

Financial supplement 2010

Zurich Financial Services Group
Annual Report 2010

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Financial highlights (unaudited)

Business operating profit by business segment

in USD millions, for the years ended December 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
Revenues														
Direct written premiums and policy fees ¹	30,906	32,516	12,172	12,343	–	–	–	–	389	566	–	(11)	43,467	45,414
Assumed written premiums	2,161	1,641	120	97	4,194	6,615	137	142	142	134	(256)	(226)	6,498	8,403
Gross written premiums and policy fees	33,066	34,157	12,292	12,440	4,194	6,615	137	142	531	700	(256)	(237)	49,965	53,817
Less premiums ceded to reinsurers	(5,100)	(5,222)	(754)	(769)	–	–	(54)	(52)	(32)	(39)	256	237	(5,683)	(5,844)
Net written premiums and policy fees	27,966	28,935	11,539	11,672	4,194	6,615	84	90	499	661	–	–	44,282	47,973
Net change in reserves for unearned premiums	(129)	136	(26)	6	1,380	(893)	–	–	2	5	(1)	–	1,227	(746)
Net earned premiums and policy fees	27,837	29,071	11,513	11,677	5,574	5,722	84	90	502	666	(1)	–	45,509	47,227
Farmers management fees and other related revenues	–	–	–	–	2,778	2,690	–	–	–	–	–	–	2,778	2,690
Net investment result on Group investments	2,913	3,181	4,390	4,032	156	174	525	461	377	333	(857)	(880)	7,506	7,301
Net investment income on Group investments	2,867	3,070	3,892	4,081	156	174	525	461	509	598	(857)	(880)	7,092	7,505
Net capital gains/(losses) and impairments on Group investments	46	110	498	(49)	–	–	–	–	(131)	(265)	–	–	413	(204)
Net investment result on unit-linked investments	–	–	9,639	11,697	–	–	–	–	454	778	–	–	10,093	12,475
Other income	709	852	918	854	91	85	784	1,101	164	186	(1,225)	(1,277)	1,442	1,802
Total BOP revenues	31,459	33,103	26,460	28,261	8,600	8,672	1,394	1,653	1,498	1,963	(2,083)	(2,157)	67,327	71,496
<i>of which: inter-segment revenues</i>	<i>(414)</i>	<i>(385)</i>	<i>(296)</i>	<i>(294)</i>	<i>(70)</i>	<i>(90)</i>	<i>(1,191)</i>	<i>(1,312)</i>	<i>(113)</i>	<i>(77)</i>	<i>2,083</i>	<i>2,157</i>	<i>–</i>	<i>–</i>
Benefits, losses and expenses														
Insurance benefits and losses, net	19,795	20,622	10,140	10,594	3,708	3,904	72	86	769	(103)	–	–	34,484	35,103
Losses and loss adjustment expenses, net	19,773	20,590	76	53	3,708	3,904	2	5	62	49	–	38	23,620	24,639
Life insurance death and other benefits, net	22	40	9,773	10,577	–	–	69	82	683	656	–	1	10,548	11,356
(Decrease)/increase in future life policyholders' benefits, net ¹	1	(8)	291	(36)	–	–	–	–	24	(808)	–	(39)	316	(892)
Policyholder dividends and participation in profits, net	3	15	10,302	12,018	–	–	–	–	496	826	(1)	–	10,801	12,859
Income tax expense/(benefit) attributable to policyholders	–	–	462	387	–	–	–	–	–	–	–	–	462	387
Underwriting and policy acquisition costs, net	5,396	5,493	1,503	1,145	1,733	1,760	6	12	8	10	(10)	(18)	8,636	8,403
Administrative and other operating expense (excl. depreciation/amortization)	3,134	3,184	1,883	1,827	1,900	1,311	980	962	188	136	(1,195)	(1,215)	6,890	6,206
Interest credited to policyholders and other interest	39	32	428	444	1	–	3	1	62	90	(3)	(4)	529	563
Restructuring provisions and other items not included in BOP	(306)	(170)	(179)	(119)	(602)	(34)	12	81	21	1,165	–	–	(1,055)	922
Total BOP benefits, losses and expenses (before interest, depreciation and amortization)	28,061	29,177	24,539	26,296	6,739	6,941	1,072	1,143	1,544	2,123	(1,209)	(1,237)	60,746	64,444
Business operating profit (before interest, depreciation and amortization)	3,398	3,927	1,922	1,965	1,860	1,731	322	510	(46)	(160)	(874)	(921)	6,581	7,052
Depreciation and impairments of property and equipment	83	80	32	34	65	86	20	35	4	11	–	–	205	245
Amortization and impairments of intangible assets	398	177	303	346	109	82	64	38	8	3	–	–	882	647
Interest expense on debt	222	209	71	93	–	8	1,039	1,049	98	116	(874)	(921)	556	555
Business operating profit before non-controlling interests	2,695	3,460	1,516	1,492	1,686	1,554	(802)	(611)	(157)	(290)	–	–	4,939	5,605
Non-controlling interests	22	(3)	42	15	–	–	(1)	–	1	1	–	–	64	12
Business operating profit	2,673	3,463	1,474	1,477	1,686	1,554	(801)	(611)	(157)	(290)	–	–	4,875	5,593
Supplementary information														
Additions and capital improvements to property, equipment and intangible assets	299	474	96	405	236	917	91	81	24	(1)	–	–	747	1,875

¹ The Global Life segment includes approximately USD 1,514 million and USD 2,698 million of gross written premiums and future life policyholders' benefits for certain universal life-type contracts in our Spanish operations for the years ended December 31, 2010 and 2009, respectively (see note 3 of the Consolidated financial statements 2010).

Financial highlights (unaudited)

Adjusted business operating profit by business segment

in USD millions, as of December 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	15,189	13,919	8,103	5,654	3,226	3,019	1,370	484	2,241	1,445	30,129	24,522
Adjusted business operating profit	2,572	3,348	1,331	1,251	1,622	1,472	(486)	(164)	(163)	(314)	4,875	5,593
Adjusted BOP return on common shareholders' equity	16.9%	24.0%	16.4%	22.1%	50.3%	48.8%	(36.3%)	(37.9%)	(7.3%)	(21.7%)	16.1%	22.7%
BOPAT return on average allocated common shareholders' equity											12.9%	17.6%

Reconciliation of BOP to net income after income taxes

in USD millions, for the years ended December 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
Business operating profit	2,673	3,463	1,474	1,477	1,686	1,554	(801)	(611)	(157)	(290)	4,875	5,593
Revenues/(expenses) not included in BOP:												
Net capital gains/(losses) on investments and impairments, net of policyholder allocation	281	(674)	14	(441)	(9)	(50)	168	(62)	31	(145)	484	(1,372)
Net gain/(loss) on divestments of businesses	5	(2)	33	–	–	–	–	–	1	(3)	38	(5)
Restructuring provisions	(71)	(52)	(21)	(17)	(17)	(27)	–	–	(1)	(2)	(111)	(97)
Other adjustments	(235)	(118)	(158)	(103)	(585) ²	(7)	12	81	22	1,167 ¹	(944)	1,020
Add back:												
Business operating profit attributable to non-controlling interests	22	(3)	42	15	–	–	(1)	–	1	1	64	12
Net income before shareholders' taxes	2,674	2,614	1,384	931	1,074	1,470	(622)	(592)	(104)	727	4,406	5,150
Income tax expense/(benefit) attributable to policyholders	–	–	462	387	–	–	–	–	–	–	462	387
Net income before income taxes	2,674	2,614	1,845	1,318	1,074	1,470	(622)	(592)	(104)	727	4,868	5,537
Income tax expense (attributable to policyholders and shareholders)											(1,355)	(1,553)
Net income after taxes											3,513	3,983

¹ Business operating profit (BOP) has not been restated for the change in the current value of certain insurance liabilities and assets amounting to USD 1,006 million in order to ensure a fair reflection of sustainable operating profit and comparability (see note 1 of the Consolidated financial statements).² Includes USD 570 million settlement costs related to the FOGEL case (see note 26 of the Consolidated financial statements 2010).

Financial highlights (unaudited)

Assets and liabilities by business segment	in USD millions, as of December 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
Assets														
Total Group Investments	85,967	85,384	100,976	101,027	4,526	4,561	20,110	18,027	14,757	15,826	(30,438)	(29,167)	195,898	195,658
Cash and cash equivalents	9,024	9,371	2,941	3,418	808	734	7,158	6,188	3,148	3,748	(14,521)	(12,417)	8,558	11,041
Equity securities	5,561	4,743	5,201	5,460	83	85	2,597	1,538	287	755	–	–	13,729	12,581
Debt securities	64,136	63,885	64,471	62,883	1,296	1,302	4,070	2,959	7,261	6,718	(980)	(1,024)	140,254	136,723
Real estate held for investment	2,940	3,004	4,893	4,408	135	149	45	46	261	181	–	–	8,274	7,789
Mortgage loans	1,495	1,483	8,538	9,021	–	–	–	–	1,819	2,264	–	(33)	11,851	12,736
Other loans	2,806	2,871	14,836	15,712	2,204	2,290	6,235	7,294	1,900	2,081	(14,937)	(15,693)	13,043	14,556
Equity method accounted investments	6	25	97	125	–	–	5	3	80	79	–	–	188	232
Investments for unit-linked contracts	–	–	96,139	87,430	–	–	–	–	11,808	11,737	–	–	107,947	99,167
Total investments	85,967	85,384	197,116	188,457	4,526	4,561	20,110	18,027	26,565	27,563	(30,438)	(29,167)	303,845	294,825
Reinsurers' share of reserves for insurance contracts	13,314	12,957	1,997	2,160	212	211	–	(95)	4,328	4,812	(1,041)	(1,293)	18,809	18,751
Deposits made under assumed reinsurance contracts	116	66	11	3	2,201	3,158	–	–	530	664	(26)	(29)	2,832	3,861
Deferred policy acquisition costs	3,472	3,374	12,686	12,276	167	529	–	–	1	2	–	–	16,326	16,181
Deferred origination costs	–	–	866	856	–	–	–	–	–	–	–	–	866	856
Goodwill	869	1,029	411	442	819	821	5	5	–	–	–	–	2,104	2,297
Other intangible assets	1,208	1,419	3,022	4,000	1,453	1,397	269	219	2	9	–	–	5,954	7,044
Other assets ¹	14,747	15,369	7,367	7,300	1,202	1,547	2,714	1,737	1,149	1,470	(2,255)	(2,037)	24,923	25,385
Total assets (after cons. of investments in subsidiaries)	119,693	119,597	223,476	215,494	10,581	12,224	23,097	19,893	32,575	34,521	(33,759)	(32,527)	375,661	369,202
Liabilities														
Liabilities for investment contracts	–	–	50,912	46,374	–	–	–	–	–	–	(246)	(250)	50,667	46,124
Reserves for insurance contracts, gross	80,170	79,900	138,536	136,256	2,711	3,946	57	365	22,194	22,903	(1,021)	(1,276)	242,646	242,094
Reserves for losses and loss adjustment expenses, gross	63,826	63,476	58	35	1,938	1,793	46	49	2,953	3,531	(752)	(799)	68,069	68,086
Reserves for unearned premiums, gross	15,050	15,191	201	302	773	2,153	5	5	25	33	(7)	(7)	16,046	17,676
Future life policyholders' benefits, gross	103	98	74,901	74,760	–	–	6	311	4,569	4,572	(265)	(470)	79,315	79,271
Policyholders' contract deposits and other funds, gross	1,192	1,135	13,397	14,691	–	–	–	–	2,839	3,030	2	1	17,430	18,857
Reserves for unit-linked contracts, gross	–	–	49,978	46,468	–	–	–	–	11,807	11,736	–	–	61,786	58,204
Debt related to capital markets and banking activities	–	–	–	–	–	–	623	553	1,624	1,769	(1,847)	(2,298)	400	25
Senior debt	5,152	3,462	457	265	–	–	23,441	23,224	838	1,082	(23,835)	(21,756)	6,053	6,277
Subordinated debt	1,700	2,054	793	1,019	–	–	5,000	5,206	170	155	(2,659)	(3,268)	5,004	5,167
Other liabilities	14,346	14,942	17,960	17,615	2,024	1,801	2,366	1,709	5,026	6,022	(4,152)	(3,679)	37,570	38,410
Total liabilities	101,367	100,357	208,659	201,530	4,735	5,747	31,487	31,058	29,852	31,932	(33,759)	(32,527)	342,340	338,098
Equity														
Common shareholders' equity													31,509	28,743
Preferred securities													475	561
Shareholders' equity													31,984	29,304
Non-controlling interests													1,337	1,800
Total equity													33,321	31,104
Total liabilities and equity													375,661	369,202

¹ The General Insurance segment, includes assets held for sale of USD 67 million as of December 31, 2009, 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 years ended December 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	7,624	7,602	9,728	9,864	13,273	14,556	3,011	2,695	557	486	(1,127)	(1,046)	33,066	34,157
Net earned premiums and policy fees	4,902	4,738	7,580	8,331	13,089	13,894	2,198	2,057	68	51	–	–	27,837	29,071
Insurance benefits and losses, net	3,662	3,540	5,102	5,711	9,410	10,230	1,502	1,265	120	(124)	–	–	19,795	20,622
Policyholder dividends and participation in profits, net	(2)	3	8	8	(3)	4	–	–	–	–	–	–	3	15
Total net technical expenses	1,036	964	2,254	2,355	3,355	3,439	798	727	22	19	(5)	1	7,461	7,504
Net underwriting result	205	231	217	257	327	222	(102)	64	(74)	157	5	(1)	577	930
Net investment income	567	601	1,097	1,150	971	1,102	165	162	66	62	2	(6)	2,867	3,070
Net capital gains/(losses) and impairments on investments	11	35	35	52	1	23	–	–	–	–	–	–	46	110
Net non-technical result (excl. items not included in BOP)	(41)	(79)	(230)	(216)	(481)	(236)	3	(51)	(41)	(75)	(6)	7	(796)	(650)
Business operating profit before non-controlling interests	742	787	1,118	1,243	818	1,111	66	175	(49)	144	–	–	2,695	3,460
Non-controlling interests	1	–	–	–	2	(9)	19	5	–	–	–	–	22	(3)
Business operating profit	741	787	1,118	1,243	816	1,120	48	169	(49)	144	–	–	2,673	3,463
Adjusted business operating profit	758	803	1,074	1,207	754	1,039	34	157	(48)	141	–	–	2,572	3,348
Adjusted business operating profit return on common shareholders' equity	20.0%	23.4%	20.3%	25.2%	16.7%	24.7%	4.4%	21.0%	(5.9%)	19.1%	–	–	16.9%	24.0%
Ratios, as % of net earned premiums and policy fees														
Loss ratio	74.7%	74.7%	67.3%	68.5%	71.9%	73.6%	68.3%	61.5%	nm	nm	n/a	n/a	71.1%	70.9%
Expense ratio	21.1%	20.4%	29.8%	28.4%	25.6%	24.8%	36.3%	35.3%	nm	nm	n/a	n/a	26.8%	25.9%
Combined ratio	95.8%	95.1%	97.1%	96.9%	97.5%	98.4%	104.6%	96.9%	nm	nm	n/a	n/a	97.9%	96.8%

General Insurance (unaudited)

General Insurance –
Revenues by region

in USD millions, for the years ended December 31

	Gross written premiums and policy fees from external customers	
	2010	2009
Global Corporate		
North America	2,670	2,685
Europe	4,089	4,298
Rest of Global Corporate	540	370
Subtotal	7,299	7,353
Europe & Africa		
United Kingdom	2,785	3,170
Germany	2,627	2,944
Switzerland	2,351	2,259
Italy	2,002	2,213
Spain	1,214	1,338
Southern Africa	634	650
Rest of Europe & Africa	1,663	1,899
Subtotal	13,276	14,473
Americas		
United States	8,976	9,189
Rest of North America	554	469
Latin America	1,374	1,353
Subtotal	10,905	11,012
Asia-Pacific & Middle East		
Asia-Pacific Mature Markets	1,292	1,070
China & South East Asia	254	229
Subtotal	1,546	1,299
Central Region		
Europe	3	2
Subtotal	3	2
Total	33,029	34,138

General Insurance (unaudited)

General Insurance –
Assets by region

in USD millions, as of December 31

	Property/equipment and intangible assets	
	2010	2009
Europe & Africa		
United Kingdom	212	222
Germany	225	253
Switzerland	134	127
Italy	65	75
Spain	541	747
Southern Africa	25	22
Rest of Europe & Africa	1,245	1,437
Subtotal	2,447	2,883
Americas		
United States	232	216
Rest of North America	8	6
Latin America	183	164
Subtotal	424	386
Asia-Pacific & Middle East		
Asia-Pacific Mature Markets	114	93
China & South East Asia	27	24
Subtotal	141	117
Total	3,012	3,385

General Insurance (unaudited)

Customer segment reporting – Europe General Insurance by region	in USD millions, for the years ended December 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	2,801	3,182	2,656	2,960	2,351	2,259	2,002	2,235	1,214	1,356	634	650	1,656	2,540	(41)	(626)	13,273	14,556
Net earned premiums and policy fees	2,851	3,070	2,602	2,495	2,258	2,110	1,993	2,140	1,198	1,173	523	537	1,665	2,369	–	–	13,089	13,894
Net underwriting result	9	(2)	(14)	210	378	244	(62)	(354)	54	92	45	(64)	(63)	100	(19)	(4)	327	222
Business operating profit	200	229	80	381	498	373	8	(258)	59	187	39	(33)	(67)	241	–	–	816	1,120

Ratios, as % of net earned premiums and policy fees

Loss ratio	73.1%	74.0%	77.3%	70.6%	61.2%	65.8%	77.4%	92.2%	68.5%	66.7%	62.2%	84.6%	74.7%	67.4%	n/a	n/a	71.9%	73.6%
Expense ratio	26.6%	26.0%	23.2%	21.0%	22.0%	22.6%	25.7%	24.3%	27.0%	25.5%	29.1%	27.2%	29.1%	28.4%	n/a	n/a	25.6%	24.8%
Combined ratio	99.7%	100.1%	100.5%	91.6%	83.3%	88.4%	103.1%	116.5%	95.5%	92.2%	91.3%	111.8%	103.8%	95.8%	n/a	n/a	97.5%	98.4%

Customer segment reporting – Europe General Insurance split into Commercial and Personal	in USD millions, for the years ended December 31							
	Commercial		Personal		Eliminations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Gross written premiums and policy fees	5,544	6,013	7,734	8,549	(5)	(6)	13,273	14,556
Net earned premiums and policy fees	5,183	5,552	7,907	8,342	–	–	13,089	13,894
Net underwriting result	333	333	25	(112)	(32)	1	327	222
Business operating profit	660	815	156	305	–	–	816	1,120

Ratios, as % of net earned premiums and policy fees

Loss ratio	68.7%	69.9%	74.0%	76.1%	n/a	n/a	71.9%	73.6%
Expense ratio	24.9%	24.1%	25.7%	25.2%	n/a	n/a	25.6%	24.8%
Combined ratio	93.6%	94.0%	99.7%	101.3%	n/a	n/a	97.5%	98.4%

General Insurance (unaudited)

Customer segment reporting – International Markets by region	in USD millions, for the years ended December 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	1,376	1,354	1,293	1,070	342	271	–	–	–	–	–	–	–	–	3,011	2,695
Net earned premiums and policy fees	829	887	1,099	965	270	205	–	–	–	–	–	–	–	–	2,198	2,057
Net underwriting result	(115)	5	4	35	10	24	–	–	–	–	–	–	–	–	(102)	64
Business operating profit	(29)	66	72	95	22	25	–	–	(12)	(6)	(6)	(10)	–	–	48	169
Ratios, as % of net earned premiums and policy fees																
Loss ratio	71.1%	58.5%	71.9%	69.6%	45.1%	37.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	68.3%	61.5%
Expense ratio	42.7%	41.0%	27.8%	26.8%	51.4%	51.3%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	36.3%	35.3%
Combined ratio	113.8%	99.4%	99.7%	96.3%	96.5%	88.3%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	104.6%	96.9%

Customer segment reporting – International Markets split into Commercial and Personal	in USD millions, for the years ended December 31									
	Commercial		Personal		Eliminations		Total			
	2010	2009	2010	2009	2010	2009	2010	2009		
Gross written premiums and policy fees	1,619	1,431	1,412	1,264	(20)	–	3,011	2,695		
Net earned premiums and policy fees	1,131	1,028	1,067	1,029	–	–	2,198	2,057		
Net underwriting result	(63)	21	(38)	44	(1)	(1)	(102)	64		
Business operating profit	47	85	–	84	–	–	48	169		
Ratios, as % of net earned premiums and policy fees										
Loss ratio	73.2%	67.5%	63.2%	55.6%	n/a	n/a	68.3%	61.5%		
Expense ratio	32.4%	30.4%	40.4%	40.1%	n/a	n/a	36.3%	35.3%		
Combined ratio	105.6%	97.9%	103.5%	95.7%	n/a	n/a	104.6%	96.9%		

Global Life (unaudited)

Global Life –
Overview

in USD millions, for the years ended December 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	
Revenues																					
Life insurance deposits	375	619	4,726	3,612	2,541	2,118	57	81	2,534	1,912	2,157	2,266	1,325	1,215	1,667	1,765	–	–	15,382	13,589	
Gross written premiums ¹	1,133	993	401	351	3,355	3,096	1,547	1,617	390	250	2,239	3,468	243	208	857	777	(53)	(36)	10,113	10,722	
Policy fees	309	264	1,124	745	394	335	(4)	(10)	123	135	25	55	102	47	107	147	–	–	2,179	1,718	
Gross written premiums and policy fees	1,442	1,257	1,525	1,096	3,749	3,431	1,543	1,607	513	385	2,264	3,523	345	255	963	924	(53)	(36)	12,292	12,440	
Net earned premiums and policy fees	1,155	982	1,345	923	3,651	3,323	1,537	1,600	418	287	2,221	3,495	307	215	880	852	–	–	11,513	11,677	
Net investment income on Group investments	462	437	291	342	1,628	1,733	624	606	89	87	385	476	43	34	371	366	–	–	3,892	4,081	
Net capital gains/(losses) and impairments on Group investments	4	10	224	3	221	(125)	17	43	12	(39)	(1)	8	28	45	(6)	4	–	–	498	(49)	
Net investment result on Group investments	466	446	515	346	1,849	1,608	641	649	101	49	384	484	71	79	365	370	–	–	4,390	4,032	
Net investment income on unit-linked investments	(22)	(15)	1,371	1,500	106	107	8	2	193	171	109	75	8	8	89	71	–	–	1,862	1,920	
Net capital gains/(losses) and impairments on unit-linked investments	109	161	5,180	5,118	787	1,582	(8)	52	592	967	(50)	249	1,003	1,034	166	615	–	–	7,777	9,777	
Net investment result on unit-linked investments	86	146	6,551	6,618	893	1,689	(1)	54	784	1,138	60	324	1,011	1,042	255	686	–	–	9,639	11,697	
Other income	119	117	174	187	250	181	55	45	–	2	46	44	53	79	228	201	(8)	(3)	918	854	
Total BOP revenues	1,826	1,691	8,584	8,074	6,642	6,801	2,232	2,348	1,304	1,476	2,710	4,347	1,442	1,416	1,727	2,110	(8)	(3)	26,460	28,261	
Benefits, losses and expenses																					
Insurance benefits and losses, net ¹	760	646	596	365	3,956	3,604	1,521	1,539	225	61	2,302	3,613	102	109	678	657	–	–	10,140	10,594	
Policyholder dividends and participation in profits, net	91	150	6,393	6,472	1,471	1,948	100	198	828	1,128	64	340	1,004	1,011	353	771	–	–	10,302	12,018	
Income tax expense/(benefit) attributable to policyholders	–	–	404	311	37	50	–	–	19	20	–	–	–	–	1	6	–	–	462	387	
Underwriting and policy acquisition costs, net	208	63	444	249	318	317	160	152	75	106	29	53	143	76	128	129	(1)	–	1,503	1,145	
Administrative and other operating expense (excl. depreciation/amortization)	243	205	437	412	292	335	199	222	68	80	106	99	84	109	460	370	(7)	(3)	1,883	1,827	
Interest credited to policyholders and other interest	173	169	11	11	152	160	15	16	42	43	3	2	29	28	1	17	–	–	428	444	
Restructuring provisions and other items not included in BOP	(1)	1	(114)	(56)	(3)	–	(12)	(21)	(4)	–	(37)	(45)	–	10	(9)	(9)	–	–	(179)	(119)	
Total BOP benefits, losses and expenses	1,473	1,233	8,172	7,764	6,224	6,414	1,983	2,105	1,253	1,438	2,467	4,062	1,362	1,343	1,613	1,941	(8)	(3)	24,539	26,296	
Business operating profit (before interest, depreciation and amortization)	353	458	413	311	418	387	250	243	51	39	244	286	80	72	115	169	–	–	1,922	1,965	
Depreciation and impairments of property and equipment	2	2	10	10	11	12	3	4	1	1	–	–	4	4	1	1	–	–	32	34	
Amortization and impairments of intangible assets	27	(8)	47	30	67	41	–	–	1	1	134	203	3	4	24	75	–	–	303	346	
Interest expense on debt	2	3	5	11	1	–	3	2	–	–	54	69	–	–	6	9	–	–	71	93	
Business operating profit before non-controlling interests	322	462	351	261	339	334	244	237	49	37	56	13	73	64	83	84	–	–	1,516	1,492	
Non-controlling interests	5	5	–	–	8	10	–	–	–	–	29	1	–	–	–	–	–	–	42	15	
Business operating profit	317	458	351	261	331	324	244	237	49	37	27	13	73	64	83	84	–	–	1,474	1,477	
Supplementary information																					
Gross written premiums and policy fees from external customers	1,442	1,257	1,519	1,089	3,695	3,379	1,542	1,606	513	385	2,264	3,523	289	221	948	909	–	–	12,212	12,369	
Property, equipment and intangible assets	270	297	410	446	911	1,020	157	198	5	5	1,991	2,859	7	11	160	163	–	–	3,912	4,998	

¹ The Global Life segment includes approximately USD 1,514 million and USD 2,698 million of gross written premiums and future life policyholders' benefits for certain universal life-type contracts in our Spanish operations for the years ended December 31, 2010 and 2009, respectively (see note 3 of the Consolidated financial statements 2010).

Global Life (unaudited)

Global Life –
Americas

in USD millions, for the years ended December 31

	United States		Latin America		Eliminations		Total Americas	
	2010	2009	2010	2009	2010	2009	2010	2009
Insurance deposits	220	487	154	131	–	–	375	619
Gross written premiums	490	467	643	526	–	–	1,133	993
Policy fees	282	282	27	(19)	–	–	309	264
Gross written premiums and policy fees	772	749	670	507	–	–	1,442	1,257
Net earned premiums and policy fees	558	537	597	445	–	–	1,155	982
Net investment income on Group investments	342	333	120	103	–	–	462	437
Net capital gains/(losses) and impairments on Group investments	4	10	–	–	–	–	4	10
Net investment result on Group investments	346	343	120	103	–	–	466	446
Net investment result on unit-linked investments	19	50	68	96	–	–	86	146
Total BOP benefits, losses and expenses	750	636	724	597	–	–	1,473	1,233
Business operating profit	241	398	76	60	–	–	317	458

Global Life –
Emerging Markets
in Asia

in USD millions, for the years ended December 31

	Total		of which			
			ZIS		Hong Kong	
	2010	2009	2010	2009	2010	2009
Insurance deposits	1,325	1,215	1,156	1,059	169	156
Gross written premiums	243	208	160	154	41	38
Policy fees	102	47	64	6	38	41
Gross written premiums and policy fees	345	255	224	160	79	78
Net earned premiums and policy fees	307	215	190	116	62	70
Net investment income on Group investments	43	34	12	2	31	32
Net capital gains/(losses) and impairments on Group investments	28	45	–	(2)	28	47
Net investment result on Group investments	71	79	12	1	59	78
Net investment result on unit-linked investments	1,011	1,042	965	939	45	103
Total BOP benefits, losses and expenses	1,362	1,343	1,136	1,064	156	239
Business operating profit	73	64	79	62	11	14

Global Life (unaudited)

Global Life – Rest of the world	in USD millions, for the years ended December 31				of which		
			Total		Italy		
			2010	2009	2010	2009	
Insurance deposits		1,667	1,765	828	646		
Gross written premiums		857	777	308	290		
Policy fees		107	147	43	90		
Gross written premiums and policy fees		963	924	351	380		
Net earned premiums and policy fees		880	852	332	363		
Net investment income on Group investments		371	366	237	243		
Net capital gains/(losses) and impairments on Group investments		(6)	4	5	(9)		
Net investment result on Group investments		365	370	242	234		
Net investment result on unit-linked investments		255	686	149	425		
Total BOP benefits, losses and expenses		1,613	1,941	660	934		
Business operating profit		83	84	44	16		

Global Life – Total investments	in % , for the years ended December 31		Americas		United Kingdom		Germany		Switzerland		Ireland		Spain		Emerging Markets in Asia		Rest of the world		Total	
			2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
			Total Group investments	90.7	91.0	13.8	15.1	79.5	81.4	96.9	96.9	23.8	26.4	57.0	68.6	16.5	16.8	61.0	63.5	51.2
Cash and cash equivalents	1.0	1.8	9.0	14.7	1.0	1.3	3.5	3.0	8.4	6.6	1.6	2.2	18.4	14.2	2.5	2.0	2.9	3.4		
Equity securities	2.7	2.3	7.3	10.0	1.8	2.2	5.7	7.8	18.4	20.8	4.8	1.3	7.1	8.4	14.3	11.6	5.2	5.4		
Debt securities	87.7	88.2	80.1	72.4	50.8	47.8	60.4	59.1	71.8	70.4	73.8	74.9	65.2	67.6	78.1	80.3	63.8	62.2		
Investments in associates	–	–	0.2	0.2	–	–	–	–	–	–	0.1	0.1	–	–	0.7	1.0	0.1	0.1		
Other investments	8.6	7.6	3.4	2.6	46.4	48.6	30.4	30.0	1.4	2.2	19.7	21.5	9.3	9.9	4.3	5.0	28.0	28.8		
Investments for unit-linked contracts	9.3	9.0	86.2	84.9	20.5	18.6	3.1	3.1	76.2	73.6	43.0	31.4	83.5	83.2	39.0	36.5	48.8	46.4		
Total investments	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	

Global Life – Reserves for life insurance contracts and liabilities for investment contracts, net of reinsurance	in USD millions, for the years ended December 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
			Unit-linked insurance and investment contracts	1,350	1,233	54,757	51,968	10,666	9,467	650	1,842	10,414	8,484	5,352	4,411	8,483	7,486	9,219	7,951	–	–	100,891
Other life insurance liabilities	7,149	6,730	4,792	4,394	41,347	42,645	18,688	15,678	1,318	1,337	6,783	9,670	1,156	1,115	5,073	5,735	(1)	(2)	86,306	87,304		
Total reserves and liabilities	8,499	7,964	59,549	56,363	52,013	52,111	19,339	17,520	11,732	9,821	12,134	14,080	9,639	8,601	14,292	13,686	(1)	(2)	187,196	180,145		

Farmers (unaudited)

Farmers –
Overview

in USD millions, for the years ended December 31

	Farmers Management Services		Farmers Re		Eliminations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Gross written premiums and policy fees	–	–	4,194	6,615	–	–	4,194	6,615
Net earned premiums and policy fees	–	–	5,574	5,722	–	–	5,574	5,722
Management fees and other related revenues	2,778	2,690	–	–	–	–	2,778	2,690
Insurance benefits and losses, net	–	–	(3,708)	(3,904)	–	–	(3,708)	(3,904)
Total net technical expenses	(1,265)	(1,399)	(1,733)	(1,760)	–	–	(2,998)	(3,159)
Net underwriting result	1,513	1,291	134	58	–	–	1,646	1,349
Net investment income	52	75	104	100	–	–	156	174
Net non-technical result (excl. items not included in BOP)	(200)	(40)	84	71	–	–	(116)	31
Business operating profit before non-controlling interests	1,365	1,326	321	228	–	–	1,686	1,554
Business operating profit	1,365	1,326	321	228	–	–	1,686	1,554
Ratios, as % of net earned premiums and policy fees								
Loss ratio	–	–	66.5%	68.2%	–	–	–	–
Expense ratio	–	–	31.1%	30.8%	–	–	–	–
Combined ratio	–	–	97.6%	99.0%	–	–	–	–

Additional information (unaudited)

Principal exchange rates	USD per foreign currency unit	Balance sheets		Income statements and cash flows	
		12/31/2010	12/31/2009	2010	2009
		Euro	1.3391	1.4333	1.3272
Swiss franc	1.0707	0.9649	0.9617	0.9232	
British pound	1.5596	1.6164	1.5459	1.5650	

Currency translation impact on key financial figures – General Insurance	variance over the prior period, for the year ended December 31, 2010	in USD		change	change in
		millions	in %	in USD	local currency
	Gross written premiums and policy fees	(162)	–	(3%)	(3%)
	Net investment income on total investments	(3)	–	(7%)	(7%)
	Net capital gains/(losses) and impairments on total investments	–	–	(58%)	(58%)
	Insurance benefits and losses, net of reinsurance	118	1%	4%	3%
	Business operating profit	(35)	(1%)	(23%)	(22%)

Currency translation impact on key financial figures – Global Life	variance over the prior period, for the years ended December 31, 2010	in USD		change	change in
		millions	in %	in USD	local currency
	Insurance deposits	(489)	(4%)	13%	17%
	Gross written premiums	(232)	(2%)	(6%)	(4%)
	Policy fees	(39)	(2%)	27%	29%
	Gross written premiums and policy fees	(271)	(2%)	(1%)	1%
	Net investment result on Group investments	(108)	(3%)	9%	12%
	Net investment income on Group investments	(90)	(2%)	(5%)	(2%)
	Net capital gains/(losses) and impairments on Group investments	(18)	(37%)	nm	nm
	Net investment result on unit-linked investments	(189)	(2%)	(18%)	(16%)
	Insurance benefits and losses, net of reinsurance	261	2%	4%	2%
	Business operating profit	(24)	(2%)	–	1%

Additional information (unaudited)

Investment result in USD millions, for the years ended December 31

	Net investment income		Net capital gains/(losses) on investments and impairments ¹		Investment result	
	2010	2009	2010	2009	2010	2009
Group investments						
Cash and cash equivalents	52	103	(1)	6	51	109
Equity securities	340	346	285	(264)	625	82
Debt securities	5,268	5,531	1,230	(689)	6,498	4,842
Real estate held for investment	466	464	28	131	494	594
Mortgage loans	505	575	(353)	(235)	153	339
Other loans	669	718	54	22	723	740
Investments in associates	17	4	(37)	(4)	(20)	–
Other investments ²	–	8	(308)	(543)	(308)	(535)
Investment result, gross, for Group investments	7,317	7,748	898	(1,576)	8,215	6,171
Investment expenses for Group investments ³	(225)	(243)	–	–	(225)	(243)
Investment result, net, for Group investments	7,092	7,505	898	(1,576)	7,990	5,929
Investments for unit-linked contracts						
Investment result, net, for investments for unit-linked contracts	1,561	1,638	8,533	10,837	10,093	12,475
Total investments						
Investment result, net, for total investments	8,653	9,143	9,430	9,261	18,083	18,404

¹ Impairment charges on investments amounted in total to USD 1,001 million and USD 1,394 million for the years ended December 31, 2010 and 2009, respectively, of which impairments on equity securities comprised USD 497 million and USD 590 million, on debt securities USD 97 million and USD 573 million, and on mortgage loans, other loans and equity method accounted investments USD 407 million and USD 231 million for the years ended December 31, 2010 and 2009, respectively.

² Net capital gains/(losses) arise entirely from derivative financial instruments, of which net capital gains/(losses) on derivatives attributable to cash flow hedges ineffectiveness amounted to USD 10 million and USD 33 million for the years ended December 31, 2010 and 2009, respectively.

³ Including rental operating expense for real estate held for Group investments of USD 114 million and USD 121 million for the years ended December 31, 2010 and 2009, respectively.

Additional information (unaudited)

Details of investments by category	as of	Group investments				Investments for unit-linked products		Total investments	
		12/31/10		12/31/09		12/31/10	12/31/09	12/31/10	12/31/09
		USD millions	% of total	USD millions	% of total	USD millions	USD millions	USD millions	USD millions
Cash and cash equivalents		8,558	4.4	11,041	5.6	7,163	5,840	15,721	16,882
Equity securities:									
Fair value through profit or loss		3,931	2.0	5,018	2.6	85,765	78,311	89,695	83,329
of which:									
Trading securities		473	0.2	879	0.4	–	–	473	879
Securities designated at fair value through profit or loss		3,458	1.8	4,138	2.1	85,765	78,311	89,223	82,449
Available-for-sale		9,798	5.0	7,563	3.9	–	–	9,798	7,563
Total equity securities		13,729	7.0	12,581	6.4	85,765	78,311	99,494	90,892
Debt securities:									
Fair value through profit or loss		6,869	3.5	7,684	3.9	9,376	10,194	16,245	17,878
of which:									
Trading securities		43	0.0	82	0.0	–	–	43	82
Securities designated at fair value through profit or loss		6,826	3.5	7,602	3.9	9,376	10,194	16,202	17,797
Available-for-sale		128,257	65.5	123,896	63.3	–	–	128,257	123,896
Held-to-maturity		5,129	2.6	5,143	2.6	–	–	5,129	5,143
Total debt securities		140,254	71.6	136,723	69.9	9,376	10,194	149,630	146,918
Real estate held for investment		8,274	4.2	7,789	4.0	4,081	3,897	12,355	11,686
Mortgage loans		11,851	6.0	12,736	6.5	–	–	11,851	12,736
Other loans		13,043	6.7	14,556	7.4	1,563	924	14,606	15,480
Equity method accounted investments		188	0.1	232	0.1	–	–	188	232
Total investments		195,898	100.0	195,658	100.0	107,947	99,167	303,845	294,825

Equity securities (including trading equity portfolios in capital markets and banking activities)	for the years ended December 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		9,880	5.0	8,839	4.5	76,187	69,004	86,067	77,842
Unit trusts (debt securities, real estate, short-term investments)		3,208	1.6	2,607	1.3	9,577	9,307	12,786	11,915
Common stock portfolios backing the participating with-profit policyholder contracts		516	0.3	674	0.3	–	–	516	674
Trading equity portfolios in capital markets and banking activities		125	0.1	461	0.2	–	–	125	461
Total equity securities		13,729	7.0	12,581	6.4	85,765	78,311	99,494	90,892

Information for the three months ended December 31 (unaudited)

in USD millions, for the three months ended December 31

Business operating profit by business segment

	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
Revenues														
Direct written premiums and policy fees	7,040	7,453	3,687	3,671	–	–	–	–	111	171	–	(8)	10,839	11,287
Assumed written premiums	498	384	41	19	472	1,651	38	37	37	20	(69)	(45)	1,018	2,065
Gross written premiums and policy fees	7,539	7,836	3,729	3,691	472	1,651	38	37	148	191	(69)	(54)	11,857	13,352
Less premiums ceded to reinsurers	(1,124)	(1,145)	(180)	(215)	–	–	(14)	(11)	(11)	(14)	69	54	(1,260)	(1,331)
Net written premiums and policy fees	6,414	6,692	3,549	3,475	472	1,651	24	26	137	177	–	–	10,597	12,021
Net change in reserves for unearned premiums	636	693	(7)	(30)	723	78	(3)	(3)	–	(2)	–	–	1,349	736
Net earned premiums and policy fees	7,050	7,384	3,542	3,446	1,196	1,729	21	23	137	175	–	–	11,946	12,757
Farmers management fees and other related revenues	–	–	–	–	682	717	–	–	–	–	–	–	682	717
Net investment result on Group investments	741	803	1,068	1,025	35	44	130	191	(248)	(2)	(209)	(231)	1,517	1,830
Net investment income on Group investments	723	773	986	1,068	35	44	130	131	120	150	(209)	(231)	1,785	1,935
Net capital gains/(losses) and impairments on Group investments	18	30	82	(43)	–	–	–	60	(368)	(152)	–	–	(268)	(105)
Net investment result on unit-linked investments	–	–	4,774	2,457	–	–	–	–	55	92	–	–	4,829	2,549
Other income	220	353	261	308	18	22	241	222	84	58	(406)	(398)	418	564
Total BOP revenues	8,012	8,540	9,645	7,235	1,930	2,512	392	435	27	323	(615)	(629)	19,392	18,417
<i>of which: inter-segment revenues</i>	<i>(107)</i>	<i>(128)</i>	<i>(104)</i>	<i>(128)</i>	<i>(17)</i>	<i>(21)</i>	<i>(322)</i>	<i>(334)</i>	<i>(65)</i>	<i>(17)</i>	<i>615</i>	<i>629</i>	<i>–</i>	<i>–</i>
Benefits, losses and expenses														
Insurance benefits and losses, net	5,033	5,133	3,207	3,072	792	1,146	15	81	(224)	(53)	–	–	8,823	9,379
Losses and loss adjustment expenses, net	5,028	5,128	27	3	792	1,146	2	–	14	(37)	2	33	5,864	6,273
Life insurance death and other benefits, net	4	13	2,935	3,425	–	–	16	18	169	181	–	–	3,123	3,637
(Decrease)/increase in future life policyholders' benefits, net	1	(8)	246	(356)	–	–	(2)	62	(407)	(197)	(2)	(33)	(165)	(532)
Policyholder dividends and participation in profits, net	–	6	4,820	2,508	–	–	–	–	55	115	–	–	4,875	2,629
Income tax expense/(benefit) attributable to policyholders	–	–	185	89	–	–	–	–	–	–	–	–	185	89
Underwriting and policy acquisition costs, net	1,368	1,433	346	449	371	548	5	12	2	3	(7)	(14)	2,085	2,431
Administrative and other operating expense (excl. depreciation/amortization)	824	941	587	566	341	331	343	345	30	8	(391)	(373)	1,734	1,818
Interest credited to policyholders and other interest	10	7	111	140	–	–	1	–	14	21	(1)	6	135	175
Restructuring provisions and other items not included in BOP	(186)	(75)	(97)	(41)	(6)	1	(30)	(4)	26	56	–	–	(293)	(62)
Total BOP benefits, losses and expenses (before interest, depreciation and amortization)	7,048	7,446	9,160	6,784	1,497	2,026	335	434	(97)	150	(399)	(381)	17,544	16,459
Business operating profit (before interest, depreciation and amortization)	964	1,094	485	451	433	486	58	1	124	173	(216)	(247)	1,848	1,958
Depreciation and impairments of property and equipment	22	32	9	9	13	34	3	9	1	1	–	–	49	85
Amortization and impairments of intangible assets	164	47	71	89	29	29	24	16	–	1	–	–	288	182
Interest expense on debt	56	58	19	22	–	2	258	289	24	28	(216)	(247)	141	151
Business operating profit before non-controlling interests	722	958	387	331	391	422	(228)	(313)	98	143	–	–	1,370	1,541
Non-controlling interests	10	2	11	11	–	–	–	–	–	–	–	–	20	14
Business operating profit	712	956	376	320	391	422	(228)	(313)	98	143	–	–	1,350	1,527
Supplementary information														
Additions and capital improvements of property, equipment and intangible assets	127	119	52	84	36	185	46	24	–	–	–	–	262	412

Information for the three months ended December 31 (unaudited)

Reconciliation of
BOP to net income
after income taxes

in USD millions, for the three months ended December 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
Business operating profit	712	956	376	320	391	422	(228)	(313)	98	143	1,350	1,527
Revenues/(expenses) not included in BOP:												
Net capital gains/(losses) on investments and impairments, net of policyholder allocation	151	(27)	(20)	(38)	(10)	(18)	19	23	44	(86)	185	(146)
Net gain/(loss) on divestments of businesses	–	(1)	(16)	–	–	–	–	–	–	–	(16)	(1)
Restructuring provisions	(42)	(15)	(4)	(6)	(4)	4	–	–	–	(2)	(50)	(19)
Other adjustments	(144)	(59)	(92)	(35)	(3)	(2)	(30)	(4)	26	58	(243)	(43)
Add back:												
Business operating profit attributable to non-controlling interests	10	2	11	11	–	–	–	–	–	–	20	14
Net income before shareholders' taxes	686	856	255	252	374	405	(239)	(295)	169	113	1,246	1,331
Income tax expense/(benefit) attributable to policyholders	–	–	185	89	–	–	–	–	–	–	185	89
Net income before income taxes	686	856	441	341	374	405	(239)	(295)	169	113	1,431	1,420
Income tax expense (attributable to policyholders and shareholders)											(364)	(374)
Net income after taxes											1,067	1,046

Information for the three months ended December 31 (unaudited)

General Insurance – Customer segment overview	in USD millions, for the three months ended December 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	1,707	1,603	2,320	2,310	2,895	3,341	782	703	159	125	(325)	(246)	7,539	7,836
Net earned premiums and policy fees	1,275	1,149	1,920	2,044	3,232	3,604	601	567	22	19	–	–	7,050	7,384
Insurance benefits and losses, net	1,008	768	1,347	1,351	2,308	2,724	382	349	(11)	(59)	–	–	5,033	5,133
Policyholder dividends and participation in profits, net	(1)	2	1	1	–	3	–	–	–	–	–	–	–	6
Total net technical expenses	291	263	547	615	830	900	221	194	8	11	3	13	1,899	1,996
Net underwriting result	(22)	116	26	77	94	(23)	(2)	24	25	67	(3)	(13)	118	249
Net investment income	148	146	268	286	244	273	44	51	18	17	–	–	723	773
Net capital gains/(losses) and impairments on investments	4	10	15	14	(1)	6	–	–	–	–	–	–	18	30
Net non-technical result (excl. items not included in BOP)	21	2	(42)	(52)	(83)	16	(13)	(14)	(23)	(60)	3	13	(137)	(95)
Business operating profit before non-controlling interests	151	275	268	327	254	271	29	60	21	24	–	–	722	958
Non-controlling interests	1	–	–	–	4	(2)	5	4	–	–	–	–	10	2
Business operating profit	150	275	268	326	250	274	24	56	21	24	–	–	712	956
Ratios, as % of net earned premiums and policy fees														
Loss ratio	79.0%	66.8%	70.1%	66.1%	71.4%	75.6%	63.6%	61.5%	nm	nm	n/a	n/a	71.4%	69.5%
Expense ratio	22.7%	23.1%	28.5%	30.1%	25.7%	25.1%	36.8%	34.2%	nm	nm	n/a	n/a	26.9%	27.1%
Combined ratio	101.7%	89.9%	98.7%	96.2%	97.1%	100.6%	100.4%	95.8%	nm	nm	n/a	n/a	98.3%	96.6%

Information for the three months ended December 31 (unaudited)

Global Life –
Overview

in USD millions, for the three months ended December 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
Revenues																				
Life insurance deposits	95	152	1,729	1,056	680	655	29	48	800	877	683	563	412	307	623	1,275	–	–	5,052	4,933
Gross written premiums	280	305	98	94	1,296	1,006	392	409	74	75	812	930	57	44	261	259	(14)	(13)	3,257	3,108
Policy fees	77	68	276	278	90	102	–	(4)	22	40	6	15	14	35	(12)	48	–	–	472	583
Gross written premiums and policy fees	357	373	374	372	1,387	1,108	391	405	96	115	818	945	71	79	249	307	(14)	(13)	3,729	3,691
Net earned premiums and policy fees	288	289	336	328	1,362	1,078	390	402	73	89	812	937	58	67	223	256	–	–	3,542	3,446
Net investment income on Group investments	117	112	70	96	418	464	164	159	22	22	82	117	12	2	102	97	–	–	986	1,068
Net capital gains/(losses) and impairments on Group investments	1	3	(72)	(101)	126	(19)	4	29	(10)	11	–	5	18	17	15	12	–	–	82	(43)
Net investment result on Group investments	118	115	(2)	(5)	544	444	168	188	11	33	82	122	30	19	117	108	–	–	1,068	1,025
Net investment income on unit-linked investments	(7)	(5)	301	355	97	93	1	1	43	36	34	30	(1)	5	20	15	–	–	488	529
Net capital gains/(losses) and impairments on unit-linked investments	76	24	2,819	1,024	573	264	(6)	8	374	195	(44)	34	402	211	91	169	–	–	4,286	1,928
Net investment result on unit-linked investments	69	19	3,119	1,379	670	357	(5)	9	417	231	(10)	63	401	215	112	184	–	–	4,774	2,457
Other income	30	31	41	69	70	50	14	11	–	1	12	15	12	32	87	101	(5)	(2)	261	308
Total BOP revenues	505	454	3,494	1,770	2,645	1,929	568	609	502	354	896	1,137	501	333	539	650	(5)	(2)	9,645	7,235
Benefits, losses and expenses																				
Insurance benefits and losses, net ¹	187	184	74	84	1,466	1,141	387	428	17	28	828	959	10	30	237	218	–	–	3,207	3,072
Policyholder dividends and participation in profits, net	69	29	2,991	1,342	852	447	(14)	20	422	216	(7)	71	408	187	98	195	–	–	4,820	2,508
Income tax expense/(benefit) attributable to policyholders	–	–	174	67	7	19	–	–	6	5	–	–	–	–	(2)	(2)	–	–	185	89
Underwriting and policy acquisition costs, net	57	85	98	113	88	78	48	42	6	33	10	–	22	70	17	29	(1)	–	346	449
Administrative and other operating expense (excl. depreciation/amortization)	69	55	126	116	84	84	71	71	31	26	22	44	33	20	155	153	(4)	(2)	587	566
Interest credited to policyholders and other interest	44	42	3	2	43	44	5	2	13	43	1	(8)	8	7	(6)	8	–	–	111	140
Restructuring provisions and other items not included in BOP	(2)	–	(82)	(9)	(3)	–	(4)	(22)	–	–	(7)	(7)	6	–	(4)	(2)	–	–	(97)	(41)
Total BOP benefits, losses and expenses	424	394	3,386	1,715	2,538	1,813	494	540	495	351	846	1,059	487	314	495	599	(5)	(2)	9,160	6,784
Business operating profit (before interest, depreciation and amortization)	81	60	109	55	108	116	73	69	6	3	49	78	14	19	44	51	–	–	485	451
Depreciation and impairments of property and equipment	–	–	3	3	3	3	1	1	–	–	–	–	1	1	–	–	–	–	9	9
Amortization and impairments of intangible assets	6	6	12	21	17	13	–	–	–	–	28	40	1	1	6	8	–	–	71	89
Interest expense on debt	1	1	1	2	1	–	1	1	–	–	14	17	–	–	2	2	–	–	19	22
Business operating profit before non-controlling interests	75	53	92	30	87	100	72	67	6	3	7	21	13	16	36	40	–	–	387	331
Non-controlling interests	1	1	–	–	2	3	–	–	–	–	8	7	–	–	–	–	–	–	11	11
Business operating profit	74	52	92	30	85	97	72	67	6	3	(1)	14	13	16	36	40	–	–	376	320
Supplementary information																				
Gross written premiums and policy fees from external customers	357	373	373	370	1,373	1,097	391	405	96	115	818	945	57	73	244	301	–	–	3,708	3,679

Information for the three months ended December 31 (unaudited)

Farmers –
Overview

in USD millions, for the three months ended December 31

	Farmers Management Services		Farmers Re		Eliminations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Gross written premiums and policy fees	–	–	472	1,651	–	–	472	1,651
Net earned premiums and policy fees	–	–	1,196	1,729	–	–	1,196	1,729
Management fees and other related revenues	682	717	–	–	–	–	682	717
Insurance benefits and losses, net	–	–	(792)	(1,146)	–	–	(792)	(1,146)
Total net technical expenses	(326)	(376)	(371)	(549)	–	–	(697)	(925)
Net underwriting result	356	341	33	34	–	–	389	376
Net investment income	12	15	23	30	–	–	35	44
Net non-technical result (excl. items not included in BOP)	(51)	(21)	18	23	–	–	(33)	2
Business operating profit before non-controlling interests	317	335	74	87	–	–	391	422
Business operating profit	317	335	74	87	–	–	391	422
Ratios, as % of net earned premiums and policy fees								
Loss ratio	–	–	66.2%	66.3%	–	–	–	–
Expense ratio	–	–	31.0%	31.7%	–	–	–	–
Combined ratio	–	–	97.3%	98.0%	–	–	–	–

Information for the year ended December 31, 2010 - FX adjusted (unaudited)

Business operating profit by business segment – FX adjusted

variance in % over the prior period, for the year ended December 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
Revenues														
Direct written premiums and policy fees	(5)	(4)	(1)	1	n/a	n/a	n/a	n/a	(31)	(31)	nm	nm	(4)	(3)
Assumed written premiums	32	32	23	25	(37)	(37)	(3)	(7)	6	6	(13)	(12)	(23)	(23)
Gross written premiums and policy fees	(3)	(3)	(1)	1	(37)	(37)	(3)	(7)	(24)	(24)	(8)	(7)	(7)	(6)
Less premiums ceded to reinsurers	2	2	2	1	n/a	n/a	(3)	1	18	21	8	7	3	3
Net written premiums and policy fees	(3)	(3)	(1)	1	(37)	(37)	(7)	(11)	(24)	(24)	n/a	n/a	(8)	(7)
Net change in reserves for unearned premiums	nm	nm	nm	nm	nm	nm	nm	nm	(53)	(52)	n/a	n/a	nm	nm
Net earned premiums and policy fees	(4)	(4)	(1)	1	(3)	(3)	(7)	(11)	(25)	(24)	n/a	n/a	(4)	(3)
Farmers management fees and other related revenues	n/a	n/a	n/a	n/a	3	3	n/a	n/a	n/a	n/a	n/a	n/a	3	3
Net investment result on Group investments	(8)	(8)	9	12	(10)	(10)	14	13	13	13	3	1	3	4
Net investment income on Group investments	(7)	(7)	(5)	(2)	(10)	(10)	14	13	(15)	(15)	3	1	(5)	(4)
Net capital gains/(losses) and impairments on Group investments	(58)	(58)	nm	nm	n/a	n/a	n/a	n/a	50	49	n/a	n/a	nm	nm
Net investment result on unit-linked investments	n/a	n/a	(18)	(16)	n/a	n/a	n/a	n/a	(42)	(42)	n/a	n/a	(19)	(18)
Other income	(17)	(16)	7	7	7	7	(29)	(32)	(12)	(10)	4	7	(20)	(19)
Total BOP revenues	(5)	(5)	(6)	(4)	(1)	(1)	(16)	(18)	(24)	(24)	3	5	(6)	(5)
Benefits, losses and expenses														
Insurance benefits and losses, net	4	3	4	2	5	5	17	20	nm	nm	n/a	n/a	2	1
Losses and loss adjustment expenses, net	4	3	(45)	(56)	5	5	51	50	(26)	(29)	nm	nm	4	4
Life insurance death and other benefits, net	45	44	8	5	n/a	n/a	15	18	(4)	(4)	98	98	7	5
(Decrease)/increase in future life policyholders' benefits, net	nm	nm	nm	nm	n/a	n/a	(60)	(62)	nm	nm	nm	nm	nm	nm
Policyholder dividends and participation in profits, net	78	73	14	12	n/a	n/a	n/a	n/a	40	40	n/a	n/a	16	14
Income tax expense/(benefit) attributable to policyholders	n/a	n/a	(19)	(21)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(19)	(21)
Underwriting and policy acquisition costs, net	2	1	(31)	(35)	2	2	54	56	16	16	(43)	(41)	(3)	(3)
Administrative and other operating expense (excl. depreciation/amortization)	2	3	(3)	(2)	(45)	(45)	(2)	2	(38)	(39)	(2)	(4)	(11)	(10)
Interest credited to policyholders and other interest	(22)	(16)	4	2	nm	nm	nm	nm	31	31	(29)	(25)	6	5
Restructuring provisions and other items not included in BOP	80	79	50	53	nm	nm	86	85	98	98	n/a	n/a	nm	nm
Total BOP benefits, losses and expenses (before interest, depreciation and amortization)	4	3	7	5	3	3	6	10	27	27	(2)	(5)	6	5
Business operating profit (before interest, depreciation and amortization)	(13)	(13)	(2)	–	7	7	(37)	(36)	71	70	5	5	(7)	(6)
Depreciation and impairments of property and equipment	(9)	(8)	6	5	24	24	42	44	59	59	n/a	n/a	16	17
Amortization and impairments of intangible assets	nm	nm	12	9	(33)	(33)	(68)	(61)	nm	nm	n/a	n/a	(36)	(36)
Interest expense on debt	(6)	(8)	25	21	nm	nm	1	2	15	15	(5)	(5)	–	1
Business operating profit before non-controlling interests	(22)	(21)	2	3	8	8	(31)	(28)	46	45	n/a	n/a	(12)	(11)
Non-controlling interests	nm	nm	nm	nm	n/a	n/a	nm	nm	8	8	n/a	n/a	nm	nm
Business operating profit	(23)	(22)	–	1	8	8	(31)	(28)	46	45	n/a	n/a	(13)	(11)

Information for the year ended December 31, 2010 - FX adjusted (unaudited)

Assets and liabilities by business segment – FX adjusted

variance in % over the prior period, for the year ended December 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
Assets														
Total Group Investments	1	1	–	2	(1)	(1)	12	6	(7)	(6)	(4)	(4)	–	1
Cash and cash equivalents	(4)	(2)	(14)	(14)	10	10	16	6	(16)	(16)	(17)	(13)	(22)	(22)
Equity securities	17	13	(5)	(5)	(2)	(2)	69	56	(62)	(61)	n/a	n/a	9	6
Debt securities	–	1	3	5	–	–	38	32	8	9	4	2	3	4
Real estate held for investment	(2)	(4)	11	5	(10)	(10)	(1)	(11)	44	49	n/a	n/a	6	2
Mortgage loans	1	(8)	(5)	(4)	n/a	n/a	n/a	n/a	(20)	(17)	nm	nm	(7)	(7)
Other loans	(2)	(1)	(6)	1	(4)	(4)	(15)	(15)	(9)	(8)	5	3	(10)	(5)
Investments in associates	(75)	(74)	(22)	(24)	n/a	n/a	46	31	1	1	n/a	n/a	(19)	(20)
Investments for unit-linked contracts	n/a	n/a	10	15	n/a	n/a	n/a	n/a	1	1	n/a	n/a	9	13
Total investments	1	1	5	8	(1)	(1)	12	6	(4)	(3)	(4)	(4)	3	5
Reinsurers' share of reserves for insurance contracts	3	3	(8)	(5)	–	–	nm	nm	(10)	(11)	20	20	–	–
Deposits made under assumed reinsurance contracts	76	77	nm	nm	(30)	(30)	n/a	n/a	(20)	(20)	13	13	(27)	(27)
Deferred policy acquisition costs	3	3	3	7	(68)	(68)	n/a	n/a	(37)	(37)	20	13	1	4
Deferred origination costs	n/a	n/a	1	6	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1	6
Goodwill	(16)	(14)	(7)	(2)	–	–	n/a	n/a	n/a	n/a	n/a	n/a	(8)	(7)
Other intangible assets	(15)	(13)	(24)	(20)	4	4	23	11	(76)	(75)	n/a	n/a	(15)	(13)
Other assets	(4)	(3)	1	4	(22)	(22)	56	44	(22)	(21)	(11)	(11)	(2)	(1)
Total assets (after cons. of investments in subsidiaries)	–	–	4	7	(13)	(13)	16	10	(6)	(5)	(4)	(3)	2	3
Liabilities														
Liabilities for investment contracts	n/a	n/a	10	14	n/a	n/a	n/a	n/a	n/a	n/a	2	2	10	14
Reserves for insurance contracts, gross	–	–	2	5	(31)	(31)	(84)	(85)	(3)	(3)	20	21	–	2
Reserves for losses and loss adjustment expenses, gross	1	–	69	76	8	8	(7)	(7)	(16)	(16)	6	3	–	–
Reserves for unearned premiums, gross	(1)	–	(34)	(30)	(64)	(64)	1	1	(23)	(23)	10	nm	(9)	(8)
Future life policyholders' benefits, gross	5	5	–	2	n/a	n/a	(98)	(98)	–	–	44	45	–	2
Policyholders' contract deposits and other funds, gross	5	(3)	(9)	(7)	n/a	n/a	n/a	n/a	(6)	(6)	nm	nm	(8)	(6)
Reserves for unit-linked contracts, gross	n/a	n/a	8	12	n/a	n/a	(5)	n/a	1	1	n/a	n/a	6	10
Debt related to capital markets and banking activities	n/a	n/a	n/a	n/a	n/a	n/a	13	13	(8)	(8)	20	20	nm	nm
Senior debt	49	50	72	69	n/a	n/a	1	(4)	(23)	(20)	(10)	(5)	(4)	(5)
Subordinated debt	(17)	(17)	(22)	(18)	n/a	n/a	(4)	(6)	9	13	19	17	(3)	(6)
Other liabilities	(4)	(3)	2	5	12	12	38	24	(17)	(15)	(13)	(36)	(2)	(3)
Total liabilities	1	1	4	7	(18)	(18)	1	(4)	(7)	(6)	(4)	(3)	1	3
Equity														
Common shareholders' equity													10	(4)
Preferred securities													(15)	(15)
Shareholders' equity													9	(4)
Non-controlling interests													(26)	nm
Total equity													7	10
Total liabilities and equity													2	3

Information for the year ended December 31, 2010 - FX adjusted (unaudited)

General Insurance – Customer segment overview – FX adjusted	variance in % over the prior period, for the year ended December 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	–	–	(1)	(2)	(9)	(7)	12	11	15	18	(8)	(9)	(3)	(3)
Net earned premiums and policy fees	3	2	(9)	(10)	(6)	(4)	7	6	33	39	n/a	n/a	(4)	(4)
Insurance benefits and losses, net	(3)	(2)	11	11	8	6	(19)	(17)	nm	nm	n/a	n/a	4	3
Policyholder dividends and participation in profits, net	nm	nm	3	3	nm	nm	n/a	n/a	nm	nm	n/a	n/a	78	73
Total net technical expenses	(7)	(6)	4	5	2	1	(10)	(9)	(19)	(26)	nm	nm	1	–
Net underwriting result	(11)	(12)	(16)	(15)	47	37	nm	nm	nm	nm	nm	nm	(38)	(41)
Net investment income	(6)	(7)	(5)	(5)	(12)	(10)	2	–	6	7	nm	nm	(7)	(7)
Net capital gains/(losses) and impairments on investments	(68)	(68)	(34)	(34)	(97)	(97)	n/a	n/a	n/a	n/a	n/a	n/a	(58)	(58)
Net non-technical result (excl. items not included in BOP)	48	47	(6)	(6)	nm	nm	nm	nm	46	46	nm	nm	(22)	(14)
Business operating profit before non-controlling interests	(6)	(7)	(10)	(10)	(26)	(26)	(62)	(34)	nm	nm	n/a	n/a	(22)	(21)
Non-controlling interests	nm	nm	nm	nm	nm	nm	nm	nm	n/a	n/a	n/a	n/a	nm	nm
Business operating profit	(6)	(7)	(10)	(10)	(27)	(27)	(72)	(43)	nm	nm	n/a	n/a	(23)	(22)

Information for the year ended December 31, 2010 - FX adjusted (unaudited)

General Insurance – Customer segment reporting – Europe General Insurance by region – FX adjusted	variance in % over the prior period, for the year ended December 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	(12)	(11)	(10)	(6)	4	–	(10)	(6)	(10)	(6)	(2)	(14)	(35)	(33)	93	93	(9)	(7)
Net earned premiums and policy fees	(7)	(6)	4	9	7	3	(7)	(2)	2	7	(3)	(14)	(30)	(27)	nm	nm	(6)	(4)
Net underwriting result	nm	nm	nm	nm	55	49	82	82	(42)	(39)	nm	nm	nm	nm	nm	nm	47	37
Business operating profit	(13)	(12)	(79)	(78)	33	28	nm	nm	(69)	(67)	nm	nm	nm	nm	n/a	n/a	(27)	(27)

General Insurance – Customer segment reporting – International Markets by region – FX adjusted	variance in % over the prior period, for the year ended December 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	2	12	21	8	26	23	n/a	n/a	n/a	n/a	n/a	n/a	nm	nm	12	11		
Net earned premiums and policy fees	(6)	5	14	1	32	29	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	7	6		
Net underwriting result	nm	nm	(89)	(86)	(60)	(59)	n/a	n/a	n/a	n/a	n/a	n/a	nm	nm	nm	nm		
Business operating profit	nm	(57)	(24)	(33)	(11)	(11)	n/a	n/a	(100)	(92)	43	46	n/a	n/a	(72)	(43)		

Information for the year ended December 31, 2010 - FX adjusted (unaudited)

Global Life –
Overview
– FX adjustedvariance in % over the prior period, for the year ended
December 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	
Revenues																					
Life insurance deposits	(39)	(41)	31	32	20	26	(30)	(31)	33	39	(5)	–	9	10	(6)	(2)	n/a	n/a	13	17	
Gross written premiums	14	14	14	16	8	14	(4)	(8)	56	64	(35)	(32)	17	16	10	10	(44)	(46)	(6)	(4)	
Policy fees	17	18	51	53	18	23	56	58	(9)	(4)	(55)	(53)	nm	nm	(28)	(30)	n/a	n/a	27	29	
Gross written premiums and policy fees	15	15	39	41	9	15	(4)	(8)	33	40	(36)	(33)	35	35	4	3	(44)	(46)	(1)	1	
Net earned premiums and policy fees	18	17	46	47	10	15	(4)	(8)	46	53	(36)	(33)	43	42	3	3	n/a	n/a	(1)	1	
Net investment income on Group investments	6	5	(15)	(14)	(6)	(1)	3	(1)	2	7	(19)	(15)	26	25	1	5	n/a	n/a	(5)	(2)	
Net capital gains/(losses) and impairments on Group investments	(58)	(58)	nm	nm	nm	nm	(62)	(64)	nm	nm	nm	nm	(37)	(37)	nm	nm	n/a	n/a	nm	nm	
Net investment result on Group investments	4	3	49	51	15	21	(1)	(5)	nm	nm	(21)	(17)	(10)	(10)	(2)	3	n/a	n/a	9	12	
Net investment income on unit-linked investments	(53)	(50)	(9)	(7)	(1)	4	nm	nm	13	18	46	53	5	6	25	13	n/a	n/a	(3)	(2)	
Net capital gains/(losses) and impairments on unit-linked investments	(33)	(31)	1	2	(50)	(48)	nm	nm	(39)	(36)	nm	nm	(3)	(2)	(73)	(71)	n/a	n/a	(20)	(19)	
Net investment result on unit-linked investments	(41)	(39)	(1)	–	(47)	(44)	nm	nm	(31)	(28)	(82)	(81)	(3)	(2)	(63)	(62)	n/a	n/a	(18)	(16)	
Other income	2	1	(7)	(6)	38	45	21	16	(82)	(81)	4	9	(33)	(32)	13	3	nm	nm	7	7	
Total BOP revenues	8	8	6	8	(2)	3	(5)	(9)	(12)	(7)	(38)	(35)	2	3	(18)	(18)	nm	nm	(6)	(4)	
Benefits, losses and expenses																					
Insurance benefits and losses, net	(18)	(14)	(63)	(65)	(10)	(15)	1	5	nm	nm	36	33	6	8	(3)	(6)	n/a	n/a	4	2	
Policyholder dividends and participation in profits, net	39	38	1	–	24	21	50	52	27	23	81	80	1	(1)	54	53	n/a	n/a	14	12	
Income tax expense/(benefit) attributable to policyholders	n/a	n/a	(30)	(32)	27	23	n/a	n/a	2	(2)	n/a	n/a	10	10	80	83	n/a	n/a	(19)	(21)	
Underwriting and policy acquisition costs, net	nm	nm	(78)	(81)	–	(5)	(5)	(1)	29	26	45	42	(87)	(88)	1	3	n/a	n/a	(31)	(35)	
Administrative and other operating expense (excl. depreciation/amortization)	(18)	(15)	(6)	(8)	13	8	10	14	15	11	(7)	(13)	23	23	(25)	(18)	nm	nm	(3)	(2)	
Interest credited to policyholders and other interest	(3)	(3)	(9)	(10)	5	–	2	6	2	(3)	(90)	(100)	(4)	(4)	95	95	11	16	4	2	
Restructuring provisions and other items not included in BOP	nm	nm	nm	nm	n/a	n/a	(42)	(44)	n/a	n/a	(17)	(13)	98	98	–	1	n/a	n/a	50	53	
Total BOP benefits, losses and expenses	(20)	(19)	(5)	(7)	3	(2)	6	10	13	9	39	36	(1)	(2)	17	17	nm	nm	7	5	
Business operating profit (before interest, depreciation and amortization)	(23)	(22)	33	34	8	13	3	(1)	32	39	(15)	(11)	10	11	(32)	(31)	21	17	(2)	–	
Depreciation and impairments of property and equipment	(4)	–	(1)	(2)	9	4	15	18	4	(1)	30	27	11	10	–	3	n/a	n/a	6	5	
Amortization and impairments of intangible assets	nm	nm	(56)	(58)	(63)	(71)	n/a	n/a	7	3	34	31	20	19	69	67	n/a	n/a	12	9	
Interest expense on debt	15	15	51	50	nm	nm	(9)	(5)	n/a	n/a	22	19	93	93	27	24	(21)	(17)	25	21	
Business operating profit before non-controlling interests	(30)	(29)	35	36	2	7	3	(1)	34	41	nm	nm	13	14	(1)	1	n/a	n/a	2	3	
Non-controlling interests	(6)	(6)	n/a	n/a	18	18	n/a	n/a	n/a	n/a	nm	nm	n/a	n/a	5	5	n/a	n/a	nm	nm	
Business operating profit	(31)	(30)	35	36	2	7	3	(1)	34	41	nm	nm	13	14	(1)	1	n/a	n/a	–	1	

Summary of quarterly consolidated financial information (unaudited)

Summary of quarterly consolidated financial information	in USD millions, for the three months ended									
	12/31/10	09/30/10	06/30/10	03/31/10	12/31/09	09/30/09	06/30/09	03/31/09	12/31/08	
Gross written premiums and policy fees	11,857	11,721	11,403	14,983	13,352	13,039	13,184	14,242	12,800	
Net earned premiums and policy fees	11,946	10,968	10,670	11,925	12,757	11,993	11,198	11,280	11,825	
Net investment result on Group investments	1,702	2,309	2,008	1,970	1,684	1,970	1,515	759	1,077	
Net investment income on Group investments	1,785	1,747	1,782	1,779	1,935	1,831	1,907	1,832	2,163	
Net capital gains/(losses) on Group investments and impairments	(83)	563	227	191	(251)	140	(392)	(1,073)	(1,086)	
Net investment result on unit-linked investments	4,829	4,900	(4,169)	4,533	2,549	9,004	4,226	(3,303)	(4,105)	
Other revenues	1,084	1,132	1,027	1,014	1,281	1,172	1,031	1,004	980	
Total revenues	19,561	19,309	9,537	19,443	18,270	24,139	17,969	9,741	9,776	
Insurance benefits and losses, net of reinsurance	8,823	8,221	8,535	8,906	9,379	9,418	7,540	8,766	10,170	
Policyholder dividends and participation in profits, net of reinsurance	4,875	5,080	(3,936)	4,781	2,629	9,041	4,418	(3,229)	(4,506)	
Other expenses	4,432	4,755	4,252	4,258	4,842	3,997	4,016	3,765	4,298	
Total benefits, losses and expenses	18,130	18,055	8,851	17,945	16,850	22,456	15,974	9,301	9,962	
Net income before income taxes	1,431	1,254	686	1,497	1,420	1,683	1,995	439	(185)	
Net income attributable to shareholders	1,040	751	707	935	1,028	968	1,434	532	205	
Business operating profit	1,350	1,240	1,027	1,259	1,527	1,513	1,491	1,061	1,002	

Financial supplement (unaudited)

Explanatory notes

The information contained within the Financial supplement is unaudited. This document should be read in conjunction with the Zurich Financial Services Group Annual report 2010 and the Consolidated financial statements 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 Annual report 2010.

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 the Group manages all its business units. It indicates the underlying performance of the Group's 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 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 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 in the consolidated balance sheets includes Group investments and investments for unit-linked products. **Group investments** are those for which the Group bears 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. The Group manages its diversified 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 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 Annual report 2010.

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 (Farmers Management Services) – 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 of the Farmers Management Services.

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 are managed but not own by Farmers Group, Inc. a wholly owned subsidiary of the Group.

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

Disclaimer & Cautionary Statement

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

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

Persons requiring advice should consult an independent adviser.

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

THIS COMMUNICATION DOES NOT CONTAIN AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES; SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR EXEMPTION FROM REGISTRATION, AND ANY PUBLIC OFFERING OF SECURITIES TO BE MADE IN THE UNITED STATES WILL BE MADE BY MEANS OF A PROSPECTUS THAT MAY BE OBTAINED FROM THE ISSUER AND THAT WILL CONTAIN DETAILED INFORMATION ABOUT THE COMPANY AND MANAGEMENT, AS WELL AS FINANCIAL STATEMENTS.