a	n/a	4	(4)	
Net capital gains/(losses) and impairments on unit-linked investments	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	n/a	n/a	nm	nm	
Net investment result on unit-linked investments	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	n/a	n/a	nm	nm	
Other income	(4)	(5)	(7)	(14)	(14)	(19)	(10)	(17)	(77)	(79)	20	13	71	57	63	33	(42)	(33)	7	(2)	
<b>Total BOP revenues</b>	<b>33</b>	<b>29</b>	<b>nm</b>	<b>nm</b>	<b>nm</b>	<b>nm</b>	<b>7</b>	<b>(1)</b>	<b>nm</b>	<b>nm</b>	<b>(43)</b>	<b>(46)</b>	<b>nm</b>	<b>nm</b>	<b>94</b>	<b>79</b>	<b>(42)</b>	<b>(33)</b>	<b>nm</b>	<b>nm</b>	
<b>Benefits, losses and expenses</b>																					
Insurance benefits and losses, net	(37)	(26)	(40)	(29)	4	9	–	8	nm	nm	50	53	nm	nm	17	24	n/a	n/a	12	17	
Policyholder dividends and participation in profits, net	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	n/a	n/a	nm	nm	
Income tax expense/(benefit) attributable to policyholders	n/a	n/a	nm	nm	(43)	(35)	n/a	n/a	nm	nm	n/a	n/a	–	–	nm	nm	n/a	n/a	nm	nm	
Underwriting and policy acquisition costs, net	8	4	39	44	(30)	(22)	(3)	5	(14)	(8)	54	57	nm	nm	1	10	n/a	n/a	(4)	2	
Administrative and other operating expense (excl. depreciation/amortization)	–	13	6	14	27	31	5	13	60	62	nm	nm	(29)	(20)	(64)	(38)	27	18	(6)	5	
Interest credited to policyholders and other interest	2	2	17	24	(8)	(2)	17	24	n/a	n/a	83	84	(3)	(3)	(13)	(7)	nm	nm	(9)	(5)	
Restructuring provisions and other items not included in BOP	n/a	n/a	nm	nm	n/a	n/a	94	95	n/a	n/a	(41)	(45)	n/a	n/a	(33)	(37)	n/a	n/a	nm	nm	
<b>Total BOP benefits, losses and expenses</b>	<b>(37)</b>	<b>(29)</b>	<b>nm</b>	<b>nm</b>	<b>nm</b>	<b>nm</b>	<b>(5)</b>	<b>3</b>	<b>nm</b>	<b>nm</b>	<b>45</b>	<b>48</b>	<b>nm</b>	<b>nm</b>	<b>nm</b>	<b>(93)</b>	<b>42</b>	<b>32</b>	<b>nm</b>	<b>nm</b>	
<b>Business operating profit (before interest, depreciation and amortization)</b>	<b>19</b>	<b>27</b>	<b>nm</b>	<b>nm</b>	<b>31</b>	<b>23</b>	<b>54</b>	<b>42</b>	<b>81</b>	<b>71</b>	<b>1</b>	<b>(5)</b>	<b>66</b>	<b>52</b>	<b>(49)</b>	<b>(25)</b>	<b>n/a</b>	<b>n/a</b>	<b>37</b>	<b>33</b>	
Depreciation and impairments of property and equipment	(9)	(3)	(8)	–	(3)	3	(20)	(11)	4	9	95	95	(9)	(2)	(14)	(4)	n/a	n/a	(7)	–	
Amortization and impairments of intangible assets	(11)	(7)	(5)	3	nm	nm	n/a	n/a	(1)	5	13	18	11	18	66	68	n/a	n/a	6	11	
Interest expense on debt	19	19	(71)	(57)	82	83	46	50	n/a	n/a	15	20	97	97	37	41	n/a	n/a	16	21	
Business operating profit before non-controlling interests	20	29	nm	nm	19	12	57	45	85	74	nm	nm	76	61	(16)	79	n/a	n/a	59	56	
Non-controlling interests	nm	nm	n/a	n/a	(24)	(24)	n/a	n/a	n/a	n/a	nm	nm	n/a	n/a	nm	nm	n/a	n/a	nm	nm	
<b>Business operating profit</b>	<b>17</b>	<b>26</b>	<b>nm</b>	<b>nm</b>	<b>19</b>	<b>12</b>	<b>57</b>	<b>45</b>	<b>85</b>	<b>74</b>	<b>nm</b>	<b>nm</b>	<b>76</b>	<b>61</b>	<b>(16)</b>	<b>79</b>	<b>n/a</b>	<b>n/a</b>	<b>58</b>	<b>55</b>	

## Summary of quarterly consolidated financial information (unaudited)

Summary of quarterly consolidated financial information<sup>1</sup>

in USD millions, for the three months ended	03/31/10	12/31/09	09/30/09	06/30/09	03/31/09	12/31/08	09/30/08	06/30/08	03/31/08
Gross written premiums and policy fees	14,983	13,352	13,039	13,184	14,242	12,800	12,399	12,345	14,350
Net earned premiums and policy fees	11,925	12,757	11,993	11,198	11,280	11,825	10,520	10,786	10,976
Net investment result on Group investments	1,970	1,684	1,970	1,515	759	1,077	769	1,793	2,165
Net investment income on Group investments	1,779	1,935	1,831	1,907	1,832	2,163	2,150	2,230	2,155
Net capital gains/(losses) on Group investments and impairments	191	(251)	140	(392)	(1,073)	(1,086)	(1,380)	(437)	10
Net investment result on unit-linked investments	4,533	2,549	9,004	4,226	(3,303)	(4,105)	(8,221)	(396)	(9,008)
Other revenues	1,014	1,281	1,172	1,031	1,004	980	957	1,171	1,059
Total revenues	19,443	18,270	24,139	17,969	9,741	9,776	4,026	13,354	5,193
Insurance benefits and losses, net of reinsurance	8,906	9,379	9,418	7,540	8,766	10,170	8,381	8,123	8,138
Policyholder dividends and participation in profits, net of reinsurance	4,781	2,629	9,041	4,418	(3,229)	(4,506)	(8,293)	(527)	(8,188)
Other expenses	4,258	4,842	3,997	4,016	3,765	4,298	4,057	4,208	3,824
Total benefits, losses and expenses	17,945	16,850	22,456	15,974	9,301	9,962	4,145	11,804	3,775
Net income before income taxes	1,497	1,420	1,683	1,995	439	(185)	(119)	1,550	1,418
Net income attributable to shareholders	935	1,028	968	1,434	532	205	154	1,254	1,427
Business operating profit	1,259	1,527	1,513	1,491	1,061	1,002	636	1,785	1,764

<sup>1</sup> Following the fair valuation of the closed U.S. life book and the related financial assets included in the Non-core business segment (see note 1 of the Consolidated Financial Statements), only quarterly consolidated financial information until 03/31/09 has been restated.

# Financial Supplement (unaudited)

## Explanatory notes

The information contained within the Financial Supplement is unaudited. This document should be read in conjunction with the Zurich Financial Services Group Financial Report 2009 and the unaudited Consolidated Financial Statements for the three months ended March 31, 2010.

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 2009.

### FX adjusted information

The percentages of variance in Group Currency (%GC) and Local Currency (%LC) are calculated based on the following methodology:

For Income Statement items, the %GC is calculated translating the current year figures using average exchange rates for the current period, and prior year figures using average exchange rates for the same prior year period. The %LC is calculated translating both current and prior year figures using average exchange rates of the same period of prior year.

For Balance Sheet items, %GC is calculated translating current year figures using closing exchange rates at the end of the current period, and prior year figures using closing exchange rates at the end of the prior year period. The %LC is calculated translating both current and prior year figures using the closing exchange rates at the end of the prior year period.

### 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 Non-Core 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 a 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 (RBC) at each period end. The RBC split by segment for 2008 and 2009 has been restated between General Insurance, Other Operating Businesses and Non-core Businesses, to reflect the current management structure. 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.

**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 2009.

**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 of Zurich Financial Services Ltd or the Zurich Financial Services Group (the "Group"). Forward-looking statements include statements regarding the Group's targeted profit improvement, return on equity targets, expense reductions, pricing conditions, dividend policy and underwriting claims improvements, as well as statements regarding the Group's 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 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 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.

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