

Financial supplement 2011

Zurich Financial Services Group
Half Year Report 2011

Contents

Results for the six months to June 30, 2011 Financial supplement (unaudited)

Financial highlights (unaudited)

Business operating profit by business segment	3
Adjusted business operating profit by business segment	4
Reconciliation of BOP to net income after income taxes	4
Assets and liabilities by business segment	5

General Insurance (unaudited)

General Insurance	
– Customer segment overview	6
– Revenues by region	7
– Assets by region	8
Key information – Europe by country	9
Customer segment reporting - Europe Commercial and Personal	9
International Markets by region	10
Customer segment reporting – International Markets Commercial and Personal	10
International Markets – Mature Markets in Asia-Pacific	10

Global Life (unaudited)

Overview	11
Europe	12
Asia-Pacific and Middle East	13
Total investments	14
Reserves for life insurance contracts and liabilities for investment contracts, net of reinsurance	14

Farmers (unaudited)

Overview	15
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Additional information (unaudited)

Principal exchange rates	16
Currency translation impact on key financial figures	
– General Insurance	16
– Global Life	17
Investment result	17
Details of investments by category	18
Equity securities (including trading equity portfolios in capital markets and banking activities)	18

Information for the three months ended June 30 (unaudited)

Business operating profit by business segment	19
Reconciliation of BOP to net income after income taxes	20
General Insurance - Customer segment overview	21
Global Life - Overview	22
Farmers - Overview	23

Information for the six months ended June 30 – FX adjusted (unaudited)

Business operating profit by business segment – FX adjusted	24
Assets and liabilities by business segment – FX adjusted	25
General Insurance – Customer segment overview – FX adjusted	26
Key information – Europe by country – FX adjusted	26
International Markets by region – FX adjusted	26
Global Life – Overview – FX adjusted	27

Summary of quarterly consolidated financial information (unaudited)

Summary of quarterly consolidated financial information	28
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Explanatory notes

Explanatory notes	29
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Financial highlights (unaudited)

Business operating profit by business segment

in USD millions, for the six months ended June 30

	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Eliminations		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Revenues														
Direct written premiums ¹	17,795	16,857	4,885	4,649	–	–	–	–	59	70	–	–	22,739	21,576
Assumed written premiums	1,080	1,080	48	49	1,481	2,491	67	65	81	39	(107)	(120)	2,650	3,605
Gross Written Premiums	18,876	17,938	4,933	4,698	1,481	2,491	67	65	139	110	(107)	(120)	25,389	25,182
Policy fees	–	3	1,159	1,089	–	–	–	–	132	113	–	–	1,291	1,205
Gross written premiums and policy fees	18,876	17,940	6,092	5,787	1,481	2,491	67	65	271	223	(107)	(120)	26,680	26,387
Less premiums ceded to reinsurers	(2,987)	(2,769)	(339)	(399)	–	–	(26)	(24)	(698)	(11)	107	120	(3,944)	(3,084)
Net written premiums and policy fees	15,889	15,171	5,753	5,388	1,481	2,491	41	41	(427)	211	–	–	22,737	23,303
Net change in reserves for unearned premiums	(1,571)	(1,393)	(31)	(10)	2	691	1	1	2	1	–	3	(1,597)	(707)
Net earned premiums and policy fees	14,318	13,778	5,722	5,379	1,483	3,182	42	42	(425)	212	–	3	21,139	22,595
Farmers management fees and other related revenues	–	–	–	–	1,375	1,399	–	–	–	–	–	–	1,375	1,399
Net investment result on Group investments	1,447	1,444	2,153	2,176	70	83	270	260	192	360	(417)	(437)	3,714	3,886
Net investment income on Group investments	1,426	1,439	2,082	1,952	70	83	270	260	224	263	(417)	(437)	3,655	3,561
Net capital gains/(losses) and impairments on Group investments	21	5	70	224	–	–	–	–	(32)	96	–	–	59	326
Net investment result on unit-linked investments	–	–	647	358	–	–	–	–	156	6	–	–	804	364
Other income	408	313	483	375	35	47	427	369	49	58	(688)	(521)	713	641
Total BOP revenues	16,172	15,534	9,005	8,288	2,963	4,712	739	671	(28)	636	(1,105)	(955)	27,745	28,886
<i>of which: inter-segment revenues</i>	<i>(246)</i>	<i>(184)</i>	<i>(160)</i>	<i>(116)</i>	<i>(35)</i>	<i>(36)</i>	<i>(633)</i>	<i>(585)</i>	<i>(31)</i>	<i>(34)</i>	<i>1,105</i>	<i>955</i>	<i>–</i>	<i>–</i>
Benefits, losses and expenses														
Insurance benefits and losses, net ¹	10,429	9,785	4,853	4,663	1,045	2,143	37	37	(388)	813	–	–	15,976	17,441
Losses and loss adjustment expenses, net	10,418	9,775	35	31	1,045	2,143	2	–	(633)	133	2	–	10,869	12,083
Life insurance death and other benefits, net	11	9	4,717	5,024	–	–	26	37	275	338	(1)	–	5,028	5,407
(Decrease)/increase in future life policyholders' benefits, net ¹	(1)	1	101	(392)	–	–	10	–	(30)	342	(1)	–	78	(50)
Policyholder dividends and participation in profits, net	5	1	1,157	910	–	–	–	–	212	(68)	–	3	1,374	845
Income tax expense/(benefit) attributable to policyholders	–	–	(29)	(3)	–	–	–	–	–	–	–	–	(29)	(3)
Underwriting and policy acquisition costs, net	2,700	2,711	848	763	454	990	–	–	5	4	(2)	(2)	4,006	4,467
Administrative and other operating expense (excl. depreciation/amortization)	1,784	1,471	1,036	839	657	659	485	507	92	94	(678)	(512)	3,377	3,058
Interest credited to policyholders and other interest	12	23	201	211	–	1	3	1	31	34	(3)	(1)	244	268
Restructuring provisions and other items not included in BOP	(121)	(86)	–	(40)	(4)	(16)	42	(82)	–	(5)	–	–	(82)	(229)
Total BOP benefits, losses and expenses (before interest, depreciation and amortization)	14,809	13,904	8,067	7,343	2,152	3,777	568	463	(48)	872	(683)	(512)	24,866	25,847
Business operating profit (before interest, depreciation and amortization)	1,363	1,630	937	945	810	935	171	208	19	(236)	(422)	(443)	2,880	3,039
Depreciation and impairments of property and equipment	46	39	15	16	27	37	6	13	3	2	–	–	96	107
Amortization and impairments of intangible assets	105	89	152	152	55	53	34	26	1	7	–	–	346	327
Interest expense on debt	103	113	28	35	–	–	528	530	50	49	(422)	(443)	287	283
Business operating profit before non-controlling interests	1,110	1,390	742	743	729	845	(397)	(361)	(34)	(294)	–	–	2,150	2,322
Non-controlling interests	3	13	14	23	–	–	–	–	–	–	–	–	18	36
Business operating profit	1,106	1,377	728	720	729	845	(397)	(361)	(34)	(295)	–	–	2,132	2,286
Supplementary information														
Additions and capital improvements to property, equipment and intangible assets ²	157	299	53	96	92	236	46	91	(1)	24	–	–	347	747

¹ The Global Life segment includes approximately USD 486 million and USD 617 million of gross written premiums and future life policyholders' benefits for certain universal life-type contracts in the Group's Spanish operations for the six months ended June 30, 2011 and 2010, respectively (see note 3 of the Group's Annual Report 2010).

² As of June 30, 2011 and December 31, 2010, respectively.

Financial highlights (unaudited)

Adjusted business operating profit by business segment

in USD millions, as of June 30

	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Average allocated common shareholders' equity	16,026	15,140	8,329	6,975	3,033	3,260	1,709	1,573	2,234	1,401	31,331	28,349
Adjusted business operating profit	1,075	1,336	659	649	702	814	(267)	(208)	(37)	(305)	2,132	2,286
Adjusted BOP return on common shareholders' equity	13.4%	17.6%	15.8%	18.6%	46.3%	49.9%	(31.7%)	(27.2%)	(3.4%)	(43.5%)	13.6%	16.1%
BOPAT return on average allocated common shareholders' equity											10.5%	12.4%

Reconciliation of BOP to net income after income taxes

in USD millions, for the six months ended June 30

	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Business operating profit	1,106	1,377	728	720	729	845	(397)	(361)	(34)	(295)	2,132	2,286
Revenues/(expenses) not included in BOP:												
Net capital gains/(losses) on investments and impairments, net of policyholder allocation	418	19	38	11	(4)	(1)	34	82	16	(18)	502	92
Net gain/(loss) on divestments of businesses	–	–	10	–	–	–	–	–	–	1	10	1
Restructuring provisions	(71)	(27)	(9)	(17)	(3)	(6)	–	–	–	(1)	(83)	(52)
Other adjustments	(50)	(59)	9	(23)	(1)	(9)	42	(82)	–	(4)	1	(177)
Add back:												
Business operating profit attributable to non-controlling interests	3	13	14	23	–	–	–	–	–	–	18	36
Net income before shareholders' taxes	1,407	1,322	790	714	721	828	(321)	(360)	(17)	(317)	2,580	2,186
Income tax expense/(benefit) attributable to policyholders	–	–	(29)	(3)	–	–	–	–	–	–	(29)	(3)
Net income before income taxes	1,407	1,322	762	711	721	828	(321)	(360)	(17)	(317)	2,552	2,183
Income tax expense (attributable to policyholders and shareholders)											(555)	(505)
Net income after taxes											1,997	1,679

Financial highlights (unaudited)

Assets and liabilities by business segment

in USD millions, as of

	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Eliminations		Total	
	06/30/11	12/31/10	06/30/11	12/31/10	06/30/11	12/31/10	06/30/11	12/31/10	06/30/11	12/31/10	06/30/11	12/31/10	06/30/11	12/31/10
Assets														
Total Group Investments	87,664	85,967	108,025	100,976	4,050	4,526	20,223	20,110	14,463	14,757	(29,049)	(30,438)	205,375	195,898
Cash and cash equivalents	8,180	9,024	3,800	2,564	665	808	8,053	7,158	2,957	3,148	(13,945)	(14,521)	9,708	8,182
Equity securities	5,645	5,561	4,719	5,201	93	83	1,783	2,597	261	287	–	–	12,501	13,729
Debt securities	65,568	64,136	70,046	64,471	1,298	1,296	4,405	4,070	7,383	7,261	(1,033)	(980)	147,667	140,254
Real estate held for investment	3,203	2,940	5,610	4,893	135	135	47	45	270	261	–	–	9,265	8,274
Mortgage loans	1,640	1,495	8,950	8,538	–	–	–	–	1,722	1,819	–	–	12,312	11,851
Other loans	3,420	2,806	14,801	15,212	1,859	2,204	5,930	6,235	1,787	1,900	(14,071)	(14,937)	13,725	13,419
Investments in associates and joint ventures	9	6	98	97	–	–	5	5	83	80	–	–	196	188
Investments for unit-linked contracts	–	–	100,638	96,139	–	–	–	–	11,860	11,808	–	–	112,498	107,947
Total investments	87,664	85,967	208,663	197,116	4,050	4,526	20,223	20,110	26,322	26,565	(29,049)	(30,438)	317,872	303,845
Reinsurers' share of reserves for insurance contracts	14,191	13,314	2,162	1,997	–	212	–	–	4,687	4,328	(744)	(1,041)	20,296	18,809
Deposits made under assumed reinsurance contracts	98	120	15	11	1,837	2,201	–	–	538	530	(27)	(26)	2,462	2,837
Deferred policy acquisition costs	3,774	3,472	13,829	12,686	206	167	–	–	1	1	–	–	17,810	16,326
Deferred origination costs	–	–	891	866	–	–	–	–	–	–	–	–	891	866
Goodwill	912	869	449	411	819	819	5	5	–	–	–	–	2,184	2,104
Other intangible assets	1,293	1,208	3,133	3,022	1,436	1,453	299	269	2	2	–	–	6,162	5,954
Other assets	16,571	14,743	7,233	7,367	970	1,202	2,079	2,714	1,159	1,149	(1,907)	(2,255)	26,105	24,919
Total assets (after cons. of investments in subsidiaries)	124,502	119,693	236,375	223,476	9,318	10,581	22,606	23,097	32,708	32,575	(31,727)	(33,759)	393,781	375,661
Liabilities														
Liabilities for investment contracts	–	–	53,526	50,912	–	–	–	–	–	–	–	(246)	53,526	50,667
Reserves for insurance contracts, gross	85,265	80,170	148,281	138,536	2,392	2,711	66	57	22,071	22,194	(726)	(1,021)	257,350	242,646
Reserves for losses and loss adjustment expenses, gross	66,278	63,826	54	58	1,622	1,938	46	46	2,861	2,953	(671)	(752)	70,190	68,069
Reserves for unearned premiums, gross	17,577	15,050	255	201	771	773	4	5	24	25	(6)	(7)	18,625	16,046
Future life policyholders' benefits, gross	100	103	81,294	74,901	–	–	16	6	4,537	4,569	(49)	(265)	85,899	79,315
Policyholders' contract deposits and other funds, gross	1,310	1,192	14,058	13,397	–	–	–	–	2,790	2,839	–	2	18,158	17,430
Reserves for unit-linked contracts, gross	–	–	52,620	49,978	–	–	–	–	11,859	11,807	–	–	64,479	61,786
Senior debt	5,449	5,152	478	457	–	–	22,888	24,064	2,460	2,462	(24,339)	(25,681)	6,938	6,453
Subordinated debt	1,705	1,700	259	793	–	–	5,817	5,000	179	170	(2,099)	(2,659)	5,862	5,004
Other liabilities	14,011	14,346	18,088	17,960	1,492	2,024	3,047	2,366	5,368	5,026	(4,563)	(4,152)	37,443	37,570
Total liabilities	106,431	101,367	220,633	208,659	3,884	4,735	31,819	31,487	30,078	29,852	(31,727)	(33,759)	361,119	342,340
Equity														
Common shareholders' equity													31,153	31,509
Preferred securities													–	475
Shareholders' equity													31,153	31,984
Non-controlling interests													1,508	1,337
Total equity													32,662	33,321
Total liabilities and equity													393,781	375,661
Supplementary segment information														
Reserves for losses and loss adjustment expenses, net	54,686	52,634	51	54	1,622	1,938	46	46	823	1,311	(1)	(7)	57,227	55,976
Reserves for unearned premiums, net	14,906	12,872	248	197	771	773	4	5	20	21	–	–	15,948	13,868
Future life policyholders' benefits, net	98	89	79,155	72,935	–	(212)	16	6	4,035	4,065	1	7	83,306	76,891
Policyholders' contract deposits and other funds, net	1,289	1,170	14,040	13,370	–	–	–	–	604	623	18	20	15,952	15,184
Reserves for unit-linked contracts, net	–	–	52,620	49,978	–	–	–	–	11,859	11,807	–	–	64,479	61,786
Reserves for insurance contracts, net	70,980	66,766	146,115	136,535	2,392	2,499	66	57	17,341	17,828	18	20	236,912	223,704

General Insurance (unaudited)

General Insurance – Customer segment overview	in USD millions, for the six months ended June 30													
	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	4,714	4,245	4,852	4,995	7,480	7,092	2,212	1,858	266	279	(648)	(530)	18,876	17,940
Net earned premiums and policy fees	2,663	2,382	3,615	3,715	6,392	6,273	1,614	1,382	33	26	–	–	14,318	13,778
Insurance benefits and losses, net	2,327	1,690	2,500	2,426	4,362	4,595	1,273	955	(34)	119	–	–	10,429	9,785
Policyholder dividends and participation in profits, net	–	(1)	5	4	–	(3)	–	–	–	–	–	–	5	1
Total net technical expenses	523	480	1,084	1,143	1,614	1,577	552	496	17	16	(1)	1	3,789	3,713
Net underwriting result	(187)	213	26	142	416	104	(211)	(69)	50	(110)	1	(1)	95	279
Net investment income	298	278	509	554	471	468	116	105	31	32	–	2	1,426	1,439
Net capital gains/(losses) and impairments on investments	5	1	16	3	–	1	–	–	–	–	–	–	21	5
Net non-technical result (excl. items not included in BOP)	(56)	(30)	(125)	(140)	(171)	(167)	(45)	6	(33)	(2)	(2)	(1)	(432)	(333)
Business operating profit before non-controlling interests	60	462	427	558	716	406	(140)	43	47	(80)	–	–	1,110	1,390
Non-controlling interests	–	–	–	–	2	(4)	1	17	–	–	–	–	3	13
Business operating profit	60	462	426	558	714	410	(141)	26	47	(80)	–	–	1,106	1,377
Adjusted business operating profit	72	472	409	535	695	391	(149)	17	49	(80)	–	–	1,075	1,336
Adjusted business operating profit return on common shareholders' equity	3.4%	24.9%	15.2%	21.6%	30.1%	17.3%	(26.7%)	3.2%	13.0%	(20.4%)	–	–	13.4%	17.6%
Ratios, as % of net earned premiums and policy fees														
Loss ratio	87.4%	70.9%	69.2%	65.3%	68.2%	73.3%	78.9%	69.1%	nm	nm	n/a	n/a	72.8%	71.0%
Expense ratio	19.6%	20.1%	30.1%	30.9%	25.3%	25.1%	34.2%	35.9%	nm	nm	n/a	n/a	26.5%	27.0%
Combined ratio	107.0%	91.1%	99.3%	96.2%	93.5%	98.3%	113.0%	105.0%	nm	nm	n/a	n/a	99.3%	98.0%

General Insurance (unaudited)

General Insurance –
Revenues by region

in USD millions, for the six months ended June 30

	Gross written premiums and policy fees from external customers		of which Global Corporate	
	2011	2010	2011	2010
Middle East	41	31	41	31
Africa				
South Africa	301	323		
Morocco	71	61		
Subtotal Africa	372	383	–	–
Latin America				
Argentina	130	112		
Brazil	275	204		
Chile	120	94		
Mexico	144	130		
Venezuela	84	85		
Rest of Latin America	15	12		
Subtotal Latin America	769	638	–	–
North America				
United States	5,849	5,832		
Rest of North America	496	465		
Subtotal North America	6,345	6,297	1,581	1,406
Asia-Pacific				
Australia	567	468		
Hong Kong	87	75		
Japan	359	305		
Taiwan	65	61		
Rest of Asia-Pacific	120	90		
Subtotal Asia-Pacific	1,198	998	293	230
Europe				
United Kingdom	2,130	2,135		
Germany	2,145	1,967		
Switzerland	2,310	1,991		
Italy	1,098	1,109		
Spain	973	959		
Rest of Europe	1,487	1,416		
Subtotal Europe	10,142	9,577	2,597	2,426
Total	18,868	17,925	4,513	4,093

General Insurance (unaudited)

General Insurance – Assets by region	in USD millions, as of	Property, equipment and intangible assets	
		06/30/11	12/31/10
Middle East		1	–
Africa			
South Africa		23	25
Morocco		39	35
Subtotal Africa		61	60
Latin America			
Argentina		5	4
Brazil		180	151
Chile		1	1
Mexico		11	11
Venezuela		9	8
Rest of Latin America		9	8
Subtotal Latin America		215	183
North America			
United States		246	232
Rest of North America		8	8
Subtotal North America		253	240
Asia-Pacific			
Australia		84	79
Hong Kong		6	7
Japan		33	34
Taiwan		19	19
Rest of Asia-Pacific		3	2
Subtotal Asia-Pacific		144	141
Europe			
United Kingdom		199	212
Germany		241	225
Switzerland		739	674
Italy		63	65
Spain		583	543
Rest of Europe		717	668
Subtotal Europe		2,541	2,386
Total		3,216	3,012

General Insurance (unaudited)

Key information –
Europe by country

in USD millions, for the six months ended June 30		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		1,411	1,449	1,865	1,703	1,814	1,561	999	1,007	635	641	777	743	(21)	(11)	7,480	7,092
Net earned premiums and policy fees		1,338	1,449	1,426	1,369	1,271	1,084	1,018	1,020	600	598	739	753	–	–	6,392	6,273
Net underwriting result		22	4	99	63	226	132	(13)	(74)	42	37	38	(48)	2	(11)	416	104
Business operating profit		115	97	145	111	292	200	35	(37)	45	42	82	(4)	–	–	714	410

Ratios, as % of net earned premiums and policy fees

Loss ratio	71.0%	73.1%	69.7%	73.6%	59.1%	65.4%	76.1%	81.7%	66.2%	67.4%	67.0%	77.5%	n/a	n/a	68.2%	73.3%
Expense ratio	27.4%	26.6%	23.3%	21.8%	23.2%	22.4%	25.1%	25.6%	26.9%	26.5%	27.8%	28.8%	n/a	n/a	25.3%	25.1%
Combined ratio	98.4%	99.7%	93.1%	95.4%	82.2%	87.8%	101.2%	107.3%	93.1%	93.8%	94.8%	106.3%	n/a	n/a	93.5%	98.3%

Customer segment
reporting -
Europe Commercial
and Personal

in USD millions, for the six months ended June 30		Commercial		Personal		Eliminations		Total	
		2011	2010	2011	2010	2011	2010	2011	2010
Gross written premiums and policy fees		3,214	2,913	4,267	4,180	(1)	–	7,480	7,092
Net earned premiums and policy fees		2,500	2,353	3,892	3,920	–	–	6,392	6,273
Net underwriting result		221	160	193	(42)	2	(14)	416	104
Business operating profit		384	338	330	72	–	–	714	410

Ratios, as % of net earned premiums and policy fees

Loss ratio	67.1%	69.8%	69.0%	75.3%	n/a	n/a	68.2%	73.3%
Expense ratio	24.1%	23.4%	26.1%	25.7%	n/a	n/a	25.3%	25.1%
Combined ratio	91.1%	93.2%	95.1%	101.1%	n/a	n/a	93.5%	98.3%

General Insurance (unaudited)

International
Markets
by region

in USD millions, for the six months ended June 30

	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	769	638	983	779	460	445	–	(4)	2,212
Net earned premiums and policy fees	491	383	787	647	337	352	–	–	1,614	1,382
Net underwriting result	(3)	(75)	(199)	(4)	(9)	10	–	–	(211)	(69)
Business operating profit	26	(16)	(167)	32	(1)	10	–	–	(141)	26

Ratios, as % of net earned premiums and policy fees

Loss ratio	63.3%	77.1%	93.0%	68.6%	68.5%	61.3%	n/a	n/a	78.9%	69.1%
Expense ratio	37.2%	42.4%	32.3%	32.0%	34.2%	35.9%	n/a	n/a	34.2%	35.9%
Combined ratio	100.5%	119.5%	125.3%	100.6%	102.6%	97.2%	n/a	n/a	113.0%	105.0%

Customer segment
reporting –
International
Markets
Commercial and
Personal

in USD millions, for the six months ended June 30

	Commercial		Personal		Eliminations		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Gross written premiums and policy fees	1,102	1,151	1,126	721	(16)	(13)	2,212	1,858
Net earned premiums and policy fees	863	844	752	538	–	–	1,614	1,382
Net underwriting result	(223)	(57)	14	(12)	(2)	–	(211)	(69)
Business operating profit	(178)	19	37	7	–	–	(141)	26

Ratios, as % of net earned premiums and policy fees

Loss ratio	95.0%	72.9%	60.4%	63.1%	n/a	n/a	78.9%	69.1%
Expense ratio	30.8%	33.8%	37.8%	39.1%	n/a	n/a	34.2%	35.9%
Combined ratio	125.8%	106.7%	98.2%	102.2%	n/a	n/a	113.0%	105.0%

International
Markets –
Mature Markets
in Asia-Pacific

in USD millions, for the six months ended June 30

	Asia-Pacific		of which: Mature Markets	
	2011	2010	2011	2010
Gross written premiums and policy fees	983	779	761	647
Net earned premiums and policy fees	787	647	620	527
Net underwriting result	(199)	(4)	(160)	1
Business operating profit	(167)	32	(127)	36

Ratios, as % of net earned premiums and policy fees

Loss ratio	93.0%	68.6%	97.8%	73.5%
Expense ratio	32.3%	32.0%	28.0%	26.3%
Combined ratio	125.3%	100.6%	125.8%	99.8%

Global Life (unaudited)

Global Life –
Overview

in USD millions, for the six months ended June 30

	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
Revenues														
Life insurance deposits	124	118	114	28	5,762	6,274	1,057	644	117	260	–	–	7,174	7,324
Gross written premiums ¹	251	235	308	360	4,103	3,845	229	235	64	54	(22)	(31)	4,933	4,698
Policy fees	142	143	13	14	935	835	67	96	2	1	–	–	1,159	1,089
Gross written premiums and policy fees	392	378	321	374	5,038	4,680	296	331	66	56	(22)	(31)	6,092	5,787
Net earned premiums and policy fees	285	271	312	328	4,817	4,457	246	279	62	44	–	–	5,722	5,379
Net investment income on Group investments	166	171	65	58	1,809	1,692	37	26	6	6	–	–	2,082	1,952
Net capital gains/(losses) and impairments on Group investments	–	2	–	–	61	234	9	(11)	–	–	–	–	70	224
Net investment result on Group investments	166	173	65	58	1,870	1,925	46	15	6	6	–	–	2,153	2,176
Net investment income on unit-linked investments	(13)	(12)	4	4	995	866	53	39	14	19	–	–	1,053	916
Net capital gains/(losses) and impairments on unit-linked investments	15	(25)	3	(7)	(224)	(605)	(164)	87	(36)	(7)	–	–	(406)	(557)
Net investment result on unit-linked investments	2	(37)	7	(3)	771	261	(110)	125	(22)	12	–	–	647	358
Other income	50	48	7	10	199	142	98	80	131	96	(3)	(2)	483	375
Total BOP revenues	504	455	391	393	7,657	6,785	279	499	177	158	(3)	(2)	9,005	8,288
Benefits, losses and expenses														
Insurance benefits and losses, net ¹	141	149	229	245	4,387	4,168	60	70	35	31	–	–	4,853	4,663
Policyholder dividends and participation in profits, net	13	(34)	13	(1)	1,245	803	(92)	133	(21)	10	–	–	1,157	910
Income tax expense/(benefit) attributable to policyholders	–	–	–	–	(34)	(5)	5	2	–	–	–	–	(29)	(3)
Underwriting and policy acquisition costs, net	68	63	56	43	602	520	76	95	48	41	–	–	848	763
Administrative and other operating expense (excl. depreciation/amortization)	67	63	65	50	651	510	152	141	104	77	(3)	(2)	1,036	839
Interest credited to policyholders and other interest	75	84	(3)	–	116	112	14	15	–	–	–	–	201	211
Restructuring provisions and other items not included in BOP	1	1	–	–	–	(35)	–	(5)	–	–	–	–	–	(40)
Total BOP benefits, losses and expenses	364	324	358	338	6,967	6,073	214	450	166	159	(3)	(2)	8,067	7,343
Business operating profit (before interest, depreciation and amortization)	140	131	32	54	689	712	64	49	11	(1)	–	–	937	945
Depreciation and impairments of property and equipment	–	–	1	1	12	12	2	2	–	–	–	–	15	16
Amortization and impairments of intangible assets	12	10	1	1	136	137	1	2	2	2	–	–	152	152
Interest expense on debt	1	1	–	–	26	34	–	–	–	–	–	–	28	35
Business operating profit before non-controlling interests	127	120	31	53	515	529	61	45	8	(4)	–	–	742	743
Non-controlling interests	–	–	1	4	13	19	–	–	–	–	–	–	14	23
Business operating profit	127	120	30	49	502	510	61	45	8	(4)	–	–	728	720
Supplementary information														
Gross written premiums and policy fees from external customers	392	378	321	374	5,012	4,655	295	310	42	33	–	–	6,062	5,750
Property, equipment and intangible assets ²	184	193	82	77	3,656	3,569	13	11	63	62	–	–	3,999	3,912

¹ Europe includes approximately USD 486 million and USD 617 million of gross written premiums and future life policyholders' benefits for certain universal life-type contracts in the Group's Spanish operations for the six months ended June 30, 2011 and 2010, respectively (see note 3 of the Group's Annual Report 2010).

² As of June 30, 2011 and December 31, 2010 respectively.

Global Life (unaudited)

Global Life –
Europe

in USD millions, for the six months ended June 30

	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	2,706	2,257	1,050	1,291	38	19	1,018	1,244	569	1,086	382	376	–	–	5,762	6,274
Gross written premiums ¹	248	201	1,361	1,235	1,220	916	235	245	733	975	316	289	(10)	(16)	4,103	3,845
Policy fees	552	498	237	212	–	(2)	85	62	15	13	45	53	–	–	935	835
Gross written premiums and policy fees	800	698	1,599	1,447	1,220	914	321	308	748	988	361	342	(10)	(16)	5,038	4,680
Net earned premiums and policy fees	722	601	1,549	1,400	1,215	911	272	257	715	957	344	331	–	–	4,817	4,457
Net investment income on Group investments	144	147	879	815	366	300	50	48	174	211	196	170	–	–	1,809	1,692
Net capital gains/(losses) and impairments on Group investments	25	160	28	52	22	(2)	(10)	23	–	–	(3)	2	–	–	61	234
Net investment result on Group investments	169	307	906	867	388	298	39	70	174	211	193	171	–	–	1,870	1,925
Net investment income on unit-linked investments	768	694	10	8	4	7	128	102	85	53	1	2	–	–	995	866
Net capital gains/(losses) and impairments on unit-linked investments	393	(724)	(324)	18	(19)	(10)	(311)	90	11	(64)	26	84	–	–	(224)	(605)
Net investment result on unit-linked investments	1,161	(30)	(314)	26	(15)	(3)	(184)	192	96	(11)	27	86	–	–	771	261
Other income	18	27	124	69	34	24	2	–	23	23	9	–	(10)	(1)	199	142
Total BOP revenues	2,070	905	2,266	2,362	1,622	1,230	130	520	1,007	1,180	573	589	(10)	(1)	7,657	6,785
Benefits, losses and expenses																
Insurance benefits and losses, net ¹	267	295	1,673	1,535	1,214	891	159	171	734	1,002	340	274	–	–	4,387	4,168
Policyholder dividends and participation in profits, net	1,198	114	(59)	254	82	59	(180)	225	102	(10)	102	160	–	–	1,245	803
Income tax expense/(benefit) attributable to policyholders	(65)	(37)	24	23	–	–	7	9	–	–	–	–	–	–	(34)	(5)
Underwriting and policy acquisition costs, net	264	182	159	153	85	77	45	44	16	13	34	51	(1)	–	602	520
Administrative and other operating expense (excl. depreciation/amortization)	203	172	168	111	105	86	71	29	63	58	51	56	(9)	(1)	651	510
Interest credited to policyholders and other interest	6	5	78	75	12	7	19	20	1	1	–	4	–	–	116	112
Restructuring provisions and other items not included in BOP	17	(9)	–	–	(5)	(4)	(7)	(5)	(5)	(13)	(1)	(3)	–	–	–	(35)
Total BOP benefits, losses and expenses	1,891	721	2,043	2,152	1,493	1,116	114	493	910	1,051	527	541	(10)	(1)	6,967	6,073
Business operating profit (before interest, depreciation and amortization)	179	184	223	210	128	114	16	27	97	129	46	48	–	–	689	712
Depreciation and impairments of property and equipment	4	4	6	6	1	2	1	1	–	–	–	–	–	–	12	12
Amortization and impairments of intangible assets	23	21	40	34	–	–	–	–	59	71	14	11	–	–	136	137
Interest expense on debt	3	3	3	–	–	1	–	–	17	27	3	3	–	–	26	34
Business operating profit before non-controlling interests	149	156	174	170	127	112	15	26	21	31	29	34	–	–	515	529
Non-controlling interests	–	–	4	5	–	–	–	–	8	15	–	–	–	–	13	19
Business operating profit	149	156	170	166	127	112	15	26	13	17	29	34	–	–	502	510
Supplementary information																
Gross written premiums and policy fees from external customers	796	695	1,572	1,422	1,220	914	321	308	748	988	355	328	–	–	5,012	4,655
Property, equipment and intangible assets ²	336	350	954	911	80	157	5	5	2,101	1,991	181	154	–	–	3,656	3,569

¹ Spain includes approximately USD 486 million and USD 617 million of gross written premiums and future life policyholders' benefits for certain universal life-type contracts in the Group's Spanish operations for the six months ended June 30, 2011 and 2010, respectively (see note 3 of the Group's Annual Report 2010).² As of June 30, 2011 and December 31, 2010 respectively.

Global Life (unaudited)

Global Life –
Asia-Pacific and
Middle East

in USD millions, for the six months ended June 30

	Asia-Pacific and Middle East		of which Mature Markets	
	2011	2010	2011	2010
Insurance deposits	1,057	644	40	48
Gross written premiums	229	235	171	135
Policy fees	67	96	29	26
Gross written premiums and policy fees	296	331	200	160
Net earned premiums and policy fees	246	279	162	130
Net investment income on Group investments	37	26	18	10
Net capital gains/(losses) and impairments on Group investments	9	(11)	7	(12)
Net investment result on Group investments	46	15	24	(3)
Net investment result on unit-linked investments	(110)	125	16	(63)
Total BOP benefits, losses and expenses	214	450	231	109
Business operating profit	61	45	36	11

Global Life (unaudited)

Global Life – Total investments	in %, as of		North America		Latin America		Europe		Asia-Pacific and Middle East		Other		Total	
	06/30/11	12/31/10	06/30/11	12/31/10	06/30/11	12/31/10	06/30/11	12/31/10	06/30/11	12/31/10	06/30/11	12/31/10	06/30/11	12/31/10
	Total Group investments	93.5	93.7	83.9	83.8	52.3	51.6	18.4	18.8	20.7	23.0	51.8	51.2	
Cash and cash equivalents	0.2	0.2	3.9	3.0	3.4	2.3	13.8	13.3	16.7	16.4	3.5	2.5		
Equity securities	2.4	3.1	1.5	1.7	3.9	4.7	32.5	31.1	1.5	3.2	4.4	5.2		
Debt securities	91.8	91.0	79.5	79.1	62.9	61.7	44.9	46.3	81.7	80.4	64.8	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	15.2	16.2	29.8	31.2	5.9	6.4	–	–	27.2	28.4		
Investments for unit-linked contracts	6.5	6.3	16.1	16.2	47.7	48.4	81.6	81.2	79.3	77.0	48.2	48.8		
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

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	
	06/30/11	12/31/10	06/30/11	12/31/10	06/30/11	12/31/10	06/30/11	12/31/10	06/30/11	12/31/10	06/30/11	12/31/10	06/30/11	12/31/10	06/30/11	12/31/10
	Unit-linked insurance and investment contracts	873	845	519	505	91,829	87,287	11,198	10,701	1,727	1,552	–	–	106,146	100,891	
Other life insurance liabilities	5,143	5,107	2,145	2,042	84,221	77,507	1,380	1,378	305	267	1	4	93,195	86,306		
Total reserves and liabilities	6,016	5,952	2,664	2,547	176,051	164,794	12,577	12,080	2,032	1,819	1	4	199,342	187,196		

Farmers (unaudited)

Farmers –
Overview

in USD millions, for the six months ended June 30

	Farmers Management Services		Farmers Re		Eliminations		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Gross written premiums and policy fees	–	–	1,481	2,491	–	–	1,481	2,491
Net earned premiums and policy fees	–	–	1,483	3,182	–	–	1,483	3,182
Management fees and other related revenues	1,375	1,399	–	–	–	–	1,375	1,399
Insurance benefits and losses, net	–	–	(1,045)	(2,143)	–	–	(1,045)	(2,143)
Management and other related expenses	(724)	(718)	–	–	–	–	(724)	(718)
Total net technical expenses	–	–	(455)	(990)	–	–	(455)	(990)
Gross management result	651	681	–	–	–	–	n/a	n/a
Net underwriting result	–	–	(16)	49	–	–	n/a	n/a
Net investment income	27	27	42	57	–	–	70	83
Other net income/Net non-technical result (excl. items not included in BOP)	(5)	(13)	29	45	–	–	24	31
Business operating profit before non-controlling interests	674	694	55	151	–	–	729	845
Business operating profit	674	694	55	151	–	–	729	845
Ratios, as % of net earned premiums and policy fees								
Loss ratio	–	–	70.4%	67.3%	–	–	–	–
Expense ratio	–	–	30.6%	31.1%	–	–	–	–
Combined ratio	–	–	101.1%	98.5%	–	–	–	–

Additional information (unaudited)

Principal exchange rates	USD per foreign currency unit	Balance sheets		Income statements and cash flows	
		06/30/2011	12/31/2010	06/30/2011	06/30/2010
		Euro	1.4526	1.3391	1.4042
Swiss franc	1.1890	1.0707	1.1069	0.9248	
British pound	1.6069	1.5596	1.6166	1.5266	

Currency translation impact on key financial figures – General Insurance	variance over the prior period, for the six months ended June 30, 2011	in USD		change	change in
		millions	in %	in USD	local currency
	Gross written premiums and policy fees	1,006	6%	5%	–
	Net investment income on total investments	64	4%	(1%)	(5%)
	Net capital gains/(losses) and impairments on total investments	–	(1%)	nm	nm
	Insurance benefits and losses, net of reinsurance	(582)	(6%)	(7%)	(1%)
	Business operating profit	53	4%	(20%)	(23%)

Currency translation impact on key financial figures – Global Life	variance over the prior period, for the six months ended June 30, 2011	in USD		change	change in
		millions	in %	in USD	local currency
	Insurance deposits	388	5%	(2%)	(7%)
	Gross written premiums	407	9%	5%	(4%)
	Policy fees	55	5%	6%	1%
	Gross written premiums and policy fees	462	8%	5%	(3%)
	Net investment result on Group investments	152	7%	(1%)	(8%)
	Net investment income on Group investments	145	7%	7%	(1%)
	Net capital gains/(losses) and impairments on Group investments	7	3%	(69%)	(72%)
	Net investment result on unit-linked investments	35	10%	81%	71%
	Insurance benefits and losses, net of reinsurance	(400)	(9%)	(4%)	5%
	Business operating profit	49	7%	1%	(6%)

Additional information (unaudited)

Investment result

in USD millions, for the six months ended June 30

	Net investment income		Net capital gains/(losses) on investments and impairments ¹		Investment result	
	2011	2010	2011	2010	2011	2010
Group investments						
Cash and cash equivalents	26	27	–	1	27	28
Equity securities	212	173	563	(239)	775	(66)
Debt securities	2,696	2,632	94	827	2,789	3,459
Real estate held for investment	258	226	49	3	307	229
Mortgage loans	248	256	(53)	(345)	195	(89)
Other loans	326	347	37	1	362	347
Investments in associates and joint ventures	6	9	(50)	(27)	(44)	(18)
Derivative financial instruments ²	–	–	(78)	197	(78)	197
Investment result, gross, for Group investments	3,772	3,669	561	418	4,333	4,087
Investment expenses for Group investments ³	(117)	(109)	–	–	(117)	(109)
Investment result, net, for Group investments	3,655	3,561	561	418	4,216	3,979
Investments for unit-linked contracts						
Investment result, net, for investments for unit-linked contracts	933	767	(130)	(402)	804	364
Total investments						
Investment result, net, for total investments	4,588	4,327	432	16	5,020	4,343

¹ Impairment charges on investments amounted in total to USD 152 million and USD 763 million for the six months ended June 30, 2011 and 2010, respectively, of which impairments on equity securities comprised USD 85 million and USD 395 million, on debt securities USD 14 million and USD (1) million, and on mortgage loans and investments in associates and joint ventures USD 53 million and USD 368 million for the six months ended June 30, 2011 and 2010, respectively.

² Net capital gains/(losses) on derivatives attributable to cash flow hedges ineffectiveness amounted to USD (13) million and USD 16 million for the six months ended June 30, 2011 and 2010, respectively.

³ Including rental operating expense for real estate held for Group investments of USD 55 million and USD 53 million for the six months ended June 30, 2011 and 2010, respectively.

Additional information (unaudited)

Details of investments by category	as of	Group investments				Investments for unit-linked products		Total investments	
		06/30/11		12/31/10		06/30/11	12/31/10	06/30/11	12/31/10
		USD millions	% of total	USD millions	% of total	USD millions	USD millions	USD millions	USD millions
Cash and cash equivalents		9,708	4.7	8,182	4.2	1,375	1,544	11,084	9,726
Equity securities:									
Fair value through profit or loss		3,644	1.8	3,931	2.0	88,029	85,765	91,673	89,695
of which:									
Trading securities		472	0.2	473	0.2	–	–	472	473
Securities designated at fair value through profit or loss		3,172	1.5	3,458	1.8	88,029	85,765	91,201	89,223
Available-for-sale		8,857	4.3	9,798	5.0	–	–	8,857	9,798
Total equity securities		12,501	6.1	13,729	7.0	88,029	85,765	100,530	99,494
Debt securities:									
Fair value through profit or loss		6,737	3.3	6,869	3.5	11,417	9,376	18,154	16,245
of which:									
Trading securities		45	0.0	43	0.0	–	–	45	43
Securities designated at fair value through profit or loss		6,692	3.3	6,826	3.5	11,417	9,376	18,109	16,202
Available-for-sale		135,031	65.7	128,257	65.5	–	–	135,031	128,257
Held-to-maturity		5,899	2.9	5,129	2.6	–	–	5,899	5,129
Total debt securities		147,667	71.9	140,254	71.6	11,417	9,376	159,084	149,630
Real estate held for investment		9,265	4.5	8,274	4.2	4,173	4,081	13,438	12,355
Mortgage loans		12,312	6.0	11,851	6.0	–	–	12,312	11,851
Other loans		13,725	6.7	13,419	6.9	7,503	7,182	21,228	20,601
Investments in associates and joint ventures		196	0.1	188	0.1	–	–	196	188
Total investments		205,375	100.0	195,898	100.0	112,498	107,947	317,872	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	
		06/30/11		12/31/10		06/30/11	12/31/10	06/30/11	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		9,388	4.6	9,880	5.0	77,879	76,187	87,266	86,067
Unit trusts (debt securities, real estate, short-term investments)		2,546	1.2	3,208	1.6	10,150	9,577	12,696	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		97	0.0	125	0.1	–	–	97	125
Total equity securities		12,501	6.1	13,729	7.0	88,029	85,765	100,530	99,494

Information for the three months ended June 30 (unaudited)

Business operating profit by business segment

in USD millions, for the three months ended June 30

	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Eliminations		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Revenues														
Direct written premiums	8,201	7,417	2,257	1,951	–	–	–	–	29	32	–	–	10,486	9,399
Assumed written premiums	574	513	26	26	774	996	32	30	44	20	(58)	(58)	1,392	1,526
Gross Written Premiums	8,775	7,930	2,283	1,977	774	996	32	30	73	51	(58)	(58)	11,879	10,925
Policy fees	–	1	637	421	–	–	–	–	73	56	–	–	710	478
Gross written premiums and policy fees	8,775	7,931	2,920	2,398	774	996	32	30	146	108	(58)	(58)	12,589	11,403
Less premiums ceded to reinsurers	(1,547)	(1,411)	(166)	(195)	–	–	(14)	(12)	(690)	–	58	58	(2,360)	(1,559)
Net written premiums and policy fees	7,227	6,519	2,754	2,203	774	996	19	18	(545)	108	–	–	10,229	9,844
Net change in reserves for unearned premiums	112	229	(3)	4	(28)	589	2	2	(1)	–	–	2	82	826
Net earned premiums and policy fees	7,340	6,748	2,751	2,207	745	1,585	21	20	(546)	108	–	2	10,311	10,670
Farmers management fees and other related revenues	–	–	–	–	693	696	–	–	–	–	–	–	693	696
Net investment result on Group investments	725	709	1,179	1,076	34	41	130	130	159	210	(208)	(215)	2,018	1,952
Net investment income on Group investments	721	718	1,086	979	34	41	130	130	112	129	(208)	(215)	1,875	1,782
Net capital gains/(losses) and impairments on Group investments	4	(9)	93	97	–	–	–	–	47	82	–	–	144	170
Net investment result on unit-linked investments	–	–	445	(3,985)	–	–	–	–	55	(184)	–	–	501	(4,169)
Other income	241	150	251	179	17	22	214	189	24	34	(380)	(242)	368	331
Total BOP revenues	8,306	7,607	4,626	(523)	1,490	2,343	366	340	(307)	167	(588)	(455)	13,891	9,479
<i>of which: inter-segment revenues</i>	<i>(163)</i>	<i>(89)</i>	<i>(67)</i>	<i>(50)</i>	<i>(17)</i>	<i>(18)</i>	<i>(326)</i>	<i>(284)</i>	<i>(15)</i>	<i>(15)</i>	<i>588</i>	<i>455</i>	<i>–</i>	<i>–</i>
Benefits, losses and expenses														
Insurance benefits and losses, net	5,055	4,712	2,277	2,028	551	1,101	19	16	(445)	678	–	–	7,457	8,535
Losses and loss adjustment expenses, net	5,073	4,713	25	6	551	1,101	1	–	(640)	93	(6)	1	5,005	5,915
Life insurance death and other benefits, net	(18)	(2)	2,416	2,295	–	–	13	16	149	164	–	–	2,561	2,472
(Decrease)/increase in future life policyholders' benefits, net	–	1	(164)	(273)	–	–	5	–	45	421	6	(1)	(109)	147
Policyholder dividends and participation in profits, net	3	3	759	(3,655)	–	–	–	–	83	(286)	–	2	845	(3,936)
Income tax expense/(benefit) attributable to policyholders	–	–	(5)	(239)	–	–	–	–	–	–	–	–	(5)	(239)
Underwriting and policy acquisition costs, net	1,383	1,337	459	336	224	494	–	–	3	1	(1)	–	2,068	2,168
Administrative and other operating expense (excl. depreciation/amortization)	978	718	550	438	325	324	258	311	50	50	(377)	(239)	1,785	1,602
Interest credited to policyholders and other interest	5	8	102	103	–	–	2	–	15	17	(2)	(1)	122	128
Restructuring provisions and other items not included in BOP	(90)	(52)	9	(11)	(2)	(2)	17	(102)	–	(6)	–	–	(65)	(173)
Total BOP benefits, losses and expenses (before interest, depreciation and amortization)	7,334	6,726	4,151	(1,000)	1,099	1,917	296	225	(294)	454	(380)	(238)	12,206	8,084
Business operating profit (before interest, depreciation and amortization)	971	881	474	478	391	426	70	115	(13)	(287)	(208)	(218)	1,685	1,395
Depreciation and impairments of property and equipment	24	19	8	8	14	16	4	4	1	1	–	–	51	47
Amortization and impairments of intangible assets	63	50	80	70	28	27	18	15	–	7	–	–	189	168
Interest expense on debt	52	58	12	17	–	–	271	258	25	24	(208)	(218)	152	138
Business operating profit before non-controlling interests	832	755	375	383	349	383	(223)	(162)	(40)	(319)	–	–	1,293	1,041
Non-controlling interests	2	(1)	8	14	–	–	–	–	–	–	–	–	10	13
Business operating profit	831	756	367	369	349	383	(223)	(162)	(40)	(319)	–	–	1,283	1,027
Supplementary information														
Additions and capital improvements to property, equipment and intangible assets ¹	90	299	24	96	44	236	18	91	–	24	–	–	175	747

¹ As of June 30, 2011 and December 31, 2010, respectively.

Information for the three months ended June 30 (unaudited)

Reconciliation of
BOP to net income
after income taxes

in USD millions, for the three months ended June 30

	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Business operating profit	831	756	367	369	349	383	(223)	(162)	(40)	(319)	1,283	1,027
Revenues/(expenses) not included in BOP:												
Net capital gains/(losses) on investments and impairments, net of policyholder allocation	414	(22)	(15)	29	(3)	(4)	93	61	10	(8)	499	57
Net gain/(loss) on divestments of businesses	–	–	10	–	–	–	–	–	–	1	10	1
Restructuring provisions	(71)	(23)	(5)	(17)	(5)	(3)	–	–	–	–	(80)	(44)
Other adjustments	(19)	(29)	14	6	3	1	17	(102)	–	(5)	15	(129)
Add back:												
Business operating profit attributable to non-controlling interests	2	(1)	8	14	–	–	–	–	–	–	10	13
Net income before shareholders' taxes	1,156	681	379	401	344	377	(113)	(202)	(30)	(332)	1,737	925
Income tax expense/(benefit) attributable to policyholders	–	–	(5)	(239)	–	–	–	–	–	–	(5)	(239)
Net income before income taxes	1,156	681	374	162	344	377	(113)	(202)	(30)	(332)	1,732	686
Income tax expense (attributable to policyholders and shareholders)											(379)	40
Net income after taxes											1,353	726

Information for the three months ended June 30 (unaudited)

General Insurance – Customer segment overview	in USD millions, for the three months ended June 30													
	Global Corporate		North America Commercial		Europe		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	2,080	1,755	2,655	2,741	3,027	2,607	1,165	993	124	134	(276)	(299)	8,775	7,931
Net earned premiums and policy fees	1,394	1,148	1,849	1,897	3,250	2,996	833	691	14	17	–	–	7,340	6,748
Insurance benefits and losses, net	1,004	806	1,294	1,253	2,205	2,179	558	463	(5)	11	–	–	5,055	4,712
Policyholder dividends and participation in profits, net	–	1	3	2	–	–	–	–	–	–	–	–	3	3
Total net technical expenses	286	234	553	555	814	785	274	233	11	11	(4)	4	1,934	1,822
Net underwriting result	103	107	–	87	231	32	1	(5)	8	(6)	4	(4)	348	211
Net investment income	151	139	248	276	247	232	60	54	15	15	–	2	721	718
Net capital gains/(losses) and impairments on investments	1	(2)	3	(6)	–	–	–	–	–	–	–	–	4	(9)
Net non-technical result (excl. items not included in BOP)	(43)	(8)	(78)	(77)	(89)	(83)	(33)	(17)	7	17	(5)	3	(241)	(165)
Business operating profit before non-controlling interests	212	236	173	281	389	180	29	31	30	26	–	–	832	755
Non-controlling interests	–	–	–	–	1	(2)	–	1	–	–	–	–	2	(1)
Business operating profit	212	236	173	280	388	182	28	30	30	26	–	–	831	756
Ratios, as % of net earned premiums and policy fees														
Loss ratio	72.0%	70.2%	70.0%	66.0%	67.8%	72.7%	66.9%	67.0%	nm	nm	n/a	n/a	68.9%	69.8%
Expense ratio	20.6%	20.5%	30.0%	29.3%	25.1%	26.2%	32.9%	33.8%	nm	nm	n/a	n/a	26.4%	27.0%
Combined ratio	92.6%	90.7%	100.0%	95.4%	92.9%	98.9%	99.8%	100.8%	nm	nm	n/a	n/a	95.3%	96.9%

Information for the three months ended June 30 (unaudited)

Global Life –
Overview

in USD millions, for the three months ended June 30

	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
Revenues														
Life insurance deposits	69	62	68	16	3,123	3,325	672	342	35	225	–	–	3,967	3,970
Gross written premiums	126	118	178	191	1,847	1,556	113	104	33	24	(12)	(17)	2,283	1,977
Policy fees	71	72	6	6	518	320	40	23	1	1	–	–	637	421
Gross written premiums and policy fees	197	190	184	197	2,365	1,876	153	126	34	24	(12)	(17)	2,920	2,398
Net earned premiums and policy fees	143	137	176	172	2,272	1,778	127	102	33	19	–	–	2,751	2,207
Net investment income on Group investments	83	85	33	29	944	847	22	14	3	3	–	–	1,086	979
Net capital gains/(losses) and impairments on Group investments	–	1	–	–	86	96	6	–	–	–	–	–	93	97
Net investment result on Group investments	83	86	33	29	1,030	943	29	14	3	3	–	–	1,179	1,076
Net investment income on unit-linked investments	(3)	(2)	2	2	561	436	39	28	8	13	–	–	607	477
Net capital gains/(losses) and impairments on unit-linked investments	(4)	(44)	(2)	(19)	(45)	(3,999)	(100)	(383)	(11)	(17)	–	–	(161)	(4,462)
Net investment result on unit-linked investments	(8)	(46)	–	(17)	516	(3,564)	(61)	(354)	(3)	(4)	–	–	445	(3,985)
Other income	26	24	4	6	106	62	49	40	67	49	(1)	(1)	251	179
Total BOP revenues	244	201	213	190	3,925	(781)	144	(199)	100	67	(1)	(1)	4,626	(523)
Benefits, losses and expenses														
Insurance benefits and losses, net	78	72	131	118	2,023	1,805	31	19	13	14	–	–	2,277	2,028
Policyholder dividends and participation in profits, net	(2)	(44)	3	(14)	812	(3,241)	(51)	(351)	(3)	(5)	–	–	759	(3,655)
Income tax expense/(benefit) attributable to policyholders	–	–	–	–	(7)	(242)	2	2	–	–	–	–	(5)	(239)
Underwriting and policy acquisition costs, net	29	27	30	27	333	239	42	17	24	26	–	–	459	336
Administrative and other operating expense (excl. depreciation/amortization)	33	31	34	32	351	275	82	65	52	36	(1)	(1)	550	438
Interest credited to policyholders and other interest	37	42	(2)	–	60	52	7	8	–	–	–	–	102	103
Restructuring provisions and other items not included in BOP	–	1	–	–	10	(12)	–	–	–	–	–	–	9	(11)
Total BOP benefits, losses and expenses	175	129	197	164	3,581	(1,123)	113	(239)	87	71	(1)	(1)	4,151	(1,000)
Business operating profit (before interest, depreciation and amortization)	70	73	16	26	344	343	31	40	13	(4)	–	–	474	478
Depreciation and impairments of property and equipment	–	–	–	–	6	6	1	1	–	–	–	–	8	8
Amortization and impairments of intangible assets	5	5	1	–	73	62	1	1	1	1	–	–	80	70
Interest expense on debt	1	1	–	–	11	16	–	–	–	–	–	–	12	17
Business operating profit before non-controlling interests	64	67	15	26	254	259	30	38	12	(6)	–	–	375	383
Non-controlling interests	–	–	1	1	7	14	–	–	–	–	–	–	8	14
Business operating profit	64	67	14	25	247	245	30	38	12	(6)	–	–	367	369
Supplementary information														
Gross written premiums and policy fees from external customers	197	190	184	197	2,351	1,864	152	115	18	10	–	–	2,903	2,378

Information for the three months ended June 30 (unaudited)

Farmers –
Overview

in USD millions, for the three months ended June 30

	Farmers Management Services		Farmers Re		Eliminations		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Gross written premiums and policy fees	–	–	774	996	–	–	774	996
Net earned premiums and policy fees	–	–	745	1,585	–	–	745	1,585
Management fees and other related revenues	693	696	–	–	–	–	693	696
Insurance benefits and losses, net	–	–	(551)	(1,101)	–	–	(551)	(1,101)
Management and other related expenses	(358)	(357)	–	–	–	–	(358)	(357)
Total net technical expenses	–	–	(224)	(494)	–	–	(224)	(494)
Gross management result	335	339	–	–	–	–	n/a	n/a
Net underwriting result	–	–	(30)	(10)	–	–	n/a	n/a
Net investment income	13	13	21	28	–	–	34	41
Other net income/Net non-technical result (excl. items not included in BOP)	(4)	(9)	14	22	–	–	10	13
Business operating profit before non-controlling interests	345	343	5	40	–	–	349	383
Business operating profit	345	343	5	40	–	–	349	383
Ratios, as % of net earned premiums and policy fees								
Loss ratio	–	–	74.0%	69.5%	–	–	–	–
Expense ratio	–	–	30.0%	31.1%	–	–	–	–
Combined ratio	–	–	104.1%	100.7%	–	–	–	–

Information for the six months ended June 30 – FX adjusted (unaudited)

Business operating profit by business segment – FX adjusted

variance in % over the prior period, for the six months ended June 30, 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
Revenues														
Direct written premiums and policy fees	6	–	5	(4)	n/a	n/a	n/a	n/a	(16)	(16)	n/a	n/a	5	(1)
Assumed written premiums	–	(4)	(2)	(8)	(41)	(41)	3	(13)	nm	nm	10	21	(27)	(28)
Gross written premiums	5	–	5	(4)	(41)	(41)	3	(13)	27	27	10	21	1	(5)
Policy fees	nm	nm	6	1	n/a	n/a	n/a	n/a	17	17	n/a	n/a	7	3
Gross written premiums and policy fees	5	–	5	(3)	(41)	(41)	3	(13)	22	22	10	21	1	(4)
Less premiums ceded to reinsurers	(8)	(6)	15	19	n/a	n/a	(8)	10	nm	nm	(10)	(21)	(28)	(25)
Net written premiums and policy fees	5	(2)	7	(2)	(41)	(41)	(1)	(16)	nm	nm	n/a	n/a	(2)	(8)
Net change in reserves for unearned premiums	(13)	–	nm	nm	(100)	(100)	(13)	(13)	59	51	nm	nm	nm	nm
Net earned premiums and policy fees	4	(2)	6	(2)	(53)	(53)	(1)	(16)	nm	nm	nm	nm	(6)	(12)
Farmers management fees and other related revenues	n/a	n/a	n/a	n/a	(2)	(2)	n/a	n/a	n/a	n/a	n/a	n/a	(2)	(2)
Net investment result on Group investments	–	(4)	(1)	(8)	(17)	(17)	4	(3)	(47)	(47)	5	9	(4)	(10)
Net investment income on Group investments	(1)	(5)	7	(1)	(17)	(17)	4	(3)	(15)	(17)	5	9	3	(3)
Net capital gains/(losses) and impairments on Group investments	nm	nm	(69)	(72)	n/a	n/a	n/a	n/a	nm	nm	n/a	n/a	(82)	(83)
Net investment result on unit-linked investments	n/a	n/a	81	71	n/a	n/a	n/a	n/a	nm	nm	n/a	n/a	nm	nm
Other income	30	19	29	18	(26)	(26)	16	(2)	(16)	(17)	(32)	(13)	11	5
Total BOP revenues	4	(2)	9	1	(37)	(37)	10	(3)	nm	(99)	(16)	(3)	(4)	(9)
Benefits, losses and expenses														
Insurance benefits and losses, net	(7)	(1)	(4)	5	51	51	–	16	nm	nm	n/a	n/a	8	14
Losses and loss adjustment expenses, net	(7)	(1)	(10)	4	51	51	nm	nm	nm	nm	nm	nm	10	15
Life insurance death and other benefits, net	(24)	(15)	6	13	n/a	n/a	30	42	19	19	nm	nm	7	14
(Decrease)/increase in future life policyholders' benefits, net	nm	nm	nm	nm	n/a	n/a	nm	nm	nm	nm	nm	(87)	nm	nm
Policyholder dividends and participation in profits, net	nm	nm	(27)	(19)	n/a	n/a	n/a	n/a	nm	nm	nm	nm	(62)	(54)
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	–	5	(11)	(4)	54	54	(40)	(41)	(4)	(3)	6	1	10	14
Administrative and other operating expense (excl. depreciation/amortization)	(21)	(13)	(24)	(14)	–	–	4	12	2	4	32	15	(11)	(6)
Interest credited to policyholders and other interest	47	51	5	8	95	95	nm	nm	10	17	nm	nm	9	13
Restructuring provisions and other items not included in BOP	40	35	(100)	nm	(74)	(74)	nm	nm	nm	nm	n/a	n/a	(64)	(65)
Total BOP benefits, losses and expenses (before interest, depreciation and amortization)	(7)	(1)	(10)	(2)	43	43	(23)	(12)	nm	nm	33	16	4	9
Business operating profit (before interest, depreciation and amortization)	(17)	(21)	(1)	(7)	(13)	(13)	(18)	(38)	nm	nm	5	12	(5)	(10)
Depreciation and impairments of property and equipment	(16)	(5)	2	8	27	27	56	63	(24)	(23)	n/a	n/a	12	17
Amortization and impairments of intangible assets	(15)	(8)	–	5	(3)	(3)	(28)	(7)	90	91	n/a	n/a	(5)	1
Interest expense on debt	9	12	20	24	n/a	n/a	–	8	(2)	–	(5)	(12)	(2)	4
Business operating profit before non-controlling interests	(20)	(24)	–	(7)	(14)	(14)	(10)	(8)	88	90	n/a	n/a	(7)	(11)
Non-controlling interests	73	73	40	40	n/a	n/a	nm	nm	–	–	n/a	n/a	51	51
Business operating profit	(20)	(23)	1	(6)	(14)	(14)	(10)	(8)	88	90	n/a	n/a	(7)	(11)

Information for the six months ended June 30 – FX adjusted (unaudited)

variance in % over the prior period, for the six months ended June 30, 2011

Assets and liabilities by business segment – FX adjusted	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	2	(2)	7	(1)	(11)	(11)	1	(6)	(2)	(4)	5	9	5	(1)	
Cash and cash equivalents	(9)	(13)	48	38	(18)	(18)	12	3	(6)	(10)	4	10	19	12	
Equity securities	2	(1)	(9)	(15)	11	11	(31)	(39)	(9)	(11)	n/a	n/a	(9)	(14)	
Debt securities	2	(1)	9	1	–	–	8	3	2	1	(5)	2	5	–	
Real estate held for investment	9	–	15	4	1	1	4	(6)	3	n/a	n/a	n/a	12	2	
Mortgage loans	10	(1)	5	(4)	n/a	n/a	n/a	n/a	(5)	(8)	n/a	n/a	4	(4)	
Other loans	22	17	(3)	(10)	(16)	(16)	(5)	(9)	(6)	(7)	6	10	2	(4)	
Investments in associates and joint ventures	51	44	1	(1)	n/a	n/a	–	(10)	4	4	n/a	n/a	4	2	
Investments for unit-linked contracts	n/a	n/a	5	–	n/a	n/a	n/a	n/a	–	–	n/a	n/a	4	–	
Total investments	2	(2)	6	–	(11)	(11)	1	(6)	(1)	(2)	5	9	5	–	
Reinsurers' share of reserves for insurance contracts	7	3	8	4	nm	nm	(68)	(71)	8	5	28	33	8	5	
Deposits made under assumed reinsurance contracts	(18)	(20)	38	27	(17)	(17)	n/a	n/a	1	1	(4)	(4)	(13)	(13)	
Deferred policy acquisition costs	9	5	9	4	23	23	n/a	n/a	(4)	(4)	nm	nm	9	4	
Deferred origination costs	n/a	n/a	3	(1)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3	(1)	
Goodwill	5	–	9	2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4	–	
Other intangible assets	7	1	4	(4)	(1)	(1)	11	–	(28)	(31)	n/a	n/a	3	(2)	
Other assets	12	8	(2)	(8)	(19)	(19)	(23)	(29)	1	(1)	15	20	5	–	
Total assets (after cons. of investments in subsidiaries)	4	–	6	–	(12)	(12)	(2)	(9)	–	(1)	6	11	5	–	
Liabilities															
Liabilities for investment contracts	n/a	n/a	5	–	n/a	n/a	n/a	n/a	n/a	n/a	nm	nm	6	1	
Reserves for insurance contracts, gross	6	2	7	–	(12)	(12)	17	14	(1)	(1)	29	34	6	1	
Reserves for losses and loss adjustment expenses, gross	4	–	(8)	(11)	(16)	(16)	1	1	(3)	(7)	11	13	3	–	
Reserves for unearned premiums, gross	17	12	27	18	–	–	(20)	(20)	(5)	nm	9	nm	16	12	
Future life policyholders' benefits, gross	(2)	(11)	9	–	n/a	n/a	nm	nm	(1)	(1)	82	84	8	–	
Policyholders' contract deposits and other funds, gross	10	(1)	5	–	n/a	n/a	n/a	n/a	(2)	(2)	(85)	(85)	4	–	
Reserves for unit-linked contracts, gross	n/a	n/a	5	–	n/a	n/a	nm	nm	–	–	n/a	n/a	4	–	
Senior debt	6	–	5	(3)	n/a	n/a	(5)	(11)	–	(2)	5	11	8	4	
Subordinated debt	–	–	(67)	(68)	n/a	n/a	16	12	6	3	21	22	17	12	
Other liabilities	(2)	(7)	1	(4)	(26)	(26)	29	8	7	4	(10)	(10)	–	(6)	
Total liabilities	5	1	6	–	(18)	(18)	1	(6)	1	–	6	11	5	–	
Equity															
Common shareholders' equity														(1)	(17)
Preferred securities														(100)	(100)
Shareholders' equity														(3)	(18)
Non-controlling interests														13	nm
Total equity														(2)	(4)
Total liabilities and equity														5	–
Supplementary segment information															
Reserves for losses and loss adjustment expenses, net	4	–	(5)	(9)	(16)	(16)	1	1	(37)	(39)	79	18	2	(1)	
Reserves for unearned premiums, net	16	11	26	17	–	–	(20)	(20)	(8)	(8)	n/a	n/a	15	11	
Future life policyholders' benefits, net	10	–	9	–	nm	nm	nm	nm	(1)	(1)	(79)	(18)	8	–	
Policyholders' contract deposits and other funds, net	10	–	5	–	n/a	n/a	n/a	n/a	(3)	(3)	(8)	(8)	5	–	
Reserves for unit-linked contracts, net	n/a	n/a	5	–	n/a	n/a	nm	nm	–	–	n/a	n/a	4	–	
Reserves for insurance contracts, net	6	2	7	–	(4)	(4)	17	14	(3)	(3)	(8)	(8)	6	1	

Information for the six months ended June 30 – FX adjusted (unaudited)

General Insurance – Customer segment overview – FX adjusted	variance in % over the prior period, for the six months ended June 30, 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	11	5	(3)	(3)	5	(3)	19	11	(5)	(9)	(22)	(17)	5	–
Net earned premiums and policy fees	12	4	(3)	(3)	2	(6)	17	9	30	24	n/a	n/a	4	(2)
Insurance benefits and losses, net	(38)	(28)	(3)	(3)	5	12	(33)	(23)	nm	nm	n/a	n/a	(7)	(1)
Policyholder dividends and participation in profits, net	nm	nm	(4)	(4)	nm	nm	n/a	n/a	n/a	n/a	n/a	n/a	nm	nm
Total net technical expenses	(9)	–	5	5	(2)	5	(11)	(5)	(9)	(4)	nm	nm	(2)	3
Net underwriting result	nm	nm	(81)	(82)	nm	nm	nm	nm	nm	nm	nm	nm	(66)	(70)
Net investment income	7	1	(8)	(8)	1	(7)	10	2	(3)	(6)	(84)	(85)	(1)	(5)
Net capital gains/(losses) and impairments on investments	nm	nm	nm	nm	nm	nm	n/a	n/a	n/a	n/a	n/a	n/a	nm	nm
Net non-technical result (excl. items not included in BOP)	(87)	(82)	11	11	(3)	6	nm	nm	nm	nm	(100)	nm	(30)	(23)
Business operating profit before non-controlling interests	(87)	(88)	(24)	(24)	76	59	nm	nm	nm	nm	n/a	n/a	(20)	(24)
Non-controlling interests	nm	nm	nm	nm	nm	nm	93	93	n/a	n/a	n/a	n/a	73	73
Business operating profit	(87)	(88)	(24)	(24)	74	57	nm	nm	nm	nm	n/a	n/a	(20)	(23)

Key information – Europe by country – FX adjusted	variance in % over the prior period, for the six months ended June 30, 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	(3)	(8)	10	4	16	(2)	(1)	(6)	(1)	(6)	5	(1)	(86)	(76)	5	(3)
Net earned premiums and policy fees	(8)	(13)	4	(1)	17	(1)	–	(6)	–	(5)	(2)	(7)	n/a	n/a	2	(6)
Net underwriting result	nm	nm	56	48	71	43	83	84	13	7	nm	nm	nm	99	nm	nm
Business operating profit	19	12	30	23	45	22	nm	nm	6	1	nm	nm	n/a	n/a	74	57

International Markets by region – FX adjusted	variance in % over the prior period, for the six months ended June 30, 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	20	16	26	14	3	(2)	nm	nm	19	11
Net earned premiums and policy fees	28	26	22	9	(4)	(10)	n/a	n/a	17	9
Net underwriting result	96	97	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 six months ended June 30 – FX adjusted (unaudited)

Global Life –
Overview
– FX adjusted

variance in % over the prior period, for the six months ended June 30, 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
Revenues														
Life insurance deposits	5	5	nm	nm	(8)	(13)	64	55	(55)	(57)	n/a	n/a	(2)	(7)
Gross written premiums	7	7	(14)	(20)	7	(3)	(3)	(13)	19	(1)	29	40	5	(4)
Policy fees	(1)	(1)	(7)	(2)	12	6	(30)	(35)	52	44	n/a	n/a	6	1
Gross written premiums and policy fees	4	4	(14)	(20)	8	(1)	(10)	(19)	19	–	29	40	5	(3)
Net earned premiums and policy fees	5	5	(5)	(11)	8	(1)	(12)	(20)	41	21	nm	nm	6	(2)
Net investment income on Group investments	(3)	(3)	13	5	7	(1)	39	30	(3)	(16)	n/a	n/a	7	(1)
Net capital gains/(losses) and impairments on Group investments	(94)	(94)	(100)	nm	(74)	(76)	nm	nm	nm	nm	n/a	n/a	(69)	(72)
Net investment result on Group investments	(4)	(4)	13	5	(3)	(10)	nm	nm	(3)	(17)	n/a	n/a	(1)	(8)
Net investment income on unit-linked investments	(13)	(13)	(2)	2	15	8	38	20	(25)	(29)	n/a	n/a	15	8
Net capital gains/(losses) and impairments on unit-linked investments	nm	nm	nm	nm	63	65	nm	nm	nm	nm	n/a	n/a	27	32
Net investment result on unit-linked investments	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	n/a	n/a	81	71
Other income	4	4	(32)	(36)	40	30	22	9	36	22	(55)	(46)	29	18
Total BOP revenues	11	11	–	(7)	13	4	(44)	(51)	12	(2)	(41)	(33)	9	1
Benefits, losses and expenses														
Insurance benefits and losses, net	5	5	7	15	(5)	4	13	23	(12)	5	n/a	n/a	(4)	5
Policyholder dividends and participation in profits, net	nm	nm	nm	nm	(55)	(45)	nm	nm	nm	nm	nm	nm	(27)	(19)
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	(7)	(7)	(28)	(24)	(16)	(8)	20	25	(16)	(9)	nm	nm	(11)	(4)
Administrative and other operating expense (excl. depreciation/amortization)	(7)	(7)	(30)	(23)	(28)	(18)	(8)	5	(36)	(18)	60	50	(24)	(14)
Interest credited to policyholders and other interest	10	10	nm	nm	(3)	3	7	7	nm	nm	n/a	n/a	5	8
Restructuring provisions and other items not included in BOP	25	25	n/a	n/a	(99)	nm	(91)	(91)	n/a	n/a	n/a	n/a	(100)	nm
Total BOP benefits, losses and expenses	(12)	(12)	(6)	1	(15)	(6)	52	58	(4)	9	41	33	(10)	(2)
Business operating profit (before interest, depreciation and amortization)	7	7	(40)	(42)	(3)	(10)	30	21	nm	nm	n/a	n/a	(1)	(7)
Depreciation and impairments of property and equipment	–	–	(47)	(38)	–	6	20	24	42	46	n/a	n/a	2	8
Amortization and impairments of intangible assets	(22)	(22)	38	42	1	6	12	18	15	19	n/a	n/a	–	5
Interest expense on debt	1	1	n/a	n/a	22	26	nm	nm	nm	nm	n/a	n/a	20	24
Business operating profit before non-controlling interests	6	6	(41)	(43)	(3)	(11)	35	24	nm	nm	n/a	n/a	–	(7)
Non-controlling interests	n/a	n/a	65	65	34	34	n/a	n/a	nm	nm	n/a	n/a	40	40
Business operating profit	6	6	(39)	(41)	(2)	(10)	35	25	nm	nm	n/a	n/a	1	(6)

Summary of quarterly consolidated financial information (unaudited)

Summary of
quarterly
consolidated
financial
information

in USD millions, for the three months ended	06/30/11	03/31/11	12/31/10	09/30/10	06/30/10	03/31/10	12/31/09	09/30/09	06/30/09
Gross written premiums and policy fees	12,589	14,091	11,857	11,721	11,403	14,983	13,352	13,039	13,184
Net earned premiums and policy fees	10,311	10,828	11,946	10,968	10,670	11,925	12,757	11,993	11,198
Net investment result on Group investments	2,517	1,699	1,702	2,309	2,008	1,970	1,684	1,970	1,515
Net investment income on Group investments	1,875	1,780	1,785	1,747	1,782	1,779	1,935	1,831	1,907
Net capital gains/(losses) on Group investments and impairments	643	(81)	(83)	563	227	191	(251)	140	(392)
Net investment result on unit-linked investments	501	303	4,829	4,900	(4,169)	4,533	2,549	9,004	4,226
Other revenues	1,071	1,028	1,084	1,132	1,027	1,014	1,281	1,172	1,031
Total revenues	14,400	13,858	19,561	19,309	9,537	19,443	18,270	24,139	17,969
Insurance benefits and losses, net of reinsurance	7,457	8,519	8,823	8,221	8,535	8,906	9,379	9,418	7,540
Policyholder dividends and participation in profits, net of reinsurance	845	529	4,875	5,080	(3,936)	4,781	2,629	9,041	4,418
Other expenses	4,366	3,991	4,432	4,755	4,252	4,258	4,842	3,997	4,016
Total benefits, losses and expenses	12,668	13,038	18,130	18,055	8,851	17,945	16,850	22,456	15,974
Net income before income taxes	1,732	820	1,431	1,254	686	1,497	1,420	1,683	1,995
Net income attributable to shareholders	1,328	637	1,040	751	707	935	1,028	968	1,434
Business operating profit	1,283	849	1,350	1,240	1,027	1,259	1,527	1,513	1,491

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 six months ended June 30, 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 for the half year 2011.

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. A liquidity premium, which increases risk discount rates, has been applied to certain lines of business consistent with the CFO Forum principles. 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.

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.