

# Financial supplement 2011

Zurich Financial Services Group  
Results for the three months to March 31, 2011

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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	
		2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
		Revenues													
Direct written premiums <sup>1</sup>	9,594	9,441	2,629	2,698	–	–	–	–	30	38	–	–	12,253	12,177	
Assumed written premiums	506	567	21	23	707	1,495	35	35	37	20	(49)	(61)	1,258	2,079	
Gross Written Premiums	10,101	10,008	2,650	2,721	707	1,495	35	35	67	58	(49)	(61)	13,510	14,257	
Policy fees	–	2	522	669	–	–	–	–	59	57	–	–	581	727	
Gross written premiums and policy fees	10,101	10,010	3,172	3,389	707	1,495	35	35	126	115	(49)	(61)	14,091	14,983	
Less premiums ceded to reinsurers	(1,439)	(1,358)	(173)	(204)	–	–	(13)	(13)	(8)	(11)	49	61	(1,584)	(1,525)	
Net written premiums and policy fees	8,662	8,651	2,999	3,186	707	1,495	22	23	118	104	–	–	12,507	13,458	
Net change in reserves for unearned premiums	(1,683)	(1,622)	(28)	(14)	31	102	(1)	(1)	3	1	–	1	(1,679)	(1,533)	
Net earned premiums and policy fees	6,978	7,030	2,971	3,172	738	1,597	21	22	120	105	–	1	10,828	11,925	
Farmers management fees and other related revenues	–	–	–	–	682	703	–	–	–	–	–	–	682	703	
Net investment result on Group investments	722	734	974	1,100	36	42	140	130	32	149	(208)	(221)	1,695	1,935	
Net investment income on Group investments	705	721	997	973	36	42	140	130	112	135	(208)	(221)	1,780	1,779	
Net capital gains/(losses) and impairments on Group investments	17	14	(23)	127	–	–	–	–	(79)	15	–	–	(85)	156	
Net investment result on unit-linked investments	–	–	202	4,343	–	–	–	–	101	190	–	–	303	4,533	
Other income	166	164	232	196	17	26	213	179	25	25	(309)	(279)	345	311	
Total BOP revenues	7,866	7,928	4,379	8,811	1,473	2,368	373	331	279	469	(517)	(500)	13,854	19,407	
of which: inter-segment revenues	(83)	(95)	(93)	(66)	(18)	(19)	(307)	(301)	(16)	(19)	517	500	–	–	
Benefits, losses and expenses															
Insurance benefits and losses, net	5,374	5,073	2,576	2,636	493	1,041	18	21	57	135	–	–	8,519	8,906	
Losses and loss adjustment expenses, net	5,345	5,061	10	25	493	1,041	1	–	7	40	9	(1)	5,864	6,168	
Life insurance death and other benefits, net	29	11	2,301	2,729	–	–	13	21	126	174	(1)	–	2,467	2,935	
(Decrease)/increase in future life policyholders' benefits, net <sup>1</sup>	–	1	265	(119)	–	–	5	–	(76)	(80)	(7)	1	187	(197)	
Policyholder dividends and participation in profits, net	2	(2)	398	4,565	–	–	–	–	129	218	–	1	529	4,781	
Income tax expense/(benefit) attributable to policyholders	–	–	(24)	236	–	–	–	–	–	–	–	–	(24)	236	
Underwriting and policy acquisition costs, net	1,317	1,374	390	427	231	497	–	–	2	3	(1)	(2)	1,938	2,299	
Administrative and other operating expense (excl. depreciation/amortization)	806	753	486	400	332	335	227	196	42	44	(301)	(273)	1,592	1,456	
Interest credited to policyholders and other interest	7	14	99	108	–	–	1	1	16	17	(1)	(1)	122	141	
Restructuring provisions and other items not included in BOP	(31)	(34)	(9)	(29)	(2)	(13)	25	20	–	–	–	–	(17)	(56)	
Total BOP benefits, losses and expenses (before interest, depreciation and amortization)	7,475	7,179	3,916	8,343	1,054	1,860	272	238	247	418	(304)	(274)	12,659	17,763	
<b>Business operating profit (before interest, depreciation and amortization)</b>	<b>392</b>	<b>749</b>	<b>463</b>	<b>468</b>	<b>420</b>	<b>509</b>	<b>102</b>	<b>93</b>	<b>32</b>	<b>51</b>	<b>(214)</b>	<b>(226)</b>	<b>1,195</b>	<b>1,644</b>	
Depreciation and impairments of property and equipment	22	21	8	8	13	20	2	9	1	1	–	–	46	59	
Amortization and impairments of intangible assets	42	39	72	82	27	26	16	11	–	1	–	–	157	159	
Interest expense on debt	50	55	16	18	–	–	258	272	25	25	(214)	(226)	136	144	
Business operating profit before non-controlling interests	277	635	367	360	380	462	(174)	(199)	6	24	–	–	857	1,281	
Non-controlling interests	2	13	6	9	–	–	–	–	–	–	–	–	8	22	
<b>Business operating profit</b>	<b>276</b>	<b>621</b>	<b>362</b>	<b>351</b>	<b>380</b>	<b>462</b>	<b>(174)</b>	<b>(199)</b>	<b>6</b>	<b>24</b>	<b>–</b>	<b>–</b>	<b>849</b>	<b>1,259</b>	
Supplementary information															
Additions and capital improvements to property, equipment and intangible assets <sup>2</sup>	67	42	29	12	49	136	28	16	–	1	–	–	172	207	

<sup>1</sup> The Global Life segment includes approximately USD 277 million and USD 351 million of gross written premiums and future life policyholders' benefits for certain universal life-type contracts in the Group's Spanish operations for the three months ended March 31, 2011 and 2010, respectively (see note 1 of the Group's Annual Report 2010).

<sup>2</sup> As of March 31, 2011 and December 31, 2010, respectively.

## 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	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Average allocated common shareholders' equity	15,659	15,059	8,138	6,937	3,005	3,243	1,669	1,564	2,183	1,394	30,655	28,197
Adjusted business operating profit	255	591	318	302	363	440	(90)	(91)	3	17	849	1,259
<b>Adjusted BOP return on common shareholders' equity</b>	<b>6.5%</b>	<b>15.7%</b>	<b>15.6%</b>	<b>17.4%</b>	<b>48.3%</b>	<b>54.3%</b>	<b>(22.2%)</b>	<b>(24.0%)</b>	<b>0.6%</b>	<b>4.8%</b>	<b>11.0%</b>	<b>17.8%</b>
<b>BOPAT return on average allocated common shareholders' equity</b>											<b>8.4%</b>	<b>13.5%</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	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
<b>Business operating profit</b>	<b>276</b>	<b>621</b>	<b>362</b>	<b>351</b>	<b>380</b>	<b>462</b>	<b>(174)</b>	<b>(199)</b>	<b>6</b>	<b>24</b>	<b>849</b>	<b>1,259</b>
Revenues/(expenses) not included in BOP:												
Net capital gains/(losses) on investments and impairments, net of policyholder allocation	4	40	53	(18)	(1)	2	(59)	21	6	(10)	4	36
Restructuring provisions	–	(5)	(4)	–	2	(3)	–	–	–	(1)	(2)	(8)
Other adjustments	(31)	(30)	(5)	(29)	(4)	(10)	25	20	–	1	(15)	(48)
Add back:												
Business operating profit attributable to non-controlling interests	2	13	6	9	–	–	–	–	–	–	8	22
<b>Net income before shareholders' taxes</b>	<b>251</b>	<b>641</b>	<b>412</b>	<b>313</b>	<b>377</b>	<b>451</b>	<b>(208)</b>	<b>(158)</b>	<b>12</b>	<b>15</b>	<b>843</b>	<b>1,261</b>
Income tax expense/(benefit) attributable to policyholders	–	–	(24)	236	–	–	–	–	–	–	(24)	236
<b>Net income before income taxes</b>	<b>251</b>	<b>641</b>	<b>388</b>	<b>549</b>	<b>377</b>	<b>451</b>	<b>(208)</b>	<b>(158)</b>	<b>12</b>	<b>15</b>	<b>820</b>	<b>1,497</b>
Income tax expense (attributable to policyholders and shareholders)											(175)	(545)
<b>Net income after taxes</b>											<b>644</b>	<b>952</b>

## 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	
	03/31/11	12/31/10	03/31/11	12/31/10	03/31/11	12/31/10	03/31/11	12/31/10	03/31/11	12/31/10	03/31/11	12/31/10	03/31/11	12/31/10	03/31/11	12/31/10
	<b>Assets</b>															
Total Group Investments	86,564	85,967	104,702	100,976	4,384	4,526	21,884	20,110	14,648	14,757	(30,601)	(30,438)	201,580	195,898		
Cash and cash equivalents	8,711	9,024	3,322	2,564	758	808	4,588	7,158	2,858	3,148	(9,954)	(14,521)	10,282	8,182		
Equity securities	5,773	5,561	4,821	5,201	88	83	2,616	2,597	273	287	–	–	13,570	13,729		
Debt securities	64,277	64,136	67,054	64,471	1,311	1,296	4,163	4,070	7,491	7,261	(1,017)	(980)	143,279	140,254		
Real estate held for investment	3,047	2,940	5,028	4,893	134	135	46	45	267	261	–	–	8,523	8,274		
Mortgage loans	1,503	1,495	8,740	8,538	–	–	–	–	1,798	1,819	–	–	12,041	11,851		
Other loans	3,245	2,806	15,640	15,212	2,092	2,204	10,466	6,235	1,881	1,900	(19,629)	(14,937)	13,695	13,419		
Investments in associates and joint ventures	9	6	97	97	–	–	5	5	80	80	–	–	191	188		
Investments for unit-linked contracts	–	–	99,468	96,139	–	–	–	–	11,881	11,808	–	–	111,349	107,947		
<b>Total investments</b>	<b>86,564</b>	<b>85,967</b>	<b>204,170</b>	<b>197,116</b>	<b>4,384</b>	<b>4,526</b>	<b>21,884</b>	<b>20,110</b>	<b>26,529</b>	<b>26,565</b>	<b>(30,601)</b>	<b>(30,438)</b>	<b>312,930</b>	<b>303,845</b>		
Reinsurers' share of reserves for insurance contracts	13,387	13,314	2,113	1,997	–	212	–	–	4,287	4,328	(802)	(1,041)	18,985	18,809		
Deposits made under assumed reinsurance contracts	120	120	12	11	1,940	2,201	–	–	537	530	(26)	(26)	2,583	2,837		
Deferred policy acquisition costs	3,665	3,472	13,460	12,686	198	167	–	–	1	1	–	–	17,324	16,326		
Deferred origination costs	–	–	900	866	–	–	–	–	–	–	–	–	900	866		
Goodwill	901	869	440	411	819	819	5	5	–	–	–	–	2,165	2,104		
Other intangible assets	1,255	1,208	3,148	3,022	1,444	1,453	275	269	2	2	–	–	6,123	5,954		
Other assets	15,924	14,743	7,601	7,367	1,078	1,202	3,536	2,714	1,080	1,149	(1,988)	(2,255)	27,231	24,919		
<b>Total assets (after cons. of investments in subsidiaries)</b>	<b>121,814</b>	<b>119,693</b>	<b>231,846</b>	<b>223,476</b>	<b>9,863</b>	<b>10,581</b>	<b>25,700</b>	<b>23,097</b>	<b>32,436</b>	<b>32,575</b>	<b>(33,417)</b>	<b>(33,759)</b>	<b>388,241</b>	<b>375,661</b>		
<b>Liabilities</b>																
Liabilities for investment contracts	–	–	52,498	50,912	–	–	–	–	–	–	–	(246)	52,498	50,667		
Reserves for insurance contracts, gross	83,626	80,170	144,276	138,536	2,528	2,711	63	57	22,083	22,194	(784)	(1,021)	251,792	242,646		
Reserves for losses and loss adjustment expenses, gross	65,028	63,826	54	58	1,786	1,938	46	46	2,917	2,953	(734)	(752)	69,096	68,069		
Reserves for unearned premiums, gross	17,273	15,050	244	201	742	773	6	5	24	25	(6)	(7)	18,283	16,046		
Future life policyholders' benefits, gross	97	103	78,531	74,901	–	–	11	6	4,466	4,569	(44)	(265)	83,060	79,315		
Policyholders' contract deposits and other funds, gross	1,229	1,192	13,369	13,397	–	–	–	–	2,797	2,839	–	2	17,394	17,430		
Reserves for unit-linked contracts, gross	–	–	52,078	49,978	–	–	–	–	11,880	11,807	–	–	63,958	61,786		
Debt related to capital markets	–	–	–	–	–	–	623	623	1,624	1,624	(1,847)	(1,847)	400	400		
Senior debt	4,959	5,152	545	457	–	–	24,020	23,441	845	838	(24,097)	(23,835)	6,272	6,053		
Subordinated debt	1,708	1,700	259	793	–	–	5,691	5,000	177	170	(2,142)	(2,659)	5,693	5,004		
Other liabilities	13,772	14,346	18,507	17,960	1,607	2,024	5,719	2,366	4,930	5,026	(4,547)	(4,152)	39,988	37,570		
<b>Total liabilities</b>	<b>104,065</b>	<b>101,367</b>	<b>216,085</b>	<b>208,659</b>	<b>4,136</b>	<b>4,735</b>	<b>36,116</b>	<b>31,487</b>	<b>29,659</b>	<b>29,852</b>	<b>(33,417)</b>	<b>(33,759)</b>	<b>356,644</b>	<b>342,340</b>		
<b>Equity</b>																
Common shareholders' equity															29,801	31,509
Preferred securities															332	475
Shareholders' equity															30,133	31,984
Non-controlling interests															1,464	1,337
Total equity															31,597	33,321
<b>Total liabilities and equity</b>															<b>388,241</b>	<b>375,661</b>
<b>Supplementary segment information</b>																
Reserves for losses and loss adjustment expenses, net	53,966	52,634	51	54	1,786	1,938	46	46	1,272	1,311	(1)	(7)	57,120	55,976		
Reserves for unearned premiums, net	14,874	12,872	237	197	742	773	6	5	19	21	–	–	15,878	13,868		
Future life policyholders' benefits, net	94	89	76,445	72,935	–	(212)	11	6	3,981	4,065	1	7	80,532	76,891		
Policyholders' contract deposits and other funds, net	1,209	1,170	13,347	13,370	–	–	–	–	600	623	18	20	15,174	15,184		
Reserves for unit-linked contracts, net	–	–	52,078	49,978	–	–	–	–	11,880	11,807	–	–	63,958	61,786		
<b>Reserves for insurance contracts, net</b>	<b>70,143</b>	<b>66,766</b>	<b>142,158</b>	<b>136,535</b>	<b>2,528</b>	<b>2,499</b>	<b>63</b>	<b>57</b>	<b>17,753</b>	<b>17,828</b>	<b>18</b>	<b>20</b>	<b>232,663</b>	<b>223,704</b>		

## General Insurance (unaudited)

General Insurance – Customer segment overview	in USD millions, for the three months ended March 31													
	Global Corporate		North America Commercial		Europe		International Markets		GI Global Functions including Group Reinsurance		Eliminations		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Gross written premiums and policy fees	2,635	2,490	2,197	2,253	4,453	4,485	1,047	865	142	146	(372)	(231)	10,101	10,010
Net earned premiums and policy fees	1,269	1,235	1,766	1,818	3,142	3,277	781	691	19	9	–	–	6,978	7,030
Insurance benefits and losses, net	1,323	884	1,206	1,173	2,157	2,415	716	492	(29)	108	–	–	5,374	5,073
Policyholder dividends and participation in profits, net	–	(2)	2	3	–	(3)	–	–	–	–	–	–	2	(2)
Total net technical expenses	236	246	532	588	800	793	278	263	6	4	3	(3)	1,855	1,891
Net underwriting result	(291)	106	27	54	185	72	(212)	(63)	42	(104)	(3)	3	(253)	68
Net investment income	148	139	261	278	224	236	56	51	16	16	–	–	705	721
Net capital gains/(losses) and impairments on investments	4	3	13	9	–	1	–	–	–	–	–	–	17	14
Net non-technical result (excl. items not included in BOP)	(13)	(22)	(47)	(63)	(82)	(84)	(13)	24	(40)	(18)	3	(4)	(192)	(168)
Business operating profit before non-controlling interests	(152)	226	254	277	327	225	(169)	12	17	(106)	–	–	277	635
Non-controlling interests	–	–	–	–	1	(2)	1	15	–	–	–	–	2	13
Business operating profit	(152)	226	254	278	326	227	(169)	(4)	17	(106)	–	–	276	621
Adjusted business operating profit	(145)	233	242	260	315	214	(175)	(10)	18	(106)	–	–	255	591
Adjusted business operating profit return on common shareholders' equity	(14.3%)	24.8%	18.4%	21.2%	28.0%	19.0%	(64.2%)	(3.8%)	9.5%	(54.3%)	–	–	6.5%	15.7%
Ratios, as % of net earned premiums and policy fees														
Loss ratio	104.3%	71.6%	68.3%	64.5%	68.7%	73.7%	91.6%	71.2%	nm	nm	n/a	n/a	77.0%	72.2%
Expense ratio	18.6%	19.8%	30.2%	32.5%	25.5%	24.1%	35.5%	38.0%	nm	nm	n/a	n/a	26.6%	26.9%
Combined ratio	122.9%	91.4%	98.5%	97.0%	94.1%	97.8%	127.1%	109.2%	nm	nm	n/a	n/a	103.6%	99.0%

## 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		of which Global Corporate	
	2011	2010	2011	2010
Middle East	16	12	16	12
Africa				
South Africa	161	173		
Morocco	39	35		
Subtotal Africa	200	207	–	–
Latin America				
Argentina	70	62		
Brazil	154	105		
Chile	59	40		
Mexico	79	76		
Venezuela	47	41		
Rest of Latin America	8	6		
Subtotal Latin America	416	330	–	–
North America				
United States	2,727	2,737		
Rest of North America	208	194		
Subtotal North America	2,935	2,930	779	720
Asia-Pacific				
Australia	169	139		
Hong Kong	41	35		
Japan	179	152		
Taiwan	32	31		
Rest of Asia-Pacific	57	41		
Subtotal Asia-Pacific	478	397	112	79
Europe				
United Kingdom	878	995		
Germany	1,533	1,523		
Switzerland	1,756	1,596		
Italy	531	578		
Spain	553	606		
Rest of Europe	803	828		
Subtotal Europe	6,055	6,126	1,577	1,599
<b>Total</b>	<b>10,100</b>	<b>10,002</b>	<b>2,484</b>	<b>2,410</b>

## General Insurance (unaudited)

General Insurance – Assets by region	in USD millions, as of	Property, equipment and intangible assets	
		03/31/11	12/31/10
Middle East		–	–
Africa			
South Africa		23	25
Morocco		38	35
Subtotal Africa		61	60
Latin America			
Argentina		4	4
Brazil		164	151
Chile		1	1
Mexico		11	11
Venezuela		7	8
Rest of Latin America		9	8
Subtotal Latin America		196	183
North America			
United States		231	232
Rest of North America		8	8
Subtotal North America		239	240
Asia-Pacific			
Australia		82	79
Hong Kong		6	7
Japan		33	34
Taiwan		19	19
Rest of Asia-Pacific		2	2
Subtotal Asia-Pacific		142	141
Europe			
United Kingdom		208	212
Germany		236	225
Switzerland		685	674
Italy		64	65
Spain		568	543
Rest of Europe		706	668
Subtotal Europe		2,468	2,386
<b>Total</b>		<b>3,106</b>	<b>3,012</b>



## General Insurance (unaudited)

Key information –  
Europe by country

in USD millions, for the three months ended March 31	United Kingdom		Germany		Switzerland		Italy		Spain		Rest of Europe		Eliminations		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Gross written premiums and policy fees	540	605	1,365	1,351	1,371	1,265	476	517	320	358	390	389	(8)	(1)	4,453	4,485
Net earned premiums and policy fees	669	749	696	719	611	555	508	541	292	311	366	401	–	–	3,142	3,277
Net underwriting result	(8)	5	47	57	137	63	(7)	(43)	17	21	(10)	(25)	9	(6)	185	72
<b>Business operating profit</b>	<b>40</b>	<b>48</b>	<b>69</b>	<b>80</b>	<b>166</b>	<b>95</b>	<b>15</b>	<b>(25)</b>	<b>13</b>	<b>22</b>	<b>23</b>	<b>7</b>	<b>–</b>	<b>–</b>	<b>326</b>	<b>227</b>

Ratios, as % of net earned premiums and policy fees

Loss ratio	73.0%	72.8%	70.2%	70.9%	53.9%	67.0%	76.3%	84.8%	69.0%	67.8%	71.4%	79.4%	n/a	n/a	68.7%	73.7%
Expense ratio	28.1%	26.5%	23.0%	21.2%	23.7%	21.6%	25.2%	23.1%	25.1%	25.4%	31.3%	27.0%	n/a	n/a	25.5%	24.1%
Combined ratio	<b>101.2%</b>	<b>99.4%</b>	<b>93.2%</b>	<b>92.1%</b>	<b>77.5%</b>	<b>88.6%</b>	<b>101.5%</b>	<b>107.9%</b>	<b>94.1%</b>	<b>93.3%</b>	<b>102.8%</b>	<b>106.3%</b>	<b>n/a</b>	<b>n/a</b>	<b>94.1%</b>	<b>97.8%</b>

Customer segment  
reporting -  
Europe Commercial  
and Personal

in USD millions, for the three months ended March 31	Commercial		Personal		Eliminations		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Gross written premiums and policy fees	1,971	1,875	2,485	2,611	(2)	–	4,453	4,485
Net earned premiums and policy fees	1,227	1,218	1,915	2,059	–	–	3,142	3,277
Net underwriting result	69	107	122	(18)	(6)	(17)	185	72
<b>Business operating profit</b>	<b>154</b>	<b>197</b>	<b>172</b>	<b>31</b>	<b>–</b>	<b>–</b>	<b>326</b>	<b>227</b>

Ratios, as % of net earned premiums and policy fees

Loss ratio	69.1%	67.9%	68.4%	77.2%	n/a	n/a	68.7%	73.7%
Expense ratio	25.3%	23.4%	25.3%	23.7%	n/a	n/a	25.5%	24.1%
Combined ratio	<b>94.4%</b>	<b>91.2%</b>	<b>93.6%</b>	<b>100.9%</b>	<b>n/a</b>	<b>n/a</b>	<b>94.1%</b>	<b>97.8%</b>

## General Insurance (unaudited)

International  
Markets  
by region

in USD millions, for the three months ended March 31

	Latin America		Asia-Pacific		Middle East and Africa		Eliminations		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	Gross written premiums and policy fees	416	330	391	303	240	234	–	(2)	1,047
Net earned premiums and policy fees	244	183	368	321	170	187	–	–	781	691
Net underwriting result	2	(50)	(205)	(22)	(9)	9	–	–	(212)	(63)
<b>Business operating profit</b>	<b>18</b>	<b>(4)</b>	<b>(183)</b>	<b>(2)</b>	<b>(4)</b>	<b>2</b>	<b>–</b>	<b>–</b>	<b>(169)</b>	<b>(4)</b>
Ratios, as % of net earned premiums and policy fees										
Loss ratio	62.5%	82.3%	120.7%	74.2%	70.2%	54.9%	n/a	n/a	91.6%	71.2%
Expense ratio	36.6%	45.1%	35.1%	32.7%	34.9%	40.2%	n/a	n/a	35.5%	38.0%
Combined ratio	<b>99.1%</b>	<b>127.5%</b>	<b>155.9%</b>	<b>106.9%</b>	<b>105.2%</b>	<b>95.1%</b>	<b>n/a</b>	<b>n/a</b>	<b>127.1%</b>	<b>109.2%</b>

Customer segment  
reporting –  
International  
Markets  
Commercial and  
Personal

in USD millions, for the three months ended March 31

	Commercial		Personal		Eliminations		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Gross written premiums and policy fees	463	496	591	376	(7)	(6)	1,047	865
Net earned premiums and policy fees	406	418	376	273	–	–	781	691
Net underwriting result	(211)	(63)	–	–	–	–	(212)	(63)
<b>Business operating profit</b>	<b>(182)</b>	<b>(13)</b>	<b>13</b>	<b>9</b>	<b>–</b>	<b>–</b>	<b>(169)</b>	<b>(4)</b>
Ratios, as % of net earned premiums and policy fees								
Loss ratio	119.0%	78.0%	62.0%	60.7%	n/a	n/a	91.6%	71.2%
Expense ratio	33.1%	37.1%	38.1%	39.2%	n/a	n/a	35.5%	38.0%
Combined ratio	<b>152.1%</b>	<b>115.2%</b>	<b>100.1%</b>	<b>99.8%</b>	<b>n/a</b>	<b>n/a</b>	<b>127.1%</b>	<b>109.2%</b>

International  
Markets –  
Mature Markets  
in Asia-Pacific

in USD millions, for the three months ended March 31

	Asia-Pacific		of which: Mature Markets	
	2011	2010	2011	2010
Gross written premiums and policy fees	391	303	304	258
Net earned premiums and policy fees	368	321	306	270
Net underwriting result	(205)	(22)	(207)	(19)
<b>Business operating profit</b>	<b>(183)</b>	<b>(2)</b>	<b>(182)</b>	<b>–</b>
Ratios, as % of net earned premiums and policy fees				
Loss ratio	120.7%	74.2%	138.7%	78.2%
Expense ratio	35.1%	32.7%	28.9%	28.7%
Combined ratio	<b>155.9%</b>	<b>106.9%</b>	<b>167.6%</b>	<b>106.9%</b>

## Global Life (unaudited)

Global Life –  
Overview

in USD millions, for the three months ended March 31

	North America		Latin America		Europe		Asia-Pacific and Middle East		Other		Eliminations		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
<b>Revenues</b>														
Life insurance deposits	55	56	46	12	2,639	2,949	385	303	83	35	–	–	3,207	3,354
Gross written premiums <sup>1</sup>	125	116	130	168	2,257	2,289	116	131	32	31	(9)	(14)	2,650	2,721
Policy fees	70	71	7	8	417	515	27	73	1	1	–	–	522	669
Gross written premiums and policy fees	195	187	137	177	2,673	2,804	143	204	33	31	(9)	(14)	3,172	3,389
Net earned premiums and policy fees	143	135	136	156	2,545	2,679	119	177	28	25	–	–	2,971	3,172
Net investment income on Group investments	83	85	32	28	864	844	14	12	3	3	–	–	997	973
Net capital gains/(losses) and impairments on Group investments	–	1	–	–	(25)	138	3	(11)	–	–	–	–	(23)	127
Net investment result on Group investments	83	86	32	28	839	982	17	1	3	3	–	–	974	1,100
Net investment income on unit-linked investments	(10)	(10)	2	2	433	430	15	10	6	6	–	–	446	439
Net capital gains/(losses) and impairments on unit-linked investments	20	19	4	12	(179)	3,394	(64)	470	(25)	10	–	–	(244)	3,904
Net investment result on unit-linked investments	10	9	7	14	254	3,824	(49)	480	(19)	16	–	–	202	4,343
Other income	24	24	3	5	93	80	49	41	64	47	(2)	(1)	232	196
<b>Total BOP revenues</b>	<b>260</b>	<b>254</b>	<b>178</b>	<b>203</b>	<b>3,732</b>	<b>7,565</b>	<b>135</b>	<b>698</b>	<b>77</b>	<b>92</b>	<b>(2)</b>	<b>(1)</b>	<b>4,379</b>	<b>8,811</b>
<b>Benefits, losses and expenses</b>														
Insurance benefits and losses, net <sup>1</sup>	63	77	97	128	2,365	2,363	29	51	22	18	–	–	2,576	2,636
Policyholder dividends and participation in profits, net	15	10	9	13	433	4,043	(41)	484	(19)	15	–	–	398	4,565
Income tax expense/(benefit) attributable to policyholders	–	–	–	–	(26)	237	3	–	–	–	–	–	(24)	236
Underwriting and policy acquisition costs, net	39	36	26	16	268	282	33	78	23	15	–	–	390	427
Administrative and other operating expense (excl. depreciation/amortization)	34	31	30	18	300	235	70	76	52	41	(2)	(1)	486	400
Interest credited to policyholders and other interest	37	41	(1)	–	56	60	7	7	–	–	–	–	99	108
Restructuring provisions and other items not included in BOP	1	–	–	–	(10)	(23)	–	(5)	–	–	–	–	(9)	(29)
<b>Total BOP benefits, losses and expenses</b>	<b>189</b>	<b>196</b>	<b>162</b>	<b>175</b>	<b>3,386</b>	<b>7,196</b>	<b>102</b>	<b>689</b>	<b>79</b>	<b>89</b>	<b>(2)</b>	<b>(1)</b>	<b>3,916</b>	<b>8,343</b>
<b>Business operating profit (before interest, depreciation and amortization)</b>	<b>70</b>	<b>58</b>	<b>16</b>	<b>28</b>	<b>346</b>	<b>369</b>	<b>33</b>	<b>10</b>	<b>(2)</b>	<b>3</b>	<b>–</b>	<b>–</b>	<b>463</b>	<b>468</b>
Depreciation and impairments of property and equipment	–	–	–	–	6	6	1	1	–	–	–	–	8	8
Amortization and impairments of intangible assets	7	4	–	1	63	75	1	1	1	1	–	–	72	82
Interest expense on debt	1	1	–	–	16	17	–	–	–	–	–	–	16	18
Business operating profit before non-controlling interests	63	53	15	27	261	271	32	7	(4)	2	–	–	367	360
Non-controlling interests	–	–	–	3	5	6	–	–	–	–	–	–	6	9
<b>Business operating profit</b>	<b>63</b>	<b>53</b>	<b>15</b>	<b>24</b>	<b>256</b>	<b>265</b>	<b>32</b>	<b>7</b>	<b>(4)</b>	<b>2</b>	<b>–</b>	<b>–</b>	<b>362</b>	<b>351</b>
<b>Supplementary information</b>														
Gross written premiums and policy fees from external customers	195	187	137	177	2,660	2,791	142	195	24	23	–	–	3,159	3,373
Property, equipment and intangible assets <sup>2</sup>	190	193	79	77	3,736	3,569	13	11	63	62	–	–	4,080	3,912

<sup>1</sup> Europe includes approximately USD 277 million and USD 351 million of gross written premiums and future life policyholders' benefits for certain universal life-type contracts in the Group's Spanish operations for the three months ended March 31, 2011 and 2010, respectively (see note 1 of the Group's Annual Report 2010).

<sup>2</sup> As of March 31, 2011 and December 31, 2010 respectively.

## Global Life (unaudited)

Global Life –  
Europe

in USD millions, for the three months ended March 31	United Kingdom		Germany		Switzerland		Ireland		Spain		Rest of Europe		Eliminations		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Revenues																
Life insurance deposits	1,238	854	475	619	8	9	538	723	203	606	176	138	–	–	2,639	2,949
Gross written premiums	110	100	644	602	879	705	60	182	439	544	131	163	(6)	(8)	2,257	2,289
Policy fees	236	309	114	137	1	(1)	35	28	7	10	24	33	–	–	417	515
Gross written premiums and policy fees	345	409	759	739	879	704	95	210	446	554	155	196	(6)	(8)	2,673	2,804
Net earned premiums and policy fees	308	361	735	715	875	702	71	186	417	528	139	187	–	–	2,545	2,679
Net investment income on Group investments	73	74	423	418	174	150	19	21	85	99	90	81	–	–	864	844
Net capital gains/(losses) and impairments on Group investments	(22)	75	2	31	6	17	(11)	3	–	–	1	12	–	–	(25)	138
Net investment result on Group investments	51	149	425	449	180	167	8	24	85	100	91	93	–	–	839	982
Net investment income on unit-linked investments	334	351	10	9	4	7	49	42	39	21	(2)	–	–	–	433	430
Net capital gains/(losses) and impairments on unit-linked investments	100	2,524	(70)	434	(2)	5	(194)	315	1	16	(15)	100	–	–	(179)	3,394
Net investment result on unit-linked investments	434	2,875	(61)	443	2	12	(145)	357	40	37	(16)	100	–	–	254	3,824
Other income	9	16	59	40	15	12	1	–	11	12	7	–	(8)	–	93	80
<b>Total BOP revenues</b>	<b>801</b>	<b>3,402</b>	<b>1,158</b>	<b>1,646</b>	<b>1,072</b>	<b>894</b>	<b>(65)</b>	<b>567</b>	<b>553</b>	<b>677</b>	<b>221</b>	<b>380</b>	<b>(8)</b>	<b>–</b>	<b>3,732</b>	<b>7,565</b>
Benefits, losses and expenses																
Insurance benefits and losses, net	78	162	819	754	890	661	22	140	431	548	124	98	–	–	2,365	2,363
Policyholder dividends and participation in profits, net	460	2,801	35	553	19	79	(148)	363	43	39	24	208	–	–	433	4,043
Income tax expense/(benefit) attributable to policyholders	(38)	221	11	12	–	–	–	3	–	–	–	–	–	–	(26)	237
Underwriting and policy acquisition costs, net	106	77	64	112	48	41	25	22	8	6	18	22	(1)	–	268	282
Administrative and other operating expense (excl. depreciation/amortization)	105	67	80	64	33	43	31	6	27	31	31	24	(7)	–	300	235
Interest credited to policyholders and other interest	3	3	37	39	6	4	9	11	1	1	–	3	–	–	56	60
Restructuring provisions and other items not included in BOP	(1)	(15)	–	–	(2)	–	(7)	–	(5)	(7)	5	(2)	–	–	(10)	(23)
<b>Total BOP benefits, losses and expenses</b>	<b>713</b>	<b>3,318</b>	<b>1,047</b>	<b>1,534</b>	<b>995</b>	<b>829</b>	<b>(68)</b>	<b>545</b>	<b>506</b>	<b>618</b>	<b>201</b>	<b>353</b>	<b>(8)</b>	<b>–</b>	<b>3,386</b>	<b>7,196</b>
<b>Business operating profit (before interest, depreciation and amortization)</b>	<b>88</b>	<b>84</b>	<b>111</b>	<b>112</b>	<b>77</b>	<b>65</b>	<b>3</b>	<b>22</b>	<b>47</b>	<b>59</b>	<b>19</b>	<b>27</b>	<b>–</b>	<b>–</b>	<b>346</b>	<b>369</b>
Depreciation and impairments of property and equipment	2	2	3	3	1	1	–	–	–	–	–	–	–	–	6	6
Amortization and impairments of intangible assets	12	11	17	21	–	–	–	–	28	37	5	6	–	–	63	75
Interest expense on debt	1	1	1	–	–	1	–	–	11	14	2	2	–	–	16	17
Business operating profit before non-controlling interests	73	70	90	89	76	63	3	21	7	9	12	19	–	–	261	271
Non-controlling interests	–	–	2	2	–	–	–	–	3	3	–	–	–	–	5	6
<b>Business operating profit</b>	<b>73</b>	<b>70</b>	<b>87</b>	<b>86</b>	<b>76</b>	<b>63</b>	<b>3</b>	<b>21</b>	<b>4</b>	<b>5</b>	<b>12</b>	<b>19</b>	<b>–</b>	<b>–</b>	<b>256</b>	<b>265</b>
Supplementary information																
Gross written premiums and policy fees from external customers	344	408	746	726	879	704	95	210	446	554	150	189	–	–	2,660	2,791
Property, equipment and intangible assets <sup>1</sup>	356	350	954	911	159	157	5	5	2,081	1,991	181	154	–	–	3,736	3,569

<sup>1</sup> As of March 31, 2011 and December 31, 2010, respectively

## Global Life (unaudited)

Global Life –  
Asia-Pacific and  
Middle East

in USD millions, for the three months ended March 31

	Asia-Pacific and Middle East		of which Mature Markets	
	2011	2010	2011	2010
Insurance deposits	385	303	14	14
Gross written premiums	116	131	83	68
Policy fees	27	73	14	12
Gross written premiums and policy fees	143	204	97	79
Net earned premiums and policy fees	119	177	80	64
Net investment income on Group investments	14	12	6	5
Net capital gains/(losses) and impairments on Group investments	3	(11)	7	(19)
Net investment result on Group investments	17	1	13	(14)
Net investment result on unit-linked investments	(49)	480	46	16
Total BOP benefits, losses and expenses	102	689	152	104
<b>Business operating profit</b>	<b>32</b>	<b>7</b>	<b>18</b>	<b>(10)</b>

## Global Life (unaudited)

Global Life – Total investments	in %, as of		North America		Latin America		Europe		Asia-Pacific and Middle East		Other		Total	
	03/31/11	12/31/10	03/31/11	12/31/10	03/31/11	12/31/10	03/31/11	12/31/10	03/31/11	12/31/10	03/31/11	12/31/10	03/31/11	12/31/10
	Total Group investments	93.5	93.7	83.5	83.8	51.7	51.6	18.3	18.8	20.7	23.0	51.3	51.2	
Cash and cash equivalents	0.1	0.2	3.2	3.0	3.1	2.3	12.4	13.3	16.7	16.4	3.2	2.5		
Equity securities	3.4	3.1	1.6	1.7	4.1	4.7	32.0	31.1	1.7	3.2	4.6	5.2		
Debt securities	90.9	91.0	79.9	79.1	62.0	61.7	46.1	46.3	81.6	80.4	64.0	63.8		
Investments in associates and joint ventures	–	–	–	–	0.0	0.0	2.9	2.9	–	–	0.1	0.1		
Other investments	5.6	5.7	15.4	16.2	30.8	31.2	6.6	6.4	–	–	28.1	28.4		
Investments for unit-linked contracts	6.5	6.3	16.5	16.2	48.3	48.4	81.7	81.2	79.3	77.0	48.7	48.8		
<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>

Global Life – Reserves for life insurance contracts and liabilities for investment contracts, net of reinsurance	in USD millions, as of		North America		Latin America		Europe		Asia-Pacific and Middle East		Other		Intersegment Elimination		Total	
	03/31/11	12/31/10	03/31/11	12/31/10	03/31/11	12/31/10	03/31/11	12/31/10	03/31/11	12/31/10	03/31/11	12/31/10	03/31/11	12/31/10	03/31/11	12/31/10
	Unit-linked insurance and investment contracts	868	845	514	505	90,608	87,287	10,882	10,701	1,704	1,552	–	–	104,576	100,891	
Other life insurance liabilities	5,104	5,107	2,032	2,042	80,984	77,507	1,372	1,378	297	267	2	4	89,792	86,306		
<b>Total reserves and liabilities</b>	<b>5,972</b>	<b>5,952</b>	<b>2,546</b>	<b>2,547</b>	<b>171,592</b>	<b>164,794</b>	<b>12,254</b>	<b>12,080</b>	<b>2,001</b>	<b>1,819</b>	<b>2</b>	<b>4</b>	<b>194,368</b>	<b>187,196</b>		

## Farmers (unaudited)

Farmers –  
Overview

in USD millions, for the three months ended March 31

	Farmers Management Services		Farmers Re		Eliminations		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Gross written premiums and policy fees	–	–	707	1,495	–	–	707	1,495
Net earned premiums and policy fees	–	–	738	1,597	–	–	738	1,597
Management fees and other related revenues	682	703	–	–	–	–	682	703
Insurance benefits and losses, net	–	–	(493)	(1,041)	–	–	(493)	(1,041)
Management and other related expenses	(366)	(361)	–	–	–	–	(366)	(361)
Total net technical expenses	–	–	(231)	(497)	–	–	(231)	(497)
Gross management result	316	342	–	–	–	–	n/a	n/a
Net underwriting result	–	–	14	60	–	–	n/a	n/a
Net investment income	14	14	22	28	–	–	36	42
Other net income/Net non-technical result (excl. items not included in BOP)	(1)	(5)	15	23	–	–	14	18
Business operating profit before non-controlling interests	329	351	51	111	–	–	380	462
Business operating profit	329	351	51	111	–	–	380	462
Ratios, as % of net earned premiums and policy fees								
Loss ratio	–	–	66.9%	65.2%	–	–	–	–
Expense ratio	–	–	31.3%	31.1%	–	–	–	–
Combined ratio	–	–	98.1%	96.3%	–	–	–	–

## Additional information (unaudited)

Principal exchange rates	USD per foreign currency unit	Balance sheets		Income statements and cash flows	
		03/31/2011	12/31/2010	03/31/2011	03/31/2010
		Euro	1.4184	1.3391	1.3681
Swiss franc	1.0916	1.0707	1.0633	0.9462	
British pound	1.6047	1.5596	1.6018	1.5611	

Currency translation impact on key financial figures – General Insurance	variance over the prior period, for the three months ended March 31, 2011	in USD		change	change in
		millions	in %	in USD	local currency
	Gross written premiums and policy fees	243	2%	1%	(2%)
	Net investment income on total investments	14	2%	(2%)	(4%)
	Net capital gains/(losses) and impairments on total investments	–	–	25%	25%
	Insurance benefits and losses, net of reinsurance	(131)	(3%)	(6%)	(3%)
	Business operating profit	(12)	(2%)	(56%)	(54%)

Currency translation impact on key financial figures – Global Life	variance over the prior period, for the three months ended March 31, 2011	in USD		change	change in
		millions	in %	in USD	local currency
	Insurance deposits	26	1%	(4%)	(5%)
	Gross written premiums	101	4%	(3%)	(6%)
	Policy fees	5	1%	(22%)	(23%)
	Gross written premiums and policy fees	106	3%	(6%)	(10%)
	Net investment result on Group investments	17	2%	(11%)	(13%)
	Net investment income on Group investments	16	2%	2%	1%
	Net capital gains/(losses) and impairments on Group investments	1	1%	nm	nm
	Net investment result on unit-linked investments	15	–	(95%)	(96%)
	Insurance benefits and losses, net of reinsurance	(94)	(4%)	2%	6%
	Business operating profit	11	3%	3%	–



## 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	
	2011	2010	2011	2010	2011	2010
Group investments						
Cash and cash equivalents	12	13	–	2	11	15
Equity securities	84	66	57	85	141	151
Debt securities	1,336	1,335	(52)	248	1,284	1,583
Real estate held for investment	125	118	49	(7)	175	111
Mortgage loans	122	133	(7)	(17)	115	116
Other loans	160	169	22	–	182	169
Investments in associates and joint ventures	2	4	(50)	(22)	(48)	(17)
Derivative financial instruments <sup>2</sup>	–	–	(101)	(97)	(101)	(97)
Investment result, gross, for Group investments	1,841	1,839	(81)	191	1,760	2,030
Investment expenses for Group investments <sup>3</sup>	(61)	(60)	–	–	(61)	(60)
Investment result, net, for Group investments	1,780	1,779	(81)	191	1,699	1,970
Investments for unit-linked contracts						
Investment result, net, for investments for unit-linked contracts	366	368	(63)	4,164	303	4,533
Total investments						
Investment result, net, for total investments	2,146	2,148	(144)	4,356	2,002	6,503

<sup>1</sup> Impairment charges on investments amounted in total to USD 54 million and USD 114 million for the three months ended March 31, 2011 and 2010, respectively, of which impairments on equity securities comprised USD 41 million and USD 72 million, on debt securities USD 5 million and USD 3 million, and on mortgage loans and investments in associates and joint ventures USD 8 million and USD 39 million for the three months ended March 31, 2011 and 2010, respectively.

<sup>2</sup> Net capital gains/(losses) on derivatives attributable to cash flow hedges ineffectiveness amounted to USD 4 million and USD 14 million for the three months ended March 31, 2011 and 2010, respectively.

<sup>3</sup> Including rental operating expense for real estate held for Group investments of USD 30 million for the three months period in both 2011 and 2010.

## Additional information (unaudited)

Details of investments by category	as of	Group investments				Investments for unit-linked products		Total investments	
		03/31/11		12/31/10		03/31/11	12/31/10	03/31/11	12/31/10
		USD millions	% of total	USD millions	% of total	USD millions	USD millions	USD millions	USD millions
Cash and cash equivalents		10,282	5.1	8,182	4.2	1,521	1,544	11,803	9,726
Equity securities:									
Fair value through profit or loss		3,798	1.9	3,931	2.0	88,345	85,765	92,142	89,695
of which:									
Trading securities		477	0.2	473	0.2	–	–	477	473
Securities designated at fair value through profit or loss		3,320	1.6	3,458	1.8	88,345	85,765	91,665	89,223
Available-for-sale		9,772	4.8	9,798	5.0	–	–	9,772	9,798
Total equity securities		13,570	6.7	13,729	7.0	88,345	85,765	101,915	99,494
Debt securities:									
Fair value through profit or loss		6,773	3.4	6,869	3.5	10,353	9,376	17,125	16,245
of which:									
Trading securities		43	0.0	43	0.0	–	–	43	43
Securities designated at fair value through profit or loss		6,730	3.3	6,826	3.5	10,353	9,376	17,083	16,202
Available-for-sale		131,050	65.0	128,257	65.5	–	–	131,050	128,257
Held-to-maturity		5,456	2.7	5,129	2.6	–	–	5,456	5,129
Total debt securities		143,279	71.1	140,254	71.6	10,353	9,376	153,632	149,630
Real estate held for investment		8,523	4.2	8,274	4.2	4,163	4,081	12,685	12,355
Mortgage loans		12,041	6.0	11,851	6.0	–	–	12,041	11,851
Other loans		13,695	6.8	13,419	6.9	6,967	7,182	20,662	20,601
Investments in associates and joint ventures		191	0.1	188	0.1	–	–	191	188
Total investments		201,580	100.0	195,898	100.0	111,349	107,947	312,930	303,845

Equity securities (including trading equity portfolios in capital markets and banking activities)	as of	Group investments				Investments for unit-linked contracts		Total investments	
		03/31/11		12/31/10		03/31/11	12/31/10	03/31/11	12/31/10
		USD millions	% of total	USD millions	% of total	USD millions	USD millions	USD millions	USD millions
Common stocks, including equity unit trusts		10,195	5.1	9,880	5.0	78,331	76,187	88,526	86,067
Unit trusts (debt securities, real estate, short-term investments)		2,797	1.4	3,208	1.6	10,014	9,577	12,810	12,786
Common stock portfolios backing the participating with-profit policyholder contracts		471	0.2	516	0.3	–	–	471	516
Trading equity portfolios in capital markets and banking activities		108	0.1	125	0.1	–	–	108	125
Total equity securities		13,570	6.7	13,729	7.0	88,345	85,765	101,915	99,494

## 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, 2011	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	2	(1)	(3)	(6)	n/a	n/a	n/a	n/a	(22)	(22)	n/a	n/a	1	(2)
Assumed written premiums	(11)	(13)	(7)	(7)	(53)	(53)	(2)	(12)	87	87	20	25	(40)	(40)
Gross written premiums	1	(2)	(3)	(6)	(53)	(53)	(2)	(12)	15	15	20	25	(5)	(8)
Policy fees	nm	nm	(22)	(23)	n/a	n/a	n/a	n/a	4	4	n/a	n/a	(20)	(21)
Gross written premiums and policy fees	1	(2)	(6)	(10)	(53)	(53)	(2)	(12)	9	9	20	25	(6)	(8)
Less premiums ceded to reinsurers	(6)	(7)	15	16	n/a	n/a	(1)	11	29	29	(20)	(25)	(4)	(4)
Net written premiums and policy fees	–	(3)	(6)	(9)	(53)	(53)	(3)	(12)	14	14	n/a	n/a	(7)	(10)
Net change in reserves for unearned premiums	(4)	2	(100)	nm	(70)	(70)	(23)	(23)	nm	nm	nm	nm	(10)	(3)
Net earned premiums and policy fees	(1)	(3)	(6)	(10)	(54)	(54)	(4)	(14)	15	15	nm	nm	(9)	(11)
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	(2)	(4)	(11)	(13)	(16)	(16)	8	3	(78)	(79)	6	7	(12)	(14)
Net investment income on Group investments	(2)	(4)	2	1	(16)	(16)	8	3	(17)	(18)	6	7	–	(2)
Net capital gains/(losses) and impairments on Group investments	25	25	nm	nm	n/a	n/a	n/a	n/a	nm	nm	n/a	n/a	nm	nm
Net investment result on unit-linked investments	n/a	n/a	(95)	(96)	n/a	n/a	n/a	n/a	(47)	(47)	n/a	n/a	(93)	(94)
Other income	2	(2)	18	14	(32)	(32)	19	6	2	1	(11)	–	11	9
<b>Total BOP revenues</b>	<b>(1)</b>	<b>(3)</b>	<b>(50)</b>	<b>(52)</b>	<b>(38)</b>	<b>(38)</b>	<b>13</b>	<b>4</b>	<b>(40)</b>	<b>(41)</b>	<b>(3)</b>	<b>3</b>	<b>(29)</b>	<b>(30)</b>
<b>Benefits, losses and expenses</b>														
Insurance benefits and losses, net	(6)	(3)	2	6	53	53	14	23	58	57	n/a	n/a	4	7
Losses and loss adjustment expenses, net	(6)	(3)	61	61	53	53	nm	nm	83	82	nm	nm	5	7
Life insurance death and other benefits, net	nm	nm	16	18	n/a	n/a	40	47	28	28	nm	nm	16	18
(Decrease)/increase in future life policyholders' benefits, net	nm	nm	nm	nm	n/a	n/a	nm	nm	(5)	(5)	nm	nm	nm	nm
Policyholder dividends and participation in profits, net	nm	nm	91	92	n/a	n/a	n/a	n/a	41	41	nm	nm	89	89
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	6	9	11	54	54	–	–	33	33	(37)	(36)	16	17
Administrative and other operating expense (excl. depreciation/amortization)	(7)	(4)	(21)	(18)	1	1	(16)	(11)	5	7	10	2	(9)	(7)
Interest credited to policyholders and other interest	49	52	8	8	97	97	(80)	(78)	7	11	nm	nm	13	14
Restructuring provisions and other items not included in BOP	(9)	(11)	(68)	(69)	(84)	(84)	(24)	(19)	2	2	n/a	n/a	(69)	(69)
Total BOP benefits, losses and expenses (before interest, depreciation and amortization)	(4)	(2)	53	55	43	43	(14)	(9)	41	41	11	2	29	30
<b>Business operating profit (before interest, depreciation and amortization)</b>	<b>(48)</b>	<b>(47)</b>	<b>(1)</b>	<b>(3)</b>	<b>(18)</b>	<b>(18)</b>	<b>9</b>	<b>(9)</b>	<b>(36)</b>	<b>(36)</b>	<b>5</b>	<b>9</b>	<b>(27)</b>	<b>(28)</b>
Depreciation and impairments of property and equipment	(7)	(1)	7	9	36	36	82	84	(52)	(51)	n/a	n/a	25	27
Amortization and impairments of intangible assets	(8)	(5)	12	12	(2)	(2)	(43)	(28)	38	39	n/a	n/a	1	3
Interest expense on debt	8	8	9	8	n/a	n/a	5	10	3	3	(5)	(9)	6	10
Business operating profit before non-controlling interests	(56)	(54)	2	(1)	(18)	(18)	13	12	(75)	(73)	n/a	n/a	(33)	(33)
Non-controlling interests	86	86	37	37	n/a	n/a	n/a	n/a	(2)	(2)	n/a	n/a	66	66
<b>Business operating profit</b>	<b>(56)</b>	<b>(54)</b>	<b>3</b>	<b>–</b>	<b>(18)</b>	<b>(18)</b>	<b>13</b>	<b>12</b>	<b>(75)</b>	<b>(74)</b>	<b>n/a</b>	<b>n/a</b>	<b>(33)</b>	<b>(33)</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, 2011														
	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	1	(1)	4	–	(3)	(3)	9	7	(1)	(2)	(1)	2	3	–	
Cash and cash equivalents	(3)	(6)	30	24	(6)	(6)	(36)	(37)	(9)	(11)	31	33	26	23	
Equity securities	4	2	(7)	(10)	6	6	1	(1)	(5)	(7)	n/a	n/a	(1)	(3)	
Debt securities	–	(1)	4	–	1	1	2	1	3	3	(4)	–	2	–	
Real estate held for investment	4	–	3	–	–	–	2	–	2	n/a	n/a	n/a	3	–	
Mortgage loans	1	(2)	2	(2)	n/a	n/a	n/a	n/a	(1)	(4)	n/a	n/a	2	(2)	
Other loans	16	13	3	(3)	(5)	(5)	68	64	(1)	(2)	(31)	(28)	2	(3)	
Investments in associates and joint ventures	41	35	1	(1)	n/a	n/a	–	(2)	–	–	n/a	n/a	2	1	
Investments for unit-linked contracts	n/a	n/a	3	–	n/a	n/a	n/a	n/a	1	1	n/a	n/a	3	–	
<b>Total investments</b>	<b>1</b>	<b>(1)</b>	<b>4</b>	<b>–</b>	<b>(3)</b>	<b>(3)</b>	<b>9</b>	<b>7</b>	<b>–</b>	<b>(1)</b>	<b>(1)</b>	<b>2</b>	<b>3</b>	<b>–</b>	
Reinsurers' share of reserves for insurance contracts	1	(1)	6	3	nm	nm	(68)	(69)	(1)	(2)	23	27	1	–	
Deposits made under assumed reinsurance contracts	–	(1)	12	6	(12)	(12)	n/a	n/a	1	1	(2)	(2)	(9)	(9)	
Deferred policy acquisition costs	6	4	6	2	18	18	50	50	(2)	(2)	nm	nm	6	3	
Deferred origination costs	n/a	n/a	4	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4	–	
Goodwill	4	–	7	2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3	–	
Other intangible assets	4	–	4	(1)	(1)	(1)	2	–	(13)	(16)	n/a	n/a	3	(1)	
Other assets	8	6	3	(1)	(10)	(10)	30	28	(6)	(7)	12	14	9	7	
<b>Total assets (after cons. of investments in subsidiaries)</b>	<b>2</b>	<b>–</b>	<b>4</b>	<b>–</b>	<b>(7)</b>	<b>(7)</b>	<b>11</b>	<b>9</b>	<b>–</b>	<b>(1)</b>	<b>1</b>	<b>4</b>	<b>3</b>	<b>–</b>	
<b>Liabilities</b>															
Liabilities for investment contracts	n/a	n/a	3	(1)	n/a	n/a	n/a	n/a	n/a	n/a	nm	nm	4	–	
Reserves for insurance contracts, gross	4	2	4	–	(7)	(7)	11	11	(1)	(1)	23	28	4	1	
Reserves for losses and loss adjustment expenses, gross	2	–	(7)	(6)	(8)	(8)	(1)	(1)	(1)	(3)	2	5	2	–	
Reserves for unearned premiums, gross	15	12	22	16	(4)	(4)	24	24	(7)	(8)	12	nm	14	12	
Future life policyholders' benefits, gross	(6)	(10)	5	–	n/a	n/a	88	85	(2)	(2)	83	84	5	1	
Policyholders' contract deposits and other funds, gross	3	1	–	(3)	n/a	n/a	n/a	n/a	(1)	(2)	(86)	(86)	–	(3)	
Reserves for unit-linked contracts, gross	n/a	n/a	4	–	n/a	n/a	(2)	n/a	1	1	n/a	n/a	4	–	
Debt related to capital markets and banking activities	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	–	–	–	–	n/a	–	
Senior debt	(4)	(7)	19	15	n/a	n/a	2	1	1	(2)	(1)	1	4	2	
Subordinated debt	–	–	(67)	(68)	n/a	n/a	14	13	4	2	19	20	14	13	
Other liabilities	(4)	(7)	3	–	(21)	(21)	nm	nm	(2)	(4)	(10)	(3)	6	4	
<b>Total liabilities</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>–</b>	<b>(13)</b>	<b>(13)</b>	<b>15</b>	<b>13</b>	<b>(1)</b>	<b>(1)</b>	<b>1</b>	<b>4</b>	<b>4</b>	<b>1</b>	
<b>Equity</b>															
Common shareholders' equity														(5)	(21)
Preferred securities														(30)	(31)
Shareholders' equity														(6)	(21)
Non-controlling interests														10	nm
Total equity														(5)	(7)
<b>Total liabilities and equity</b>														<b>3</b>	<b>–</b>
<b>Supplementary segment information</b>															
Reserves for losses and loss adjustment expenses, net	3	1	(5)	(4)	(8)	(8)	–	–	(3)	(4)	86	84	2	–	
Reserves for unearned premiums, net	16	13	20	15	(4)	(4)	24	24	(13)	(13)	n/a	n/a	14	12	
Future life policyholders' benefits, net	5	1	5	–	nm	nm	88	85	(2)	(2)	(86)	(84)	5	–	
Policyholders' contract deposits and other funds, net	3	1	–	(3)	n/a	n/a	n/a	n/a	(4)	(4)	(10)	(10)	–	(3)	
Reserves for unit-linked contracts, net	n/a	n/a	4	–	n/a	n/a	(2)	n/a	1	1	n/a	n/a	4	–	
<b>Reserves for insurance contracts, net</b>	<b>5</b>	<b>3</b>	<b>4</b>	<b>–</b>	<b>1</b>	<b>1</b>	<b>11</b>	<b>11</b>	<b>–</b>	<b>(1)</b>	<b>(10)</b>	<b>(10)</b>	<b>4</b>	<b>1</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, 2011													
	Global Corporate		North America Commercial		Europe		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	6	3	(3)	(3)	(1)	(4)	21	15	(3)	(2)	(61)	(61)	1	(2)
Net earned premiums and policy fees	3	(1)	(3)	(3)	(4)	(6)	13	8	nm	nm	n/a	n/a	(1)	(3)
Insurance benefits and losses, net	(50)	(44)	(3)	(2)	11	12	(45)	(36)	nm	nm	n/a	n/a	(6)	(3)
Policyholder dividends and participation in profits, net	(93)	nm	28	28	nm	nm	n/a	n/a	n/a	n/a	n/a	n/a	nm	nm
Total net technical expenses	4	9	10	10	(1)	1	(6)	(1)	(46)	(48)	nm	nm	2	4
Net underwriting result	nm	nm	(51)	(51)	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Net investment income	6	2	(6)	(6)	(5)	(7)	9	4	(3)	(4)	(73)	(73)	(2)	(4)
Net capital gains/(losses) and impairments on investments	16	16	44	44	(100)	(100)	n/a	n/a	n/a	n/a	n/a	n/a	25	25
Net non-technical result (excl. items not included in BOP)	41	35	26	27	3	7	nm	nm	nm	nm	nm	nm	(14)	(10)
Business operating profit before non-controlling interests	nm	nm	(8)	(9)	45	37	nm	nm	nm	nm	n/a	n/a	(56)	(54)
Non-controlling interests	(90)	(90)	nm	nm	nm	nm	95	95	n/a	n/a	n/a	n/a	86	86
Business operating profit	nm	nm	(9)	(9)	43	36	nm	nm	nm	nm	n/a	n/a	(56)	(54)

Key information – Europe by country – FX adjusted	variance in % over the prior period, for the three months ended March 31, 2011															
	United Kingdom		Germany		Switzerland		Italy		Spain		Rest of Europe		Eliminations		Total	
	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC
Gross written premiums and policy fees	(11)	(13)	1	2	8	(3)	(8)	(7)	(11)	(10)	–	1	nm	nm	(1)	(4)
Net earned premiums and policy fees	(11)	(13)	(3)	(2)	10	(1)	(6)	(5)	(6)	(5)	(9)	(8)	n/a	n/a	(4)	(6)
Net underwriting result	nm	nm	(17)	(16)	nm	92	82	82	(17)	(16)	60	60	nm	nm	nm	nm
Business operating profit	(18)	(20)	(13)	(12)	76	56	nm	nm	(40)	(40)	nm	nm	n/a	n/a	43	36

International Markets by region – FX adjusted	variance in % over the prior period, for the three months ended March 31, 2011									
	Latin America		Asia-Pacific		Middle East and Africa		Eliminations		Total	
	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC
Gross written premiums and policy fees	26	24	29	19	2	(2)	nm	nm	21	15
Net earned premiums and policy fees	33	34	14	5	(9)	(13)	n/a	n/a	13	8
Net underwriting result	nm	nm	nm	nm	nm	nm	n/a	n/a	nm	nm
Business operating profit	nm	nm	nm	nm	nm	nm	n/a	n/a	nm	nm

## 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, 2011

	North America		Latin America		Europe		Asia Pacific and Middle East		Other		Eliminations		Total	
	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC
<b>Revenues</b>														
Life insurance deposits	(1)	(1)	nm	nm	(10)	(11)	27	24	nm	nm	n/a	n/a	(4)	(5)
Gross written premiums	7	7	(23)	(26)	(1)	(5)	(11)	(18)	4	(8)	32	39	(3)	(6)
Policy fees	(1)	(1)	(17)	(13)	(19)	(20)	(63)	(65)	61	63	n/a	n/a	(22)	(23)
Gross written premiums and policy fees	4	4	(22)	(25)	(5)	(8)	(30)	(35)	5	(6)	32	39	(6)	(10)
Net earned premiums and policy fees	6	6	(13)	(16)	(5)	(8)	(33)	(38)	14	4	nm	nm	(6)	(10)
Net investment income on Group investments	(3)	(3)	14	8	2	1	18	14	(3)	(11)	n/a	n/a	2	1
Net capital gains/(losses) and impairments on Group investments	nm	nm	nm	nm	nm	nm	nm	nm	n/a	n/a	n/a	n/a	nm	nm
Net investment result on Group investments	(4)	(4)	14	8	(14)	(16)	nm	nm	(4)	(12)	n/a	n/a	(11)	(13)
Net investment income on unit-linked investments	(2)	(2)	(4)	–	1	(1)	47	33	1	2	n/a	n/a	2	–
Net capital gains/(losses) and impairments on unit-linked investments	5	5	(62)	(58)	nm	nm	nm	nm	nm	nm	n/a	n/a	nm	nm
Net investment result on unit-linked investments	9	9	(53)	(49)	(93)	(94)	nm	nm	nm	nm	n/a	n/a	(95)	(96)
Other income	2	2	(34)	(37)	16	15	20	11	36	28	nm	nm	18	14
<b>Total BOP revenues</b>	<b>2</b>	<b>2</b>	<b>(12)</b>	<b>(16)</b>	<b>(51)</b>	<b>(52)</b>	<b>(81)</b>	<b>(83)</b>	<b>(16)</b>	<b>(24)</b>	<b>(91)</b>	<b>(87)</b>	<b>(50)</b>	<b>(52)</b>
<b>Benefits, losses and expenses</b>														
Insurance benefits and losses, net	18	18	24	28	–	3	42	47	(23)	(11)	n/a	n/a	2	6
Policyholder dividends and participation in profits, net	(48)	(48)	29	27	89	90	nm	nm	nm	nm	nm	nm	91	92
Income tax expense/(benefit) attributable to policyholders	n/a	n/a	n/a	n/a	nm	nm	nm	nm	n/a	n/a	n/a	n/a	nm	nm
Underwriting and policy acquisition costs, net	(8)	(8)	(59)	(61)	5	7	57	59	(55)	(49)	nm	nm	9	11
Administrative and other operating expense (excl. depreciation/amortization)	(9)	(9)	(70)	(64)	(28)	(26)	7	15	(29)	(19)	nm	nm	(21)	(18)
Interest credited to policyholders and other interest	9	9	nm	nm	6	7	4	4	nm	nm	n/a	n/a	8	8
Restructuring provisions and other items not included in BOP	n/a	n/a	n/a	n/a	(58)	(59)	(99)	(99)	n/a	n/a	n/a	n/a	(68)	(69)
<b>Total BOP benefits, losses and expenses</b>	<b>3</b>	<b>3</b>	<b>7</b>	<b>11</b>	<b>53</b>	<b>54</b>	<b>85</b>	<b>87</b>	<b>11</b>	<b>19</b>	<b>91</b>	<b>87</b>	<b>53</b>	<b>55</b>
<b>Business operating profit (before interest, depreciation and amortization)</b>	<b>22</b>	<b>22</b>	<b>(43)</b>	<b>(44)</b>	<b>(6)</b>	<b>(9)</b>	<b>nm</b>	<b>nm</b>	<b>nm</b>	<b>nm</b>	<b>n/a</b>	<b>n/a</b>	<b>(1)</b>	<b>(3)</b>
Depreciation and impairments of property and equipment	3	3	(24)	(18)	3	5	31	33	46	47	n/a	n/a	7	9
Amortization and impairments of intangible assets	(57)	(57)	76	78	16	15	13	17	10	12	n/a	n/a	12	12
Interest expense on debt	(4)	(4)	n/a	n/a	10	9	nm	nm	nm	nm	n/a	n/a	9	8
Business operating profit before non-controlling interests	19	19	(43)	(44)	(4)	(7)	nm	nm	nm	nm	n/a	n/a	2	(1)
Non-controlling interests	n/a	n/a	89	89	2	2	n/a	n/a	(23)	(23)	n/a	n/a	37	37
<b>Business operating profit</b>	<b>19</b>	<b>19</b>	<b>(36)</b>	<b>(37)</b>	<b>(4)</b>	<b>(7)</b>	<b>nm</b>	<b>nm</b>	<b>nm</b>	<b>nm</b>	<b>n/a</b>	<b>n/a</b>	<b>3</b>	<b>–</b>

## Summary of quarterly consolidated financial information (unaudited)

Summary of  
quarterly  
consolidated  
financial  
information

in USD millions, for the three months ended	03/31/11	12/31/10	09/30/10	06/30/10	03/31/10	12/31/09	09/30/09	06/30/09	03/31/09
Gross written premiums and policy fees	<b>14,091</b>	11,857	11,721	11,403	14,983	13,352	13,039	13,184	14,242
Net earned premiums and policy fees	<b>10,828</b>	11,946	10,968	10,670	11,925	12,757	11,993	11,198	11,280
Net investment result on Group investments	<b>1,699</b>	1,702	2,309	2,008	1,970	1,684	1,970	1,515	759
Net investment income on Group investments	<b>1,780</b>	1,785	1,747	1,782	1,779	1,935	1,831	1,907	1,832
Net capital gains/(losses) on Group investments and impairments	<b>(81)</b>	(83)	563	227	191	(251)	140	(392)	(1,073)
Net investment result on unit-linked investments	<b>303</b>	4,829	4,900	(4,169)	4,533	2,549	9,004	4,226	(3,303)
Other revenues	<b>1,028</b>	1,084	1,132	1,027	1,014	1,281	1,172	1,031	1,004
<b>Total revenues</b>	<b>13,858</b>	19,561	19,309	9,537	19,443	18,270	24,139	17,969	9,741
Insurance benefits and losses, net of reinsurance	<b>8,519</b>	8,823	8,221	8,535	8,906	9,379	9,418	7,540	8,766
Policyholder dividends and participation in profits, net of reinsurance	<b>529</b>	4,875	5,080	(3,936)	4,781	2,629	9,041	4,418	(3,229)
Other expenses	<b>3,991</b>	4,432	4,755	4,252	4,258	4,842	3,997	4,016	3,765
<b>Total benefits, losses and expenses</b>	<b>13,038</b>	18,130	18,055	8,851	17,945	16,850	22,456	15,974	9,301
Net income before income taxes	<b>820</b>	1,431	1,254	686	1,497	1,420	1,683	1,995	439
Net income attributable to shareholders	<b>637</b>	1,040	751	707	935	1,028	968	1,434	532
<b>Business operating profit</b>	<b>849</b>	1,350	1,240	1,027	1,259	1,527	1,513	1,491	1,061

# 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 unaudited Consolidated financial statements for the three months ended March 31, 2011.

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. BOP 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 restructuring charges, charges for litigation outside the ordinary course of business and 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.

**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 the Group's 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 the Group's 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.

**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 policy fees line item within the consolidated income statement. 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 are managed but not owned 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 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.

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.

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