

# Financial supplement 2011

Zurich Financial Services Group  
Annual Report 2011

# Contents

## Results for the Year ended December 31, 2011 Financial supplement (unaudited)

### Financial highlights

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

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

Overview	11
Europe	12
Asia-Pacific and Middle East	13
Total investments	13
Reserves for life insurance contracts and liabilities for investment contracts, net of reinsurance	13
Revenues by region	14
Non-current assets by region	15

### Farmers

Overview	16
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### Additional information

Principal exchange rates	17
Currency translation impact on key financial figures	
– General Insurance	17
– Global Life	17
Investment result	18
Details of investments by category	19
Equity securities	19

### Information for the three months ended December 31

Business operating profit by business segment	20
Reconciliation of BOP to net income after income taxes	21
General Insurance – Customer segment overview	22
Global Life – Overview	23
Farmers – Overview	24

### Information for the year

#### ended December 31 – FX adjusted

Business operating profit by business segment – FX adjusted	25
Assets and liabilities by business segment – FX adjusted	26
General Insurance – Customer segment overview – FX adjusted	27
Key information - Europe by country – FX adjusted	27
International Markets by region – FX adjusted	27
Global Life – Overview – FX adjusted	28

### Summary of quarterly consolidated financial information

Summary of quarterly consolidated financial information	29
Summary of quarterly consolidated financial information - Key performance indicators by segment	29

### Explanatory notes

Explanatory notes	30
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## Financial highlights (unaudited)

## Business operating profit by business segment

in USD millions, for the years ended December 31

	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Eliminations		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
<b>Revenues</b>														
Direct written premiums <sup>1</sup>	32,379	30,906	9,335	9,993	–	–	–	–	150	162	–	–	41,864	41,061
Assumed written premiums	2,193	2,161	97	120	3,529	4,194	141	137	144	142	(220)	(256)	5,884	6,498
Gross Written Premiums	34,572	33,066	9,432	10,113	3,529	4,194	141	137	294	304	(220)	(256)	47,748	47,559
Policy fees	–	–	2,152	2,179	–	–	–	–	300	227	–	–	2,452	2,406
Gross written premiums and policy fees	34,572	33,066	11,583	12,292	3,529	4,194	141	137	594	531	(220)	(256)	50,200	49,965
Less premiums ceded to reinsurers	(5,325)	(5,100)	(682)	(754)	–	–	(59)	(54)	(704)	(32)	220	256	(6,550)	(5,683)
Net written premiums and policy fees	29,247	27,966	10,901	11,539	3,529	4,194	82	84	(110)	499	–	–	43,650	44,282
Net change in reserves for unearned premiums	(171)	(122)	(36)	(26)	(545)	1,380	1	–	2	2	–	(1)	(751)	1,234
Net earned premiums and policy fees	29,076	27,844	10,865	11,513	2,984	5,574	83	84	(108)	502	–	(1)	42,899	45,516
Farmers management fees and other related revenues	–	–	–	–	2,767	2,778	–	–	–	–	–	–	2,767	2,778
Net investment result on Group investments	2,807	2,913	4,575	4,390	133	156	524	525	987	377	(847)	(857)	8,180	7,506
Net investment income on Group investments	2,799	2,867	4,146	3,892	133	156	524	525	429	509	(847)	(857)	7,185	7,092
Net capital gains/(losses) and impairments on Group investments	8	46	429	498	–	–	–	–	558	(131)	–	–	995	413
Net investment result on unit-linked investments	–	–	(3,548)	9,639	–	–	–	–	4	454	–	–	(3,544)	10,093
Other income	922	709	1,012	918	64	91	920	784	105	164	(1,534)	(1,225)	1,488	1,442
<b>Total BOP revenues</b>	<b>32,805</b>	<b>31,467</b>	<b>12,904</b>	<b>26,460</b>	<b>5,948</b>	<b>8,600</b>	<b>1,527</b>	<b>1,394</b>	<b>988</b>	<b>1,498</b>	<b>(2,381)</b>	<b>(2,083)</b>	<b>51,790</b>	<b>67,335</b>
<i>of which: inter-segment revenues</i>	<i>(576)</i>	<i>(414)</i>	<i>(343)</i>	<i>(296)</i>	<i>(67)</i>	<i>(70)</i>	<i>(1,336)</i>	<i>(1,191)</i>	<i>(59)</i>	<i>(113)</i>	<i>2,381</i>	<i>2,083</i>	<i>–</i>	<i>–</i>
<b>Benefits, losses and expenses</b>														
Insurance benefits and losses, net <sup>1</sup>	20,914	19,795	9,503	10,140	2,105	3,708	58	72	475	769	–	–	33,054	34,484
Losses and loss adjustment expenses, net	20,894	19,773	59	76	2,105	3,708	1	2	(622)	62	3	–	22,439	23,620
Life insurance death and other benefits, net	20	22	10,208	9,773	–	–	57	69	618	683	–	–	10,904	10,548
(Decrease)/increase in future life policyholders' benefits, net <sup>1</sup>	–	1	(764)	291	–	–	(1)	–	479	24	(3)	–	(289)	316
Policyholder dividends and participation in profits, net	9	3	(2,826)	10,302	–	–	–	–	133	496	–	(1)	(2,685)	10,801
Income tax expense/(benefit) attributable to policyholders	–	–	(242)	462	–	–	–	–	–	–	–	–	(242)	462
Underwriting and policy acquisition costs, net	5,587	5,409	2,029	1,503	902	1,733	16	6	9	8	(20)	(10)	8,523	8,649
Administrative and other operating expense (excl. depreciation/amortization)	3,673	3,134	2,394	1,883	1,290	1,900	1,193	980	213	188	(1,490)	(1,195)	7,274	6,890
Interest credited to policyholders and other interest	24	39	395	428	–	1	10	3	57	62	(7)	(3)	479	529
Restructuring provisions and other items not included in BOP	(238)	(306)	(130)	(179)	(10)	(602)	(107)	12	1	21	–	–	(483)	(1,055)
<b>Total BOP benefits, losses and expenses</b>														
(before interest, depreciation and amortization)	29,969	28,074	11,123	24,539	4,288	6,739	1,170	1,072	888	1,544	(1,517)	(1,209)	45,920	60,759
<b>Business operating profit (before interest, depreciation and amortization)</b>	<b>2,836</b>	<b>3,392</b>	<b>1,781</b>	<b>1,922</b>	<b>1,660</b>	<b>1,860</b>	<b>357</b>	<b>322</b>	<b>100</b>	<b>(46)</b>	<b>(864)</b>	<b>(874)</b>	<b>5,870</b>	<b>6,576</b>
Depreciation and impairments of property and equipment	86	83	30	32	56	65	14	20	5	4	–	–	191	205
Amortization and impairments of intangible assets	278	398	315	303	118	109	93	64	1	8	–	–	805	882
Interest expense on debt	209	222	56	71	–	–	1,085	1,039	100	98	(864)	(874)	586	556
Business operating profit before non-controlling interests	2,264	2,689	1,380	1,516	1,486	1,686	(835)	(802)	(7)	(157)	–	–	4,288	4,934
Non-controlling interests	(1)	22	26	42	–	–	–	(1)	1	1	–	–	26	64
<b>Business operating profit</b>	<b>2,265</b>	<b>2,667</b>	<b>1,353</b>	<b>1,474</b>	<b>1,486</b>	<b>1,686</b>	<b>(835)</b>	<b>(801)</b>	<b>(8)</b>	<b>(157)</b>	<b>–</b>	<b>–</b>	<b>4,261</b>	<b>4,870</b>
<b>Supplementary information</b>														
Additions and capital improvements to property, equipment and intangible assets	402	299	296	96	171	236	124	91	–	24	–	–	994	747

<sup>1</sup> The Global Life segment includes approximately USD 891 million and USD 1,514 million of gross written premiums and future life policyholders' benefits for certain universal life-type contracts in the Group's Spanish operations for the years ended December 31, 2011 and 2010, respectively (see note 3 of the Consolidated financial statements 2011).

## Financial highlights (unaudited)

## Adjusted business operating profit by business segment

in USD millions, as of December 31

	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Average allocated common shareholders' equity	17,570	15,145	8,342	8,079	2,982	3,223	918	1,366	1,720	2,234	31,533	30,047
Adjusted business operating profit	2,248	2,567	1,258	1,330	1,453	1,622	(681)	(487)	(16)	(163)	4,261	4,870
<b>Adjusted BOP return on common shareholders' equity</b>	<b>12.8%</b>	<b>17.0%</b>	<b>15.1%</b>	<b>16.5%</b>	<b>48.7%</b>	<b>50.3%</b>	<b>(74.6%)</b>	<b>(36.5%)</b>	<b>(0.9%)</b>	<b>(7.3%)</b>	<b>13.5%</b>	<b>16.2%</b>
<b>BOPAT return on average allocated common shareholders' equity</b>											<b>10.2%</b>	<b>12.9%</b>

## Reconciliation of BOP to net income after income taxes

in USD millions, for the years ended December 31

	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
<b>Business operating profit</b>	<b>2,265</b>	<b>2,667</b>	<b>1,353</b>	<b>1,474</b>	<b>1,486</b>	<b>1,686</b>	<b>(835)</b>	<b>(801)</b>	<b>(8)</b>	<b>(157)</b>	<b>4,261</b>	<b>4,870</b>
Revenues/(expenses) not included in BOP:												
Net capital gains/(losses) on investments and impairments, net of policyholder allocation	526	281	407	14	(12)	(9)	230	168	37	31	1,187	484
Net gain/(loss) on divestments of businesses	(5)	5	16	33	–	–	(5)	–	–	1	6	38
Restructuring provisions	(145)	(71)	(69)	(21)	(9)	(17)	–	–	–	(1)	(222)	(111)
Net income/(expense) on intercompany loans <sup>3</sup>	(49)	(55)	(14)	(37)	–	–	65	86	–	–	2	(5)
Other adjustments	(45) <sup>4</sup>	(180) <sup>4</sup>	(48) <sup>5</sup>	(121)	(1)	(585) <sup>1</sup>	(172) <sup>2</sup>	(75)	1	22	(263)	(939)
Add back:												
Business operating profit attributable to non-controlling interests	(1)	22	26	42	–	–	–	(1)	1	1	26	64
<b>Net income before shareholders' taxes</b>	<b>2,547</b>	<b>2,668</b>	<b>1,672</b>	<b>1,384</b>	<b>1,464</b>	<b>1,074</b>	<b>(716)</b>	<b>(622)</b>	<b>31</b>	<b>(104)</b>	<b>4,998</b>	<b>4,401</b>
Income tax expense/(benefit) attributable to policyholders	–	–	(242)	462	–	–	–	–	–	–	(242)	462
<b>Net income before income taxes</b>	<b>2,547</b>	<b>2,668</b>	<b>1,431</b>	<b>1,845</b>	<b>1,464</b>	<b>1,074</b>	<b>(716)</b>	<b>(622)</b>	<b>31</b>	<b>(104)</b>	<b>4,757</b>	<b>4,862</b>
Income tax expense (attributable to policyholders and shareholders)											(965)	(1,355)
<b>Net income after taxes</b>											<b>3,792</b>	<b>3,507</b>

<sup>1</sup> Includes USD 570 million settlement costs related to the FOGEL case (see note 25 of the Consolidated financial statements 2011).<sup>2</sup> Includes USD 100 million charitable commitment to the Zurich Foundation.<sup>3</sup> The impact on Group level relates to foreign currency translation differences.<sup>4</sup> Includes USD 85 million and USD 112 million as of December 31, 2011 and 2010, respectively, of software impairments related to a restructuring program impacting several European countries (see notes 17 and 19 of the Consolidated financial statements 2011).<sup>5</sup> Includes USD 67 million related to a voluntary settlement of and insurance liability in Italy.

## Financial highlights (unaudited)

## Assets and liabilities by business segment

in USD millions, as of December 31

	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Eliminations		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
<b>Assets</b>														
Total Group Investments	84,142	85,967	101,735	100,976	4,267	4,526	19,332	20,110	13,119	14,757	(28,211)	(30,438)	194,385	195,898
Cash and cash equivalents	8,261	9,024	3,247	2,564	580	808	8,596	7,158	2,637	3,148	(14,552)	(14,521)	8,768	8,182
Equity securities	5,275	5,561	4,107	5,201	93	83	1,533	2,597	219	287	–	–	11,226	13,729
Debt securities	62,894	64,136	68,055	64,471	1,295	1,296	4,563	4,070	7,016	7,261	(962)	(980)	142,861	140,254
Real estate held for investment	2,911	2,940	5,126	4,893	132	135	42	45	258	261	–	–	8,468	8,274
Mortgage loans	1,472	1,495	8,177	8,538	–	–	–	–	1,409	1,819	–	–	11,058	11,851
Other loans	3,325	2,806	12,959	15,212	2,168	2,204	4,593	6,235	1,495	1,900	(12,697)	(14,937)	11,842	13,419
Investments in associates and joint ventures	6	6	65	97	–	–	6	5	84	80	–	–	161	188
Investments for unit-linked contracts	–	–	93,096	96,139	–	–	–	–	11,508	11,808	–	–	104,603	107,947
<b>Total investments</b>	<b>84,142</b>	<b>85,967</b>	<b>194,831</b>	<b>197,116</b>	<b>4,267</b>	<b>4,526</b>	<b>19,332</b>	<b>20,110</b>	<b>24,626</b>	<b>26,565</b>	<b>(28,211)</b>	<b>(30,438)</b>	<b>298,988</b>	<b>303,845</b>
Reinsurers' share of reserves for insurance contracts	13,440	13,320	2,068	1,997	–	212	–	–	4,509	4,328	(656)	(1,041)	19,361	18,816
Deposits made under assumed reinsurance contracts	71	120	19	11	2,141	2,201	–	–	508	530	(28)	(26)	2,711	2,837
Deferred policy acquisition costs	3,500	3,426	13,011	12,686	352	167	–	–	1	1	–	–	16,864	16,281
Deferred origination costs	–	–	824	866	–	–	–	–	–	–	–	–	824	866
Goodwill	827	869	413	411	819	819	–	5	–	–	–	–	2,060	2,104
Other intangible assets	1,158	1,208	2,895	3,022	1,434	1,453	286	269	1	2	–	–	5,774	5,954
Other assets <sup>1</sup>	14,632	14,743	22,311	7,367	1,009	1,202	1,906	2,714	1,261	1,149	(1,832)	(2,255)	39,288	24,919
<b>Total assets (after cons. of investments in subsidiaries)</b>	<b>117,770</b>	<b>119,654</b>	<b>236,372</b>	<b>223,476</b>	<b>10,023</b>	<b>10,581</b>	<b>21,525</b>	<b>23,097</b>	<b>30,906</b>	<b>32,575</b>	<b>(30,727)</b>	<b>(33,759)</b>	<b>385,869</b>	<b>375,623</b>
<b>Liabilities</b>														
Liabilities for investment contracts	–	–	50,661	50,912	–	–	–	–	–	–	–	(246)	50,661	50,667
Reserves for insurance contracts, gross	80,462	80,242	136,248	138,536	2,728	2,711	39	57	21,972	22,194	(637)	(1,021)	240,811	242,719
Reserves for losses and loss adjustment expenses, gross	64,074	63,864	39	58	1,410	1,938	28	46	2,559	2,953	(586)	(752)	67,525	68,107
Reserves for unearned premiums, gross	15,026	15,084	205	201	1,318	773	4	5	22	25	(9)	(7)	16,567	16,081
Future life policyholders' benefits, gross	92	103	74,162	74,901	–	–	6	6	5,097	4,569	(42)	(265)	79,314	79,315
Policyholders' contract deposits and other funds, gross	1,269	1,192	14,195	13,397	–	–	–	–	2,787	2,839	–	2	18,251	17,430
Reserves for unit-linked contracts, gross	–	–	47,647	49,978	–	–	–	–	11,507	11,807	–	–	59,154	61,786
Senior debt	5,354	5,152	948	457	125	–	22,590	24,064	2,134	2,462	(24,611)	(25,681)	6,541	6,453
Subordinated debt	1,038	1,700	333	793	–	–	5,432	5,000	23	170	(1,350)	(2,659)	5,476	5,004
Other liabilities <sup>2</sup>	12,913	14,315	30,368	17,960	1,635	2,024	3,149	2,366	4,428	5,026	(4,129)	(4,152)	48,364	37,539
<b>Total liabilities</b>	<b>99,767</b>	<b>101,408</b>	<b>218,558</b>	<b>208,659</b>	<b>4,488</b>	<b>4,735</b>	<b>31,209</b>	<b>31,487</b>	<b>28,557</b>	<b>29,852</b>	<b>(30,727)</b>	<b>(33,759)</b>	<b>351,852</b>	<b>342,382</b>
<b>Equity</b>														
Common shareholders' equity													31,636	31,429
Preferred securities													–	475
Shareholders' equity													31,636	31,905
Non-controlling interests													2,380	1,336
Total equity													34,017	33,241
<b>Total liabilities and equity</b>													<b>385,869</b>	<b>375,623</b>
<b>Supplementary segment information</b>														
Reserves for losses and loss adjustment expenses, net	52,899	52,672	34	54	1,410	1,938	28	46	743	1,311	9	(7)	55,124	56,014
Reserves for unearned premiums, net	12,690	12,900	203	197	1,318	773	4	5	20	21	–	–	14,235	13,895
Future life policyholders' benefits, net	92	89	72,109	72,935	–	(212)	6	6	4,544	4,065	(9)	7	76,742	76,891
Policyholders' contract deposits and other funds, net	1,249	1,170	14,183	13,370	–	–	–	–	619	623	19	20	16,070	15,184
Reserves for unit-linked contracts, net	–	–	47,647	49,978	–	–	–	–	11,507	11,807	–	–	59,154	61,786
<b>Reserves for insurance contracts, net</b>	<b>66,930</b>	<b>66,832</b>	<b>134,176</b>	<b>136,535</b>	<b>2,728</b>	<b>2,499</b>	<b>39</b>	<b>57</b>	<b>17,433</b>	<b>17,828</b>	<b>19</b>	<b>20</b>	<b>221,325</b>	<b>223,770</b>

<sup>1</sup> The General Insurance and Global Life segments include assets held for sale amounting to USD 38 million and USD 17 million, respectively. See note 5 of the Consolidated Financial Statements.

<sup>2</sup> The General Insurance and Global Life segments include liabilities held for sale amounting to USD 41 million and USD 14 million, respectively. See note 5 of the Consolidated Financial Statements.

## General Insurance (unaudited)

General Insurance – Customer segment overview	in USD millions, for the years ended December 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	7,949	7,624	9,777	9,728	12,932	12,427	4,425	3,854	401	574	(912)	(1,142)	34,572	33,066
Net earned premiums and policy fees	5,350	4,902	7,644	7,580	12,647	12,393	3,377	2,902	58	68	–	–	29,076	27,844
Insurance benefits and losses, net	4,564	3,662	5,126	5,102	8,955	8,958	2,462	1,954	(192)	120	–	–	20,914	19,795
Policyholder dividends and participation in profits, net	–	(2)	8	8	–	(3)	–	–	–	–	–	–	9	3
Total net technical expenses	1,086	1,036	2,196	2,254	3,313	3,150	1,180	1,016	22	22	14	(5)	7,811	7,474
Net underwriting result	(301)	205	315	217	379	287	(265)	(68)	228	(74)	(14)	5	342	572
Net investment income	600	567	979	1,097	928	919	236	217	57	66	(1)	2	2,799	2,867
Net capital gains/(losses) and impairments on investments	2	11	8	35	(1)	1	–	–	–	–	–	–	8	46
Net non-technical result (excl. items not included in BOP)	(132)	(41)	(255)	(230)	(351)	(438)	(118)	(39)	(44)	(41)	15	(6)	(885)	(796)
Business operating profit before non-controlling interests	169	742	1,048	1,118	954	768	(147)	110	240	(49)	–	–	2,264	2,689
Non-controlling interests	–	1	–	–	(10)	(6)	9	26	–	–	–	–	(1)	22
Business operating profit	169	741	1,048	1,118	964	774	(156)	84	240	(49)	–	–	2,265	2,667
Adjusted business operating profit	192	757	1,026	1,073	953	725	(165)	60	242	(48)	–	–	2,248	2,567
Adjusted business operating profit return on common shareholders' equity	3.9%	20.1%	18.5%	20.4%	18.7%	16.7%	(14.1%)	6.2%	27.1%	(6.0%)	–	–	12.8%	17.0%
Ratios, as % of net earned premiums and policy fees														
Loss ratio	85.3%	74.7%	67.0%	67.3%	70.8%	72.3%	72.9%	67.3%	nm	nm	n/a	n/a	71.9%	71.1%
Expense ratio	20.3%	21.1%	28.8%	29.8%	26.2%	25.4%	34.9%	35.0%	nm	nm	n/a	n/a	26.9%	26.9%
Combined ratio	105.6%	95.8%	95.9%	97.1%	97.0%	97.7%	107.8%	102.3%	nm	nm	n/a	n/a	98.8%	97.9%

## General Insurance (unaudited)

General Insurance –  
Revenues by region

in USD millions, for the years ended December 31

	Gross written premiums and policy fees from external customers		of which Global Corporate	
	2011	2010	2011	2010
Middle East	118	60	80	60
Africa				
South Africa	539	634		
Morocco	130	109		
Subtotal Africa	669	743	–	–
Latin America				
Argentina	278	224		
Brazil	571	412		
Chile	270	220		
Mexico	291	258		
Venezuela	244	225		
Rest of Latin America	34	34		
Subtotal Latin America	1,687	1,374	–	–
North America				
United States	11,494	11,281		
Rest of North America	930	920		
Subtotal North America	12,424	12,201	2,838	2,671
Asia-Pacific				
Australia	1,114	943		
Hong Kong	182	154		
Japan	736	606		
Taiwan	126	119		
Rest of Asia-Pacific	288	205		
Subtotal Asia-Pacific	2,446	2,027	590	481
Europe				
United Kingdom	3,878	4,069		
Germany	3,387	3,106		
Switzerland	3,408	2,961		
Italy	2,122	2,175		
Spain	1,671	1,709		
Rest of Europe	2,750	2,605		
Subtotal Europe	17,215	16,624	4,150	4,088
<b>Total</b>	<b>34,559</b>	<b>33,029</b>	<b>7,659</b>	<b>7,299</b>

## General Insurance (unaudited)

General Insurance – Non-current assets by region	in USD millions, as of December 31	Property/equipment and intangible assets	
		2011	2010
Middle East		35	–
Africa			
South Africa		19	25
Morocco		31	35
Subtotal Africa		50	60
Latin America			
Argentina		7	4
Brazil		170	151
Chile		1	1
Mexico		10	11
Venezuela		13	8
Rest of Latin America		5	8
Subtotal Latin America		207	183
North America			
United States		247	232
Rest of North America		6	8
Subtotal North America		254	240
Asia-Pacific			
Australia		79	79
Hong Kong		6	7
Japan		33	34
Taiwan		18	19
Rest of Asia-Pacific		4	2
Subtotal Asia-Pacific		140	141
Europe			
United Kingdom		199	212
Germany		210	225
Switzerland		589	674
Italy		49	65
Spain		501	543
Rest of Europe		609	668
Subtotal Europe		2,158	2,386
<b>Total</b>		<b>2,844</b>	<b>3,012</b>



## General Insurance (unaudited)

Key information –  
Europe by country

in USD millions, for the years ended December 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	2,757	2,801	2,879	2,656	2,694	2,351	1,947	2,002	1,174	1,214	1,516	1,444	(35)	(41)	12,932	12,427
Net earned premiums and policy fees	2,649	2,851	2,814	2,604	2,597	2,258	1,952	1,993	1,182	1,198	1,452	1,489	–	–	12,647	12,393
Net underwriting result	79	9	(250)	(24)	435	378	(26)	(62)	74	54	61	(47)	6	(19)	379	287
<b>Business operating profit</b>	<b>256</b>	<b>200</b>	<b>(159)</b>	<b>70</b>	<b>568</b>	<b>498</b>	<b>61</b>	<b>8</b>	<b>80</b>	<b>59</b>	<b>158</b>	<b>(60)</b>	<b>–</b>	<b>–</b>	<b>964</b>	<b>774</b>

Ratios, as % of net earned premiums and policy fees

Loss ratio	69.2%	73.1%	83.8%	77.3%	59.6%	61.2%	74.5%	77.4%	67.0%	68.5%	66.7%	75.0%	n/a	n/a	70.8%	72.3%
Expense ratio	27.8%	26.6%	25.1%	23.6%	23.6%	22.0%	26.8%	25.7%	26.8%	27.0%	29.2%	28.2%	n/a	n/a	26.2%	25.4%
Combined ratio	<b>97.0%</b>	<b>99.7%</b>	<b>108.9%</b>	<b>100.9%</b>	<b>83.2%</b>	<b>83.3%</b>	<b>101.3%</b>	<b>103.1%</b>	<b>93.7%</b>	<b>95.5%</b>	<b>95.8%</b>	<b>103.2%</b>	<b>n/a</b>	<b>n/a</b>	<b>97.0%</b>	<b>97.7%</b>

Customer segment  
reporting -  
Europe Commercial  
and Personal

in USD millions, for the years ended December 31	Commercial		Personal		Eliminations		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Gross written premiums and policy fees	5,322	4,948	7,612	7,484	(1)	(5)	12,932	12,427
Net earned premiums and policy fees	4,980	4,702	7,667	7,691	–	–	12,647	12,393
Net underwriting result	48	300	323	19	8	(32)	379	287
<b>Business operating profit</b>	<b>360</b>	<b>629</b>	<b>604</b>	<b>145</b>	<b>–</b>	<b>–</b>	<b>964</b>	<b>774</b>

Ratios, as % of net earned premiums and policy fees

Loss ratio	74.0%	69.2%	68.7%	74.2%	n/a	n/a	70.8%	72.3%
Expense ratio	25.1%	24.4%	27.0%	25.6%	n/a	n/a	26.2%	25.4%
Combined ratio	<b>99.0%</b>	<b>93.6%</b>	<b>95.8%</b>	<b>99.7%</b>	<b>n/a</b>	<b>n/a</b>	<b>97.0%</b>	<b>97.7%</b>

## General Insurance (unaudited)

International  
Markets  
by region

in USD millions, for the years ended December 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	1,693	1,376	1,855	1,609	877	877	–	(8)	4,425
Net earned premiums and policy fees	1,034	829	1,668	1,369	675	704	–	–	3,377	2,902
Net underwriting result	(22)	(115)	(239)	13	(4)	34	–	–	(265)	(68)
<b>Business operating profit</b>	<b>16</b>	<b>(29)</b>	<b>(176)</b>	<b>76</b>	<b>5</b>	<b>36</b>	<b>–</b>	<b>–</b>	<b>(156)</b>	<b>84</b>
Ratios, as % of net earned premiums and policy fees										
Loss ratio	64.2%	71.1%	81.3%	66.6%	65.5%	64.3%	n/a	n/a	72.9%	67.3%
Expense ratio	37.9%	42.7%	33.0%	32.4%	35.1%	30.9%	n/a	n/a	34.9%	35.0%
Combined ratio	<b>102.1%</b>	<b>113.8%</b>	<b>114.3%</b>	<b>99.1%</b>	<b>100.6%</b>	<b>95.2%</b>	<b>n/a</b>	<b>n/a</b>	<b>107.8%</b>	<b>102.3%</b>

Customer segment  
reporting –  
International  
Markets  
Commercial and  
Personal

in USD millions, for the years ended December 31

	Commercial		Personal		Eliminations		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Gross written premiums and policy fees	2,237	2,211	2,207	1,663	(19)	(20)	4,425	3,854
Net earned premiums and policy fees	1,803	1,610	1,574	1,291	–	–	3,377	2,902
Net underwriting result	(267)	(31)	6	(36)	(3)	(1)	(265)	(68)
<b>Business operating profit</b>	<b>(188)</b>	<b>78</b>	<b>32</b>	<b>6</b>	<b>–</b>	<b>–</b>	<b>(156)</b>	<b>84</b>
Ratios, as % of net earned premiums and policy fees								
Loss ratio	83.5%	70.3%	60.7%	63.7%	n/a	n/a	72.9%	67.3%
Expense ratio	31.3%	31.6%	38.9%	39.1%	n/a	n/a	34.9%	35.0%
Combined ratio	<b>114.8%</b>	<b>101.9%</b>	<b>99.6%</b>	<b>102.8%</b>	<b>n/a</b>	<b>n/a</b>	<b>107.8%</b>	<b>102.3%</b>

International  
Markets –  
Mature Markets  
in Asia-Pacific

in USD millions, for the years ended December 31

	Asia-Pacific		of which: Mature Markets <sup>1</sup>	
	2011	2010	2011	2010
Gross written premiums and policy fees	1,855	1,609	1,530	1,292
Net earned premiums and policy fees	1,668	1,369	1,403	1,100
Net underwriting result	(239)	13	(324)	5
<b>Business operating profit</b>	<b>(176)</b>	<b>76</b>	<b>(264)</b>	<b>73</b>
Ratios, as % of net earned premiums and policy fees				
Loss ratio	81.3%	66.6%	92.6%	71.7%
Expense ratio	33.0%	32.4%	30.5%	27.8%
Combined ratio	<b>114.3%</b>	<b>99.1%</b>	<b>123.1%</b>	<b>99.5%</b>

<sup>1</sup> Mature markets include the Group's operations in Australia, New Zealand and Japan.

## Global Life (unaudited)

Global Life –  
Overview

in USD millions, for the years ended December 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	298	220	274	154	13,244	12,931	1,771	1,421	541	656	–	–	16,127	15,382
Gross written premiums <sup>1</sup>	509	490	650	643	7,640	8,485	560	459	102	89	(30)	(53)	9,432	10,113
Policy fees	283	282	24	27	1,715	1,712	125	155	4	3	–	–	2,152	2,179
Gross written premiums and policy fees	793	772	674	670	9,355	10,197	686	614	106	92	(30)	(53)	11,583	12,292
Net earned premiums and policy fees	579	558	645	597	8,961	9,777	580	516	100	71	–	(6)	10,865	11,513
Net investment income on Group investments	330	342	134	120	3,562	3,353	107	66	13	12	–	–	4,146	3,892
Net capital gains/(losses) and impairments on Group investments	–	4	–	–	396	492	33	3	–	–	–	–	429	498
Net investment result on Group investments	330	346	134	120	3,957	3,844	140	68	13	12	–	–	4,575	4,390
Net investment income on unit-linked investments	(29)	(30)	8	8	2,024	1,790	106	78	30	16	–	–	2,139	1,862
Net capital gains/(losses) and impairments on unit-linked investments	(18)	49	(24)	60	(4,595)	6,665	(946)	965	(104)	39	–	–	(5,687)	7,777
Net investment result on unit-linked investments	(47)	19	(16)	68	(2,572)	8,454	(840)	1,043	(74)	55	–	–	(3,548)	9,639
Other income	97	97	15	22	426	394	197	170	280	238	(4)	(4)	1,012	918
<b>Total BOP revenues</b>	<b>960</b>	<b>1,019</b>	<b>778</b>	<b>807</b>	<b>10,773</b>	<b>22,470</b>	<b>77</b>	<b>1,798</b>	<b>320</b>	<b>377</b>	<b>(4)</b>	<b>(10)</b>	<b>12,904</b>	<b>26,460</b>
<b>Benefits, losses and expenses</b>														
Insurance benefits and losses, net <sup>1</sup>	339	318	447	442	8,455	9,190	216	149	47	41	–	–	9,503	10,140
Policyholder dividends and participation in profits, net	(24)	24	(13)	66	(1,920)	9,103	(801)	1,057	(69)	58	–	(6)	(2,826)	10,302
Income tax expense/(benefit) attributable to policyholders	–	–	–	–	(255)	460	14	1	–	–	–	–	(242)	462
Underwriting and policy acquisition costs, net	123	111	132	96	1,507	1,023	156	191	111	81	1	–	2,029	1,503
Administrative and other operating expense (excl. depreciation/amortization)	129	129	142	114	1,562	1,164	340	283	225	196	(5)	(4)	2,394	1,883
Interest credited to policyholders and other interest	137	168	5	5	224	224	28	30	–	–	–	–	395	428
Restructuring provisions and other items not included in BOP	1	(1)	3	–	(127)	(177)	(7)	(1)	–	–	–	–	(130)	(179)
<b>Total BOP benefits, losses and expenses</b>	<b>704</b>	<b>750</b>	<b>717</b>	<b>724</b>	<b>9,446</b>	<b>20,988</b>	<b>(53)</b>	<b>1,710</b>	<b>314</b>	<b>377</b>	<b>(4)</b>	<b>(10)</b>	<b>11,123</b>	<b>24,539</b>
<b>Business operating profit (before interest, depreciation and amortization)</b>	<b>256</b>	<b>269</b>	<b>61</b>	<b>84</b>	<b>1,327</b>	<b>1,482</b>	<b>131</b>	<b>87</b>	<b>6</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,781</b>	<b>1,922</b>
Depreciation and impairments of property and equipment	1	1	2	1	23	25	4	4	–	1	–	–	30	32
Amortization and impairments of intangible assets	26	25	2	2	279	267	3	4	4	5	–	–	315	303
Interest expense on debt	2	2	9	–	43	68	–	–	1	–	–	–	56	71
Business operating profit before non-controlling interests	227	241	49	81	981	1,121	123	79	–	(6)	–	–	1,380	1,516
Non-controlling interests	–	–	–	5	27	37	(1)	–	–	–	–	–	26	42
<b>Business operating profit</b>	<b>227</b>	<b>241</b>	<b>49</b>	<b>76</b>	<b>953</b>	<b>1,085</b>	<b>124</b>	<b>79</b>	<b>–</b>	<b>(6)</b>	<b>–</b>	<b>–</b>	<b>1,353</b>	<b>1,474</b>

<sup>1</sup> Europe includes approximately USD 891 million and USD 1,514 million of gross written premiums and future life policyholders' benefits for certain universal life-type contracts in the Group's Spanish operations for the years ended December 31, 2011 and 2010, respectively (see note 3 of the Consolidated financial statements 2011).

## Global Life (unaudited)

Global Life –  
Europe

in USD millions, for the years ended December 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	6,359	4,726	2,234	2,541	106	57	2,036	2,547	1,560	2,157	949	903	–	–	13,244	12,931
Gross written premiums <sup>1</sup>	503	401	2,915	3,355	1,965	1,547	406	390	1,312	2,239	567	582	(28)	(29)	7,640	8,485
Policy fees	1,044	1,124	417	394	–	(4)	166	120	32	25	56	53	–	–	1,715	1,712
Gross written premiums and policy fees	1,547	1,525	3,332	3,749	1,965	1,543	573	510	1,344	2,264	623	635	(28)	(29)	9,355	10,197
Net earned premiums and policy fees	1,389	1,345	3,226	3,651	1,957	1,537	479	415	1,309	2,221	600	608	–	–	8,961	9,777
Net investment income on Group investments	283	290	1,731	1,628	736	624	92	90	340	385	379	336	–	–	3,562	3,353
Net capital gains/(losses) and impairments on Group investments	267	224	132	221	26	17	(8)	12	–	(1)	(22)	19	–	–	396	492
Net investment result on Group investments	550	514	1,863	1,849	762	641	84	101	340	384	357	355	–	–	3,957	3,844
Net investment income on unit-linked investments	1,477	1,371	111	106	5	8	227	193	204	109	–	3	–	–	2,024	1,790
Net capital gains/(losses) and impairments on unit-linked investments	(3,008)	5,180	(1,136)	787	(16)	(8)	(364)	592	(72)	(50)	2	164	–	–	(4,595)	6,665
Net investment result on unit-linked investments	(1,531)	6,551	(1,025)	893	(12)	(1)	(136)	785	131	60	2	166	–	–	(2,572)	8,454
Other income	47	39	223	250	69	55	2	–	45	46	62	10	(21)	(6)	426	394
<b>Total BOP revenues</b>	<b>455</b>	<b>8,449</b>	<b>4,287</b>	<b>6,642</b>	<b>2,777</b>	<b>2,232</b>	<b>429</b>	<b>1,302</b>	<b>1,826</b>	<b>2,710</b>	<b>1,020</b>	<b>1,140</b>	<b>(21)</b>	<b>(6)</b>	<b>10,773</b>	<b>22,470</b>
Benefits, losses and expenses																
Insurance benefits and losses, net <sup>1</sup>	820	596	3,454	3,956	1,922	1,521	263	224	1,346	2,302	649	590	–	–	8,455	9,190
Policyholder dividends and participation in profits, net	(1,382)	6,393	(686)	1,471	159	100	(136)	826	142	64	(15)	250	–	–	(1,920)	9,103
Income tax expense/(benefit) attributable to policyholders	(310)	404	41	37	–	–	14	19	–	–	–	–	–	–	(255)	460
Underwriting and policy acquisition costs, net	556	367	557	318	163	160	106	75	29	29	97	75	–	(1)	1,507	1,023
Administrative and other operating expense (excl. depreciation/amortization)	414	376	397	292	254	199	137	70	122	106	259	127	(21)	(5)	1,562	1,164
Interest credited to policyholders and other interest	11	11	152	152	24	15	33	42	3	3	–	–	–	–	224	224
Restructuring provisions and other items not included in BOP	13	(114)	(41)	(3)	(15)	(12)	(10)	(4)	(7)	(37)	(67)	(7)	–	–	(127)	(177)
<b>Total BOP benefits, losses and expenses</b>	<b>121</b>	<b>8,033</b>	<b>3,874</b>	<b>6,224</b>	<b>2,507</b>	<b>1,983</b>	<b>408</b>	<b>1,252</b>	<b>1,635</b>	<b>2,467</b>	<b>922</b>	<b>1,035</b>	<b>(21)</b>	<b>(6)</b>	<b>9,446</b>	<b>20,988</b>
<b>Business operating profit (before interest, depreciation and amortization)</b>	<b>334</b>	<b>416</b>	<b>413</b>	<b>418</b>	<b>270</b>	<b>250</b>	<b>21</b>	<b>49</b>	<b>191</b>	<b>244</b>	<b>98</b>	<b>105</b>	<b>–</b>	<b>–</b>	<b>1,327</b>	<b>1,482</b>
Depreciation and impairments of property and equipment	8	9	11	11	2	3	1	1	–	–	–	–	–	–	23	25
Amortization and impairments of intangible assets	47	42	91	67	–	–	2	1	117	134	24	22	–	–	279	267
Interest expense on debt	4	5	8	1	1	3	–	–	23	54	7	6	–	–	43	68
Business operating profit before non-controlling interests	275	360	302	339	267	244	18	47	52	56	67	76	–	–	981	1,121
Non-controlling interests	–	–	7	8	–	–	–	–	20	29	–	–	–	–	27	37
<b>Business operating profit</b>	<b>275</b>	<b>360</b>	<b>295</b>	<b>331</b>	<b>267</b>	<b>244</b>	<b>18</b>	<b>47</b>	<b>31</b>	<b>27</b>	<b>67</b>	<b>76</b>	<b>–</b>	<b>–</b>	<b>953</b>	<b>1,085</b>

<sup>1</sup> Spain includes approximately USD 891 million and USD 1,514 million of gross written premiums and future life policyholders' benefits for certain universal life-type contracts in the Group's Spanish operations for the years ended December 31, 2011 and 2010, respectively (see note 3 of the Consolidated financial statements 2011).

## Global Life (unaudited)

Global Life –  
Asia-Pacific and  
Middle East

in USD millions, for the years ended December 31

	Asia-Pacific and Middle East		of which Mature Markets <sup>1</sup>	
	2011	2010	2011	2010
Insurance deposits	1,771	1,421	101	109
Gross written premiums	560	459	350	282
Policy fees	125	155	55	50
Gross written premiums and policy fees	686	614	405	332
Net earned premiums and policy fees	580	516	326	269
Net investment income on Group investments	107	66	41	29
Net capital gains/(losses) and impairments on Group investments	33	3	20	(26)
Net investment result on Group investments	140	68	61	3
Net investment result on unit-linked investments	(840)	1,043	(55)	33
Total BOP benefits, losses and expenses	(53)	1,710	378	400
Business operating profit	<b>124</b>	<b>79</b>	<b>82</b>	<b>22</b>

<sup>1</sup> Mature markets include the Group's operations in Australia and Japan.Global Life –  
Total investments

in %, for the years ended December 31

	North America		Latin America		Europe		Asia-Pacific and Middle East		Other		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Total Group investments	93.2	93.7	85.1	83.8	52.1	51.6	29.5	18.8	18.8	23.0	52.2	51.2
Cash and cash equivalents	0.4	0.2	5.2	3.0	2.6	2.3	16.9	13.3	16.0	16.4	3.2	2.5
Equity securities	4.8	3.1	1.4	1.7	3.6	4.7	14.0	31.1	0.9	3.2	4.0	5.2
Debt securities	89.4	91.0	72.5	79.1	65.2	61.7	57.7	46.3	83.1	80.4	66.9	63.8
Investments in associates and joint ventures	–	–	–	–	0.0	0.0	1.0	2.9	–	–	0.1	0.1
Other investments	5.4	5.7	20.9	16.2	28.5	31.2	10.4	6.4	–	–	25.8	28.4
Investments for unit-linked contracts	6.8	6.3	14.9	16.2	47.9	48.4	70.5	81.2	81.2	77.0	47.8	48.8
Total investments	<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, for the years ended December 31

	North America		Latin America		Europe		Asia-Pacific and Middle East		Other		Intersegment Elimination		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Unit-linked insurance and investment contracts	913	845	475	505	84,797	87,287	10,265	10,701	1,858	1,552	–	–	98,307	100,891
Other life insurance liabilities	5,214	5,107	2,037	2,042	75,763	77,507	3,005	1,378	273	267	2	4	86,292	86,306
Total reserves and liabilities	<b>6,126</b>	<b>5,952</b>	<b>2,512</b>	<b>2,547</b>	<b>160,560</b>	<b>164,794</b>	<b>13,269</b>	<b>12,080</b>	<b>2,131</b>	<b>1,819</b>	<b>2</b>	<b>4</b>	<b>184,599</b>	<b>187,196</b>

Global Life – Revenues by region	in USD millions, for the years ended December 31			
	Gross written premiums and policy fees from external customers		Life insurance deposits	
	2011	2010	2011	2010
North America				
United States	793	772	298	220
Subtotal North America	793	772	298	220
Latin America				
Chile	348	416	–	8
Argentina	36	33	44	37
Bolivia	12	10	12	10
Mexico	73	74	–	–
Venezuela	57	51	–	–
Brazil	148	86	218	99
Subtotal Latin America	674	670	274	154
Europe				
United Kingdom	1,539	1,519	6,359	4,726
Germany	3,273	3,695	2,234	2,541
Switzerland	1,964	1,542	106	57
Ireland <sup>2</sup>	573	510	2,036	2,547
Spain	1,344	2,264	1,560	2,157
Italy	361	351	841	828
Portugal	31	30	53	75
Austria	212	231	55	–
Subtotal Europe	9,296	10,143	13,244	12,931
Asia-Pacific and Middle East				
Hong Kong	89	79	146	169
Indonesia	1	–	–	–
Australia	304	242	79	87
Japan	101	90	22	22
Malaysia	85	–	–	–
Zurich International Life <sup>1</sup>	108	155	1,525	1,143
Subtotal Asia-Pacific and Middle East	687	566	1,771	1,421
Other				
Luxembourg <sup>2</sup>	4	3	541	656
International Group Risk Solutions <sup>3</sup>	66	58	–	–
Subtotal Other	70	61	541	656
<b>Total</b>	<b>11,520</b>	<b>12,212</b>	<b>16,127</b>	<b>15,382</b>

<sup>1</sup> Mainly includes business written through licenses into Asia-Pacific and Middle East

<sup>2</sup> Includes business written with freedom of service and freedom of establishment into Europe.

<sup>3</sup> Includes business written through licenses into all regions.

Global Life – Non-current assets by region	in USD millions, as of December 31	Property/equipment and intangible assets	
		2011	2010
North America			
United States		174	193
Subtotal North America		174	193
Latin America			
Chile		21	20
Argentina		9	5
Mexico		1	1
Brazil		43	50
Subtotal Latin America		74	77
Europe			
United Kingdom		415	410
Germany		816	911
Switzerland		60	157
Ireland		3	5
Spain		1,833	1,991
Italy		244	148
Austria		6	6
Subtotal Europe		3,378	3,629
Asia-Pacific and Middle East			
Hong Kong		7	3
Indonesia		3	–
Australia		–	1
Japan		3	3
Malaysia		109	–
Zurich International Life		5	5
Subtotal Asia-Pacific and Middle East		127	11
Other			
Luxembourg		4	2
Subtotal Other		4	2
<b>Total</b>		<b>3,757</b>	<b>3,912</b>

## Farmers (unaudited)

Farmers –  
Overview

in USD millions, for the years ended December 31

	Farmers Management Services		Farmers Re		Eliminations		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Gross written premiums and policy fees	–	–	3,529	4,194	–	–	3,529	4,194
Net earned premiums and policy fees	–	–	2,984	5,574	–	–	2,984	5,574
Management fees and other related revenues	2,767	2,778	–	–	–	–	2,767	2,778
Insurance benefits and losses, net	–	–	(2,105)	(3,708)	–	–	(2,105)	(3,708)
Management and other related expenses	(1,434)	(1,440)	–	–	–	–	(1,434)	(1,440)
Total net technical expenses	–	–	(903)	(1,733)	–	–	(903)	(1,733)
Gross management result	1,333	1,338	–	–	–	–	n/a	n/a
Net underwriting result	–	–	(23)	134	–	–	n/a	n/a
Net investment income	52	52	82	104	–	–	133	156
Other net income/Net non-technical result (excl. items not included in BOP)	(15)	(25)	58	84	–	–	42	58
Business operating profit before non-controlling interests	1,370	1,365	116	321	–	–	1,486	1,686
Business operating profit	1,370	1,365	116	321	–	–	1,486	1,686
Ratios, as % of net earned premiums and policy fees								
Loss ratio	–	–	70.5%	66.5%	–	–	–	–
Expense ratio	–	–	30.2%	31.1%	–	–	–	–
Combined ratio	–	–	100.8%	97.6%	–	–	–	–



## Additional information (unaudited)

Principal exchange rates	USD per foreign currency unit	Balance sheets		Income statements and cash flows	
		12/31/2011	12/31/2010	2011	2010
		Euro	1.2969	1.3391	1.3927
Swiss franc	1.0666	1.0707	1.1326	0.9617	
British pound	1.5533	1.5596	1.6039	1.5459	

Currency translation impact on key financial figures – General Insurance	variance over the prior period, for the year ended December 31, 2011	in USD		change	change in
		millions	in %	in USD	local currency
Gross written premiums and policy fees		1,366	4%	5%	–
Net investment income on total investments		107	4%	(2%)	(6%)
Net capital gains/(losses) and impairments on total investments		–	(1%)	(83%)	(82%)
Insurance benefits and losses, net of reinsurance		(965)	(5%)	(6%)	(1%)
Business operating profit		93	4%	(15%)	(19%)

Currency translation impact on key financial figures – Global Life	variance over the prior period, for the year ended December 31, 2011	in USD		change	change in
		millions	in %	in USD	local currency
Insurance deposits		665	4%	5%	1%
Gross written premiums		636	6%	(7%)	(13%)
Policy fees		75	3%	(1%)	(5%)
Gross written premiums and policy fees		711	6%	(6%)	(12%)
Net investment result on Group investments		274	6%	4%	(2%)
Net investment income on Group investments		253	7%	7%	–
Net capital gains/(losses) and impairments on Group investments		21	4%	(14%)	(18%)
Net investment result on unit-linked investments		(141)	(1%)	nm	nm
Insurance benefits and losses, net of reinsurance		(631)	(6%)	6%	13%
Business operating profit		81	5%	(8%)	(14%)

## Additional information (unaudited)

## Investment result

in USD millions, for the years ended December 31

	Net investment income		Net capital gains/(losses) on investments and impairments <sup>1</sup>		Investment result	
	2011	2010	2011	2010	2011	2010
Group investments						
Cash and cash equivalents	62	52	1	(1)	63	51
Equity securities	329	340	311	285	641	625
Debt securities	5,375	5,268	923	1,230	6,297	6,498
Real estate held for investment	531	466	46	28	576	494
Mortgage loans	494	505	(135)	(353)	358	153
Other loans	635	669	202	54	837	723
Investments in associates and joint ventures	12	17	(45)	(37)	(33)	(20)
Derivative financial instruments <sup>2</sup>	–	–	880	(308)	880	(308)
Investment result, gross, for Group investments	7,437	7,317	2,182	898	9,619	8,215
Investment expenses for Group investments <sup>3</sup>	(252)	(225)	–	–	(252)	(225)
Investment result, net, for Group investments	7,185	7,092	2,182	898	9,367	7,990
Investments for unit-linked contracts						
Investment result, net, for investments for unit-linked contracts	1,757	1,561	(5,302)	8,533	(3,544)	10,093
Total investments						
Investment result, net, for total investments	8,942	8,653	(3,119)	9,430	5,823	18,083

<sup>1</sup> Impairment charges on investments amounted in total to USD 458 million and USD 1,001 million for the years ended December 31, 2011 and 2010, respectively, of which impairments on equity securities comprised USD 270 million and USD 497 million, on debt securities USD 55 million and USD 97 million, and on mortgage loans, other loans and equity method accounted investments USD 133 million and USD 407 million for the years ended December 31, 2011 and 2010, respectively.

<sup>2</sup> Net capital gains/(losses) on derivatives attributable to cash flow hedges ineffectiveness amounted to USD (13) million and USD 10 million for the years ended December 31, 2011 and 2010, respectively.

<sup>3</sup> Including rental operating expense for real estate held for Group investments of USD 121 million and USD 114 million for the years ended December 31, 2011 and 2010, respectively.

## Additional information (unaudited)

Details of investments by category	as of		Group investments		Investments for unit-linked products		Total investments	
	12/31/11		12/31/10		12/31/11		12/31/10	
	USD millions	% of total	USD millions	% of total	USD millions	USD millions	USD millions	USD millions
Cash and cash equivalents	8,768	4.5	8,182	4.2	1,280	1,544	10,048	9,726
Equity securities:								
Fair value through profit or loss	3,253	1.7	3,931	2.0	79,862	85,765	83,116	89,695
of which:								
Trading securities	438	0.2	473	0.2	–	–	438	473
Securities designated at fair value through profit or loss	2,816	1.4	3,458	1.8	79,862	85,765	82,678	89,223
Available-for-sale	7,973	4.1	9,798	5.0	–	–	7,973	9,798
Total equity securities	11,226	5.8	13,729	7.0	79,862	85,765	91,088	99,494
Debt securities:								
Fair value through profit or loss	8,020	4.1	6,869	3.5	11,825	9,376	19,845	16,245
of which:								
Trading securities	50	0.0	43	0.0	–	–	50	43
Securities designated at fair value through profit or loss	7,971	4.1	6,826	3.5	11,825	9,376	19,795	16,202
Available-for-sale	129,306	66.5	128,257	65.5	–	–	129,306	128,257
Held-to-maturity	5,535	2.8	5,129	2.6	–	–	5,535	5,129
Total debt securities	142,861	73.5	140,254	71.6	11,825	9,376	154,686	149,630
Real estate held for investment	8,468	4.4	8,274	4.2	3,898	4,081	12,365	12,355
Mortgage loans	11,058	5.7	11,851	6.0	–	–	11,058	11,851
Other loans	11,842	6.1	13,419	6.9	7,739	7,182	19,582	20,601
Investments in associates and joint ventures	161	0.1	188	0.1	–	–	161	188
Total investments	194,385	100.0	195,898	100.0	104,603	107,947	298,988	303,845

Equity securities	for the years ended December 31		Group investments		Investments for unit-linked contracts		Total investments	
	2011		2010		2011		2010	
	USD millions	% of total	USD millions	% of total	USD millions	USD millions	USD millions	USD millions
Common stocks, including equity unit trusts	8,355	4.3	10,005	5.1	68,308	76,187	76,663	86,192
Unit trusts (debt securities, real estate, short-term investments)	2,451	1.3	3,208	1.6	11,554	9,577	14,005	12,786
Common stock portfolios backing the participating with-profit policyholder contracts	420	0.2	516	0.3	–	–	420	516
Total equity securities	11,226	5.8	13,729	7.0	79,862	85,765	91,088	99,494

## Information for the three months ended December 31 (unaudited)

## Business operating profit by business segment

in USD millions, for the three months ended December 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
<b>Revenues</b>														
Direct written premiums	6,926	7,040	2,473	3,216	–	–	–	–	54	53	–	–	9,452	10,309
Assumed written premiums	599	498	29	41	1,268	472	39	38	28	37	(58)	(69)	1,904	1,018
Gross Written Premiums	7,525	7,539	2,502	3,257	1,268	472	39	38	81	90	(58)	(69)	11,357	11,327
Policy fees	–	–	490	472	–	–	–	–	86	58	–	–	576	530
Gross written premiums and policy fees	7,525	7,539	2,992	3,729	1,268	472	39	38	167	148	(58)	(69)	11,933	11,857
Less premiums ceded to reinsurers	(978)	(1,124)	(179)	(180)	–	–	(16)	(14)	1	(11)	58	69	(1,114)	(1,260)
Net written premiums and policy fees	6,547	6,414	2,812	3,549	1,268	472	23	24	169	137	–	–	10,819	10,597
Net change in reserves for unearned premiums	821	635	(14)	(7)	(516)	723	(2)	(3)	–	–	–	–	288	1,348
Net earned premiums and policy fees	7,368	7,050	2,799	3,542	752	1,196	20	21	169	137	–	–	11,108	11,945
Farmers management fees and other related revenues	–	–	–	–	696	682	–	–	–	–	–	–	696	682
Net investment result on Group investments	671	741	1,113	1,068	31	35	124	130	59	(248)	(211)	(209)	1,787	1,517
Net investment income on Group investments	668	723	1,021	986	31	35	124	130	98	120	(211)	(209)	1,731	1,785
Net capital gains/(losses) and impairments on Group investments	3	18	92	82	–	–	–	–	(38)	(368)	–	–	56	(268)
Net investment result on unit-linked investments	–	–	3,725	4,774	–	–	–	–	136	55	–	–	3,861	4,829
Other income	300	220	267	261	18	18	264	241	24	84	(467)	(406)	406	418
<b>Total BOP revenues</b>	<b>8,339</b>	<b>8,011</b>	<b>7,904</b>	<b>9,645</b>	<b>1,497</b>	<b>1,930</b>	<b>408</b>	<b>392</b>	<b>389</b>	<b>27</b>	<b>(678)</b>	<b>(615)</b>	<b>17,858</b>	<b>19,391</b>
<i>of which: inter-segment revenues</i>	<i>(203)</i>	<i>(107)</i>	<i>(79)</i>	<i>(104)</i>	<i>(16)</i>	<i>(17)</i>	<i>(366)</i>	<i>(322)</i>	<i>(14)</i>	<i>(65)</i>	<i>678</i>	<i>615</i>	<i>–</i>	<i>–</i>
<b>Benefits, losses and expenses</b>														
Insurance benefits and losses, net	5,209	5,033	2,496	3,207	517	792	–	15	150	(224)	–	–	8,373	8,823
Losses and loss adjustment expenses, net	5,197	5,028	9	27	517	792	(2)	2	(3)	14	(7)	2	5,712	5,865
Life insurance death and other benefits, net	12	4	3,340	2,935	–	–	15	16	181	169	–	–	3,548	3,123
(Decrease)/increase in future life policyholders' benefits, net	–	1	(853)	246	–	–	(13)	(2)	(27)	(407)	7	(2)	(887)	(165)
Policyholder dividends and participation in profits, net	3	–	3,610	4,820	–	–	–	–	180	55	–	–	3,792	4,875
Income tax expense/(benefit) attributable to policyholders	–	–	132	185	–	–	–	–	–	–	–	–	132	185
Underwriting and policy acquisition costs, net	1,497	1,384	459	346	228	371	15	5	1	2	(17)	(7)	2,185	2,101
Administrative and other operating expense (excl. depreciation/amortization)	942	824	681	587	318	341	451	343	37	30	(442)	(391)	1,987	1,734
Interest credited to policyholders and other interest	6	10	87	111	–	–	4	1	13	14	(1)	(1)	108	135
Restructuring provisions and other items not included in BOP	14	(186)	(33)	(97)	(6)	(6)	(128)	(30)	1	26	–	–	(152)	(293)
<b>Total BOP benefits, losses and expenses (before interest, depreciation and amortization)</b>	<b>7,672</b>	<b>7,064</b>	<b>7,431</b>	<b>9,160</b>	<b>1,057</b>	<b>1,497</b>	<b>343</b>	<b>335</b>	<b>383</b>	<b>(97)</b>	<b>(460)</b>	<b>(399)</b>	<b>16,425</b>	<b>17,560</b>
<b>Business operating profit (before interest, depreciation and amortization)</b>	<b>668</b>	<b>947</b>	<b>473</b>	<b>485</b>	<b>440</b>	<b>433</b>	<b>65</b>	<b>58</b>	<b>6</b>	<b>124</b>	<b>(218)</b>	<b>(216)</b>	<b>1,433</b>	<b>1,831</b>
Depreciation and impairments of property and equipment	15	22	8	9	16	13	5	3	1	1	–	–	45	49
Amortization and impairments of intangible assets	69	164	94	71	33	29	39	24	–	–	–	–	236	288
Interest expense on debt	51	56	18	19	–	–	269	258	25	24	(218)	(216)	145	141
Business operating profit before non-controlling interests	532	705	353	387	390	391	(248)	(228)	(20)	98	–	–	1,008	1,353
Non-controlling interests	(1)	10	5	11	–	–	–	–	–	–	–	–	4	20
<b>Business operating profit</b>	<b>533</b>	<b>695</b>	<b>348</b>	<b>376</b>	<b>390</b>	<b>391</b>	<b>(248)</b>	<b>(228)</b>	<b>(20)</b>	<b>98</b>	<b>–</b>	<b>–</b>	<b>1,004</b>	<b>1,333</b>
Supplementary information														
Additions and capital improvements to property, equipment and intangible assets	115	299	184	96	42	236	48	91	–	24	–	–	390	747

## Information for the three months ended December 31 (unaudited)

Reconciliation of  
BOP to net income  
after income taxes

in USD millions, for the three months ended December 31

	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
<b>Business operating profit</b>	<b>533</b>	<b>695</b>	<b>348</b>	<b>376</b>	<b>390</b>	<b>391</b>	<b>(248)</b>	<b>(228)</b>	<b>(20)</b>	<b>98</b>	<b>1,004</b>	<b>1,333</b>
Revenues/(expenses) not included in BOP:												
Net capital gains/(losses) on investments and impairments, net of policyholder allocation	44	151	(15)	(20)	(9)	(10)	(64)	19	8	44	(36)	185
Net gain/(loss) on divestments of businesses	(5)	–	(1)	(16)	–	–	(5)	–	–	–	(11)	(16)
Restructuring provisions	(10)	(42)	(37)	(4)	(6)	(4)	–	–	–	–	(53)	(50)
Net income/(expense) on intercompany loans <sup>2</sup>	(12)	(14)	(3)	(10)	–	–	13	23	–	–	(1)	(2)
Other adjustments	36	(130)	6	(82)	–	(3)	(141) <sup>1</sup>	(52)	1	26	(97)	(242)
Add back:												
Business operating profit attributable to non-controlling interests	(1)	10	5	11	–	–	–	–	–	–	4	20
<b>Net income before shareholders' taxes</b>	<b>585</b>	<b>669</b>	<b>303</b>	<b>255</b>	<b>376</b>	<b>374</b>	<b>(444)</b>	<b>(239)</b>	<b>(11)</b>	<b>169</b>	<b>809</b>	<b>1,229</b>
Income tax expense/(benefit) attributable to policyholders	–	–	132	185	–	–	–	–	–	–	132	185
<b>Net income before income taxes</b>	<b>585</b>	<b>669</b>	<b>435</b>	<b>441</b>	<b>376</b>	<b>374</b>	<b>(444)</b>	<b>(239)</b>	<b>(11)</b>	<b>169</b>	<b>941</b>	<b>1,414</b>
Income tax expense (attributable to policyholders and shareholders)											(403)	(359)
<b>Net income after taxes</b>											<b>537</b>	<b>1,055</b>

<sup>1</sup> Includes USD 100 million charitable commitment to the Zurich Foundation.<sup>2</sup> The impact on Group level relates to foreign currency translation differences.

## Information for the three months ended December 31 (unaudited)

General Insurance – Customer segment overview	in USD millions, for the three months ended December 31													
	Global Corporate		North America Commercial		Europe		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	1,421	1,707	2,499	2,320	2,567	2,683	1,067	997	96	159	(125)	(327)	7,525	7,539
Net earned premiums and policy fees	1,326	1,275	2,075	1,920	3,062	3,052	884	781	21	22	–	–	7,368	7,050
Insurance benefits and losses, net	1,196	1,008	1,396	1,347	2,096	2,192	625	498	(103)	(11)	–	–	5,209	5,033
Policyholder dividends and participation in profits, net	1	(1)	2	1	–	–	–	–	–	–	–	–	3	–
Total net technical expenses	299	291	570	547	866	805	324	262	1	8	16	3	2,077	1,915
Net underwriting result	(170)	(22)	107	26	99	55	(65)	20	124	25	(16)	(3)	79	102
Net investment income	149	148	229	268	216	230	59	58	13	18	1	–	668	723
Net capital gains/(losses) and impairments on investments	–	4	4	15	(1)	(1)	–	–	–	–	–	–	3	18
Net non-technical result (excl. items not included in BOP)	(43)	21	(60)	(42)	(84)	(76)	(36)	(21)	(10)	(23)	16	3	(218)	(137)
Business operating profit before non-controlling interests	(64)	151	281	268	230	208	(42)	58	127	21	–	–	532	705
Non-controlling interests	–	1	–	–	(7)	–	6	9	–	–	–	–	(1)	10
Business operating profit	(64)	150	281	268	237	208	(48)	49	127	21	–	–	533	695
Ratios, as % of net earned premiums and policy fees														
Loss ratio	90.2%	79.0%	67.3%	70.1%	68.5%	71.8%	70.7%	63.8%	nm	nm	n/a	n/a	70.7%	71.4%
Expense ratio	22.7%	22.7%	27.5%	28.5%	28.3%	26.4%	36.7%	33.6%	nm	nm	n/a	n/a	28.2%	27.2%
Combined ratio	112.8%	101.7%	94.8%	98.7%	96.8%	98.2%	107.4%	97.4%	nm	nm	n/a	n/a	98.9%	98.6%

## Information for the three months ended December 31 (unaudited)

Global Life –  
Overview

in USD millions, for the three months ended December 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	54	49	82	46	4,640	4,282	338	451	256	223	–	–	5,370	5,052
Gross written premiums	133	136	172	144	1,975	2,849	209	126	14	12	(2)	(10)	2,502	3,257
Policy fees	72	71	4	6	386	368	27	26	1	1	–	–	490	472
Gross written premiums and policy fees	205	207	177	150	2,361	3,217	235	152	15	13	(2)	(10)	2,992	3,729
Net earned premiums and policy fees	151	152	164	136	2,265	3,122	205	122	15	9	–	–	2,799	3,542
Net investment income on Group investments	81	85	35	32	852	844	49	22	4	3	–	–	1,021	986
Net capital gains/(losses) and impairments on Group investments	–	1	–	–	68	71	24	10	–	–	–	–	92	82
Net investment result on Group investments	81	86	35	32	920	915	73	32	4	3	–	–	1,113	1,068
Net investment income on unit-linked investments	(10)	(8)	2	2	519	474	31	17	9	3	–	–	551	488
Net capital gains/(losses) and impairments on unit-linked investments	35	33	5	42	2,985	3,752	128	429	22	30	–	–	3,174	4,286
Net investment result on unit-linked investments	25	25	7	44	3,504	4,226	159	446	30	33	–	–	3,725	4,774
Other income	23	24	4	6	125	107	50	49	63	76	3	(1)	267	261
<b>Total BOP revenues</b>	<b>280</b>	<b>287</b>	<b>210</b>	<b>218</b>	<b>6,813</b>	<b>8,371</b>	<b>487</b>	<b>649</b>	<b>112</b>	<b>121</b>	<b>3</b>	<b>(1)</b>	<b>7,904</b>	<b>9,645</b>
<b>Benefits, losses and expenses</b>														
Insurance benefits and losses, net	97	91	97	96	2,164	2,987	139	37	(1)	(5)	–	–	2,496	3,207
Policyholder dividends and participation in profits, net	31	27	8	43	3,378	4,261	170	452	23	38	–	–	3,610	4,820
Income tax expense/(benefit) attributable to policyholders	–	–	–	–	128	188	4	(2)	–	–	–	–	132	185
Underwriting and policy acquisition costs, net	32	29	43	28	313	233	35	42	34	15	2	–	459	346
Administrative and other operating expense (excl. depreciation/amortization)	32	34	39	36	437	357	105	89	67	72	1	(1)	681	587
Interest credited to policyholders and other interest	25	42	1	1	53	60	7	8	–	–	–	–	87	111
Restructuring provisions and other items not included in BOP	–	(2)	3	–	(30)	(99)	(7)	4	–	–	–	–	(33)	(97)
<b>Total BOP benefits, losses and expenses</b>	<b>216</b>	<b>220</b>	<b>192</b>	<b>204</b>	<b>6,443</b>	<b>7,987</b>	<b>453</b>	<b>629</b>	<b>124</b>	<b>121</b>	<b>3</b>	<b>(1)</b>	<b>7,431</b>	<b>9,160</b>
<b>Business operating profit (before interest, depreciation and amortization)</b>	<b>64</b>	<b>67</b>	<b>17</b>	<b>14</b>	<b>370</b>	<b>384</b>	<b>33</b>	<b>20</b>	<b>(12)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>473</b>	<b>485</b>
Depreciation and impairments of property and equipment	–	–	1	–	5	7	1	1	–	–	–	–	8	9
Amortization and impairments of intangible assets	10	5	–	–	81	62	1	1	1	1	–	–	94	71
Interest expense on debt	1	1	9	–	8	18	–	–	–	–	–	–	18	19
Business operating profit before non-controlling interests	53	61	8	14	276	296	31	18	(14)	(2)	–	–	353	387
Non-controlling interests	–	–	(2)	1	7	10	(1)	–	–	–	–	–	5	11
<b>Business operating profit</b>	<b>53</b>	<b>61</b>	<b>9</b>	<b>13</b>	<b>269</b>	<b>286</b>	<b>31</b>	<b>18</b>	<b>(14)</b>	<b>(2)</b>	<b>–</b>	<b>–</b>	<b>348</b>	<b>376</b>

## Information for the three months ended December 31 (unaudited)

Farmers –  
Overview

in USD millions, for the three months ended December 31

	Farmers Management Services		Farmers Re		Eliminations		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Gross written premiums and policy fees	–	–	1,268	472	–	–	1,268	472
Net earned premiums and policy fees	–	–	752	1,196	–	–	752	1,196
Management fees and other related revenues	696	682	–	–	–	–	696	682
Insurance benefits and losses, net	–	–	(517)	(792)	–	–	(517)	(792)
Management and other related expenses	(357)	(367)	–	–	–	–	(357)	(367)
Total net technical expenses	–	–	(228)	(371)	–	–	(228)	(371)
Gross management result	339	314	–	–	–	–	n/a	n/a
Net underwriting result	–	–	6	33	–	–	n/a	n/a
Net investment income	12	12	20	23	–	–	31	35
Other net income/Net non-technical result (excl. items not included in BOP)	(1)	(9)	15	18	–	–	14	9
Business operating profit before non-controlling interests	350	317	41	74	–	–	390	391
Business operating profit	350	317	41	74	–	–	390	391
Ratios, as % of net earned premiums and policy fees								
Loss ratio	–	–	68.8%	66.2%	–	–	–	–
Expense ratio	–	–	30.4%	31.0%	–	–	–	–
Combined ratio	–	–	99.2%	97.3%	–	–	–	–



## Information for the year ended December 31, 2011 - FX adjusted (unaudited)

## Business operating profit by business segment – FX adjusted

variance in % over the prior period, for the year ended December 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	5	1	(7)	(13)	n/a	n/a	n/a	n/a	(7)	(7)	n/a	n/a	2	(3)
Assumed written premiums	2	(1)	(19)	(22)	(16)	(16)	3	(12)	1	1	14	23	(9)	(10)
Gross written premiums	5	–	(7)	(13)	(16)	(16)	3	(12)	(3)	(3)	14	23	–	(4)
Policy fees	nm	nm	(1)	(5)	n/a	n/a	n/a	n/a	32	32	n/a	n/a	2	(1)
Gross written premiums and policy fees	5	–	(6)	(12)	(16)	(16)	3	(12)	12	12	14	23	–	(4)
Less premiums ceded to reinsurers	(4)	(4)	9	13	n/a	n/a	(10)	7	nm	nm	(14)	(23)	(15)	(14)
Net written premiums and policy fees	5	–	(6)	(11)	(16)	(16)	(2)	(15)	nm	nm	n/a	n/a	(1)	(6)
Net change in reserves for unearned premiums	(41)	(28)	(41)	(35)	nm	nm	nm	nm	(30)	(32)	nm	nm	nm	nm
Net earned premiums and policy fees	4	–	(6)	(12)	(46)	(46)	(1)	(15)	nm	nm	nm	nm	(6)	(10)
Farmers management fees and other related revenues	n/a	n/a	n/a	n/a	–	–	n/a	n/a	n/a	n/a	n/a	n/a	–	–
Net investment result on Group investments	(4)	(7)	4	(2)	(15)	(15)	–	(6)	nm	nm	1	5	9	4
Net investment income on Group investments	(2)	(6)	7	–	(15)	(15)	–	(6)	(16)	(17)	1	5	1	(4)
Net capital gains/(losses) and impairments on Group investments	(83)	(82)	(14)	(18)	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	nm	nm	n/a	n/a	n/a	n/a	(99)	(99)	n/a	n/a	nm	nm
Other income	30	21	10	3	(30)	(30)	17	–	(36)	(37)	(25)	(9)	3	(1)
<b>Total BOP revenues</b>	<b>4</b>	<b>(1)</b>	<b>(51)</b>	<b>(55)</b>	<b>(31)</b>	<b>(31)</b>	<b>10</b>	<b>(3)</b>	<b>(34)</b>	<b>(33)</b>	<b>(14)</b>	<b>(3)</b>	<b>(23)</b>	<b>(27)</b>
<b>Benefits, losses and expenses</b>														
Insurance benefits and losses, net	(6)	(1)	6	13	43	43	20	32	38	35	n/a	n/a	4	9
Losses and loss adjustment expenses, net	(6)	(1)	23	31	43	43	58	59	nm	nm	nm	nm	5	9
Life insurance death and other benefits, net	8	15	(4)	2	n/a	n/a	18	30	10	10	nm	nm	(3)	3
(Decrease)/increase in future life policyholders' benefits, net	nm	nm	nm	nm	n/a	n/a	nm	nm	nm	nm	nm	nm	nm	nm
Policyholder dividends and participation in profits, net	nm	nm	nm	nm	n/a	n/a	n/a	n/a	73	73	nm	nm	nm	nm
Income tax expense/(benefit) attributable to policyholders	n/a	n/a	nm	nm	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	nm	nm
Underwriting and policy acquisition costs, net	(3)	1	(35)	(29)	48	48	nm	nm	(5)	(4)	100	92	1	5
Administrative and other operating expense (excl. depreciation/amortization)	(17)	(11)	(27)	(19)	32	32	(22)	(4)	(13)	(12)	25	10	(6)	–
Interest credited to policyholders and other interest	40	42	8	11	90	90	nm	nm	8	13	nm	nm	10	13
Restructuring provisions and other items not included in BOP	(22)	(28)	(27)	(32)	(98)	(98)	nm	nm	93	93	n/a	n/a	(54)	(59)
Total BOP benefits, losses and expenses (before interest, depreciation and amortization)	(7)	(2)	55	58	36	36	(9)	6	43	41	25	11	24	28
<b>Business operating profit (before interest, depreciation and amortization)</b>	<b>(16)</b>	<b>(20)</b>	<b>(7)</b>	<b>(12)</b>	<b>(11)</b>	<b>(11)</b>	<b>10</b>	<b>8</b>	<b>nm</b>	<b>nm</b>	<b>1</b>	<b>8</b>	<b>(11)</b>	<b>(13)</b>
Depreciation and impairments of property and equipment	(9)	(1)	5	10	14	14	43	51	(21)	(20)	n/a	n/a	6	11
Amortization and impairments of intangible assets	31	36	(4)	–	(8)	(8)	(46)	(24)	85	86	n/a	n/a	9	14
Interest expense on debt	6	9	21	24	n/a	n/a	(4)	3	(2)	(1)	(1)	(8)	(6)	–
Business operating profit before non-controlling interests	(16)	(19)	(9)	(14)	(12)	(12)	(4)	7	96	99	n/a	n/a	(13)	(15)
Non-controlling interests	nm	nm	37	37	n/a	n/a	nm	nm	(20)	(20)	n/a	n/a	59	59
<b>Business operating profit</b>	<b>(15)</b>	<b>(19)</b>	<b>(8)</b>	<b>(14)</b>	<b>(12)</b>	<b>(12)</b>	<b>(4)</b>	<b>7</b>	<b>95</b>	<b>99</b>	<b>n/a</b>	<b>n/a</b>	<b>(12)</b>	<b>(14)</b>

## Information for the year ended December 31, 2011 - FX adjusted (unaudited)

## Assets and liabilities by business segment – FX adjusted

variance in % over the prior period, for the year ended December 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	(2)	(1)	1	3	(6)	(6)	(4)	(3)	(11)	(11)	7	6	(1)	1	
Cash and cash equivalents	(8)	(7)	27	29	(28)	(28)	20	21	(16)	(16)	–	(1)	7	9	
Equity securities	(5)	(4)	(21)	(20)	11	11	(41)	(41)	(24)	(23)	n/a	n/a	(18)	(17)	
Debt securities	(2)	(1)	6	8	–	–	12	12	(3)	(3)	2	–	2	3	
Real estate held for investment	(1)	1	5	6	(2)	(2)	(7)	(6)	(1)	n/a	n/a	n/a	2	4	
Mortgage loans	(2)	(1)	(4)	(2)	n/a	n/a	n/a	n/a	(23)	(22)	n/a	n/a	(7)	(5)	
Other loans	18	21	(15)	(12)	(2)	(2)	(26)	(26)	(21)	(21)	15	14	(12)	(9)	
Investments in associates and joint ventures	–	2	(33)	(32)	n/a	n/a	27	27	4	4	n/a	n/a	(14)	(14)	
Investments for unit-linked contracts	n/a	n/a	(3)	(2)	n/a	n/a	n/a	n/a	(3)	(3)	n/a	n/a	(3)	(2)	
<b>Total investments</b>	<b>(2)</b>	<b>(1)</b>	<b>(1)</b>	<b>1</b>	<b>(6)</b>	<b>(6)</b>	<b>(4)</b>	<b>(3)</b>	<b>(7)</b>	<b>(7)</b>	<b>7</b>	<b>6</b>	<b>(2)</b>	<b>–</b>	
Reinsurers' share of reserves for insurance contracts	1	2	4	5	nm	nm	(69)	(68)	4	4	37	39	3	4	
Deposits made under assumed reinsurance contracts	(41)	(41)	70	75	(3)	(3)	n/a	n/a	(4)	(4)	(8)	(9)	(4)	(4)	
Deferred policy acquisition costs	2	3	3	4	nm	nm	n/a	n/a	(4)	(4)	nm	nm	4	5	
Deferred origination costs	n/a	n/a	(5)	(4)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(5)	(4)	
Goodwill	(5)	3	1	4	n/a	n/a	nm	nm	n/a	n/a	n/a	n/a	(2)	2	
Other intangible assets	(4)	(1)	(4)	(1)	(1)	(1)	6	7	(51)	(51)	n/a	n/a	(3)	(1)	
Other assets	(1)	1	nm	nm	(16)	(16)	(30)	(30)	10	10	19	18	58	61	
<b>Total assets (after cons. of investments in subsidiaries)</b>	<b>(2)</b>	<b>–</b>	<b>6</b>	<b>8</b>	<b>(5)</b>	<b>(5)</b>	<b>(7)</b>	<b>(6)</b>	<b>(5)</b>	<b>(5)</b>	<b>9</b>	<b>8</b>	<b>3</b>	<b>4</b>	
<b>Liabilities</b>															
Liabilities for investment contracts	n/a	n/a	–	1	n/a	n/a	n/a	n/a	n/a	n/a	nm	nm	–	1	
Reserves for insurance contracts, gross	–	1	(2)	–	1	1	(32)	(32)	(1)	(1)	38	40	(1)	1	
Reserves for losses and loss adjustment expenses, gross	–	1	(34)	(28)	(27)	(27)	(38)	(38)	(13)	(13)	22	22	(1)	–	
Reserves for unearned premiums, gross	–	1	2	8	71	71	(13)	(13)	(12)	nm	(32)	nm	3	4	
Future life policyholders' benefits, gross	(10)	(8)	(1)	1	n/a	n/a	(2)	(2)	12	12	84	84	–	2	
Policyholders' contract deposits and other funds, gross	7	7	6	8	n/a	n/a	n/a	n/a	(2)	(2)	nm	nm	5	6	
Reserves for unit-linked contracts, gross	n/a	n/a	(5)	(3)	n/a	n/a	nm	nm	(3)	(3)	n/a	n/a	(4)	(3)	
Senior debt	4	5	nm	nm	n/a	n/a	(6)	(6)	(13)	(13)	4	3	1	2	
Subordinated debt	(39)	(39)	(58)	(58)	n/a	n/a	9	9	(87)	(87)	49	49	9	10	
Other liabilities	(10)	(8)	69	73	(19)	(19)	33	36	(12)	(12)	1	(3)	29	31	
<b>Total liabilities</b>	<b>(2)</b>	<b>(1)</b>	<b>5</b>	<b>7</b>	<b>(5)</b>	<b>(5)</b>	<b>(1)</b>	<b>–</b>	<b>(4)</b>	<b>(4)</b>	<b>9</b>	<b>8</b>	<b>3</b>	<b>4</b>	
<b>Equity</b>															
Common shareholders' equity														1	(11)
Preferred securities														(100)	(100)
Shareholders' equity														(1)	(13)
Non-controlling interests														78	nm
Total equity														2	4
<b>Total liabilities and equity</b>														<b>3</b>	<b>4</b>
<b>Supplementary segment information</b>															
Reserves for losses and loss adjustment expenses, net	–	1	(37)	(30)	(27)	(27)	(38)	(38)	(43)	(43)	nm	nm	(2)	(1)	
Reserves for unearned premiums, net	(2)	–	3	9	71	71	(13)	(13)	(8)	(7)	n/a	n/a	2	4	
Future life policyholders' benefits, net	3	6	(1)	1	nm	nm	(2)	(2)	12	12	nm	nm	–	2	
Policyholders' contract deposits and other funds, net	7	7	6	8	n/a	n/a	n/a	n/a	(1)	(1)	(5)	(5)	6	8	
Reserves for unit-linked contracts, net	n/a	n/a	(5)	(3)	n/a	n/a	nm	nm	(3)	(3)	n/a	n/a	(4)	(3)	
<b>Reserves for insurance contracts, net</b>	<b>–</b>	<b>1</b>	<b>(2)</b>	<b>–</b>	<b>9</b>	<b>9</b>	<b>(32)</b>	<b>(32)</b>	<b>(2)</b>	<b>(2)</b>	<b>(5)</b>	<b>(5)</b>	<b>(1)</b>	<b>–</b>	

## Information for the year ended December 31, 2011 - FX adjusted (unaudited)

General Insurance – Customer segment overview – FX adjusted	variance in % over the prior period, for the year ended December 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	4	–	1	–	4	(3)	15	10	(30)	(33)	20	24	5	–
Net earned premiums and policy fees	9	2	1	1	2	(5)	16	12	(15)	(19)	n/a	n/a	4	–
Insurance benefits and losses, net	(25)	(17)	–	–	–	6	(26)	(20)	nm	nm	n/a	n/a	(6)	(1)
Policyholder dividends and participation in profits, net	nm	nm	(2)	(2)	nm	nm	n/a	n/a	n/a	n/a	n/a	n/a	nm	nm
Total net technical expenses	(5)	3	3	3	(5)	1	(16)	(12)	–	4	nm	nm	(5)	–
Net underwriting result	nm	nm	45	45	32	9	nm	nm	nm	nm	nm	nm	(40)	(45)
Net investment income	6	–	(11)	(11)	1	(6)	9	4	(13)	(16)	nm	nm	(2)	(6)
Net capital gains/(losses) and impairments on investments	(86)	(85)	(76)	(76)	nm	nm	n/a	n/a	n/a	n/a	n/a	n/a	(83)	(82)
Net non-technical result (excl. items not included in BOP)	nm	nm	(11)	(11)	20	26	nm	nm	(9)	3	nm	nm	(11)	(6)
Business operating profit before non-controlling interests	(77)	(78)	(6)	(7)	24	11	nm	nm	nm	nm	n/a	n/a	(16)	(19)
Non-controlling interests	61	61	nm	nm	81	81	67	67	n/a	n/a	n/a	n/a	nm	nm
Business operating profit	(77)	(78)	(6)	(7)	25	12	nm	nm	nm	nm	n/a	n/a	(15)	(19)

Key information – Europe by country – FX adjusted	variance in % over the prior period, for the year ended December 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	(2)	(5)	8	3	15	(2)	(3)	(7)	(3)	(8)	5	–	15	19	4	(3)
Net earned premiums and policy fees	(7)	(10)	8	3	15	(2)	(2)	(7)	(1)	(6)	(2)	(7)	n/a	n/a	2	(5)
Net underwriting result	nm	nm	nm	nm	15	(2)	59	61	38	32	nm	nm	nm	nm	32	9
Business operating profit	<b>28</b>	<b>23</b>	<b>nm</b>	<b>nm</b>	<b>14</b>	<b>(3)</b>	<b>nm</b>	<b>nm</b>	<b>37</b>	<b>31</b>	<b>nm</b>	<b>nm</b>	<b>n/a</b>	<b>n/a</b>	<b>25</b>	<b>12</b>

International Markets by region – FX adjusted	variance in % over the prior period, for the year ended December 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	23	21	15	5	–	1	nm	nm	15	10
Net earned premiums and policy fees	25	24	22	12	(4)	(4)	n/a	n/a	16	12
Net underwriting result	81	82	nm	nm	nm	nm	nm	nm	nm	nm
Business operating profit	<b>nm</b>	<b>nm</b>	<b>nm</b>	<b>nm</b>	<b>(87)</b>	<b>(91)</b>	<b>n/a</b>	<b>n/a</b>	<b>nm</b>	<b>nm</b>

## Information for the year ended December 31, 2011 - FX adjusted (unaudited)

Global Life –  
Overview  
– FX adjusted

variance in % over the prior period, for the year ended December 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	35	35	78	72	2	(2)	25	20	(17)	(21)	n/a	n/a	5	1
Gross written premiums	4	4	1	(3)	(10)	(17)	22	13	16	(2)	43	52	(7)	(13)
Policy fees	1	1	(13)	(8)	–	(4)	(19)	(24)	25	19	n/a	n/a	(1)	(5)
Gross written premiums and policy fees	3	3	1	(3)	(8)	(14)	12	3	16	(1)	43	52	(6)	(12)
Net earned premiums and policy fees	4	4	8	4	(8)	(15)	12	4	41	23	nm	nm	(6)	(12)
Net investment income on Group investments	(3)	(3)	12	8	6	(1)	63	54	10	(3)	n/a	n/a	7	–
Net capital gains/(losses) and impairments on Group investments	(95)	(95)	nm	nm	(19)	(23)	nm	nm	nm	nm	n/a	n/a	(14)	(18)
Net investment result on Group investments	(4)	(4)	12	8	3	(4)	nm	92	9	(4)	n/a	n/a	4	(2)
Net investment income on unit-linked investments	3	3	4	10	13	9	37	23	84	75	n/a	n/a	15	10
Net capital gains/(losses) and impairments on unit-linked investments	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	n/a	n/a	nm	nm
Net investment result on unit-linked investments	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	n/a	n/a	nm	nm
Other income	–	–	(34)	(36)	8	1	16	6	18	7	(7)	(4)	10	3
<b>Total BOP revenues</b>	<b>(6)</b>	<b>(6)</b>	<b>(4)</b>	<b>(7)</b>	<b>(52)</b>	<b>(56)</b>	<b>(96)</b>	<b>(98)</b>	<b>(15)</b>	<b>(24)</b>	<b>59</b>	<b>60</b>	<b>(51)</b>	<b>(55)</b>
<b>Benefits, losses and expenses</b>														
Insurance benefits and losses, net	(7)	(7)	(1)	4	8	14	(45)	(34)	(15)	1	n/a	n/a	6	13
Policyholder dividends and participation in profits, net	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
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	(10)	(10)	(37)	(35)	(47)	(39)	18	22	(36)	(31)	nm	nm	(35)	(29)
Administrative and other operating expense (excl. depreciation/amortization)	–	–	(25)	(23)	(34)	(26)	(20)	(9)	(15)	(2)	30	25	(27)	(19)
Interest credited to policyholders and other interest	18	18	(1)	–	–	6	6	6	nm	nm	n/a	n/a	8	11
Restructuring provisions and other items not included in BOP	nm	nm	n/a	n/a	(28)	(33)	nm	nm	n/a	n/a	n/a	n/a	(27)	(32)
<b>Total BOP benefits, losses and expenses</b>	<b>6</b>	<b>6</b>	<b>1</b>	<b>4</b>	<b>55</b>	<b>58</b>	<b>nm</b>	<b>nm</b>	<b>17</b>	<b>26</b>	<b>(59)</b>	<b>(60)</b>	<b>55</b>	<b>58</b>
<b>Business operating profit (before interest, depreciation and amortization)</b>	<b>(5)</b>	<b>(5)</b>	<b>(27)</b>	<b>(29)</b>	<b>(10)</b>	<b>(16)</b>	<b>49</b>	<b>40</b>	<b>nm</b>	<b>nm</b>	<b>n/a</b>	<b>n/a</b>	<b>(7)</b>	<b>(12)</b>
Depreciation and impairments of property and equipment	(7)	(7)	(59)	(55)	8	13	8	11	21	24	n/a	n/a	5	10
Amortization and impairments of intangible assets	(2)	(2)	14	16	(5)	–	6	11	14	17	n/a	n/a	(4)	–
Interest expense on debt	(7)	(7)	nm	nm	37	40	nm	nm	nm	nm	n/a	n/a	21	24
Business operating profit before non-controlling interests	(6)	(6)	(39)	(40)	(13)	(19)	55	45	95	86	n/a	n/a	(9)	(14)
Non-controlling interests	n/a	n/a	97	97	25	25	n/a	n/a	nm	nm	n/a	n/a	37	37
<b>Business operating profit</b>	<b>(6)</b>	<b>(6)</b>	<b>(35)</b>	<b>(37)</b>	<b>(12)</b>	<b>(19)</b>	<b>57</b>	<b>47</b>	<b>95</b>	<b>86</b>	<b>n/a</b>	<b>n/a</b>	<b>(8)</b>	<b>(14)</b>

## Summary of quarterly consolidated financial information (unaudited)

Summary of quarterly consolidated financial information <sup>1</sup>	in USD millions, for the three months ended									
	12/31/11	09/30/11	06/30/11	03/31/11	12/31/10	09/30/10	06/30/10	03/31/10	12/31/09	
Gross written premiums and policy fees	11,933	11,587	12,589	14,091	11,857	11,721	11,403	14,983	13,352	
Net earned premiums and policy fees	11,108	10,647	10,310	10,834	11,945	10,968	10,669	11,934	12,757	
Net investment result on Group investments	1,752	3,399	2,517	1,699	1,702	2,309	2,008	1,970	1,684	
Net investment income on Group investments	1,731	1,799	1,875	1,780	1,785	1,747	1,782	1,779	1,935	
Net capital gains/(losses) on Group investments and impairments	20	1,601	643	(81)	(83)	563	227	191	(251)	
Net investment result on unit-linked investments	3,861	(8,210)	501	303	4,829	4,900	(4,169)	4,533	2,549	
Other revenues	1,091	1,072	1,071	1,028	1,084	1,132	1,027	1,014	1,281	
<b>Total revenues</b>	<b>17,812</b>	<b>6,909</b>	<b>14,399</b>	<b>13,863</b>	<b>19,561</b>	<b>19,309</b>	<b>9,536</b>	<b>19,451</b>	<b>18,270</b>	
Insurance benefits and losses, net of reinsurance	8,373	8,705	7,457	8,519	8,823	8,221	8,535	8,906	9,379	
Policyholder dividends and participation in profits, net of reinsurance	3,792	(7,851)	845	529	4,875	5,080	(3,936)	4,781	2,629	
Other expenses	4,706	4,799	4,361	3,992	4,448	4,747	4,243	4,272	4,842	
<b>Total benefits, losses and expenses</b>	<b>16,871</b>	<b>5,653</b>	<b>12,663</b>	<b>13,039</b>	<b>18,146</b>	<b>18,047</b>	<b>8,842</b>	<b>17,959</b>	<b>16,850</b>	
Net income before income taxes	941	1,256	1,736	824	1,414	1,262	694	1,493	1,420	
Net income attributable to shareholders	557	1,239	1,331	640	1,029	756	712	931	1,028	
<b>Business operating profit</b>	<b>1,004</b>	<b>1,117</b>	<b>1,287</b>	<b>854</b>	<b>1,333</b>	<b>1,248</b>	<b>1,035</b>	<b>1,254</b>	<b>1,527</b>	

<sup>1</sup> Following the restatement in the Group's General Insurance business in Germany (see note 1 of the Consolidated financial statements 2011), the quarterly consolidated financial information has been restated from 03/31/10.

Summary of quarterly consolidated financial information – Key performance indicators by segment <sup>1</sup>	in USD millions, for the three months ended									
	12/31/11	09/30/11	06/30/11	03/31/11	12/31/10	09/30/10	06/30/10	03/31/10	12/31/09	
<b>Total revenues</b>	<b>17,812</b>	<b>6,909</b>	<b>14,399</b>	<b>13,863</b>	<b>19,561</b>	<b>19,309</b>	<b>9,536</b>	<b>19,451</b>	<b>18,270</b>	
General Insurance	8,378	8,354	8,718	7,876	8,162	8,029	7,584	7,977	8,513	
Global Life	7,888	(3,614)	4,620	4,433	9,610	8,598	(494)	8,793	7,197	
Farmers	1,488	1,489	1,487	1,472	1,920	1,960	2,340	2,370	2,495	
Other <sup>2</sup>	58	681	(426)	82	(131)	722	106	311	66	
<b>Total benefits, losses and expenses</b>	<b>(16,871)</b>	<b>(5,653)</b>	<b>(12,663)</b>	<b>(13,039)</b>	<b>(18,146)</b>	<b>(18,047)</b>	<b>(8,842)</b>	<b>(17,959)</b>	<b>(16,850)</b>	
General Insurance	(7,793)	(7,807)	(7,558)	(7,621)	(7,492)	(7,355)	(6,896)	(7,341)	(7,657)	
Global Life	(7,453)	3,848	(4,246)	(4,045)	(9,169)	(7,904)	656	(8,244)	(6,856)	
Farmers	(1,112)	(1,121)	(1,142)	(1,096)	(1,546)	(2,088)	(1,962)	(1,920)	(2,089)	
Other <sup>2</sup>	(513)	(573)	283	(278)	61	(700)	(640)	(454)	(247)	
Net income before income taxes	941	1,256	1,736	824	1,414	1,262	694	1,493	1,420	
General Insurance	585	547	1,160	255	669	674	689	636	856	
Global Life	435	234	374	388	441	694	162	549	341	
Farmers	376	367	344	377	374	(128)	377	451	405	
Other <sup>2</sup>	(455)	108	(142)	(195)	(70)	22	(534)	(143)	(181)	
<b>Business operating profit</b>	<b>1,004</b>	<b>1,117</b>	<b>1,287</b>	<b>854</b>	<b>1,333</b>	<b>1,248</b>	<b>1,035</b>	<b>1,254</b>	<b>1,527</b>	
General Insurance	533	617	835	280	695	592	763	617	956	
Global Life	348	277	367	362	376	378	369	351	320	
Farmers	390	367	349	380	391	450	383	462	422	
Other <sup>2</sup>	(268)	(144)	(264)	(168)	(130)	(173)	(480)	(175)	(170)	

<sup>1</sup> Following the restatement in the Group's General Insurance business in Germany (see note 1 of the Consolidated financial statements 2011), the quarterly consolidated financial information has been restated from 03/31/10.

<sup>2</sup> Including intersegment elimination.

# 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 2011 and the Consolidated financial statements 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 2011.

### 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 in the consolidated balance sheets includes Group investments and investments for unit-linked products. **Group investments** are those for which the Group bears part or all of the investment risk. They also include investments related to investment policies with discretionary participation features. Average invested assets exclude cash collateral received for securities lending. The Group manages its diversified investments portfolio to optimize benefits for both shareholders and policyholders while ensuring compliance with local regulatory and business requirements under the guidance of our Asset/Liability Management and Investment Committee. **Investments for unit-linked products** include such investments, where the policyholder bears the investment risk, and are held for liabilities related to unit-linked investment contracts and reserves for unit-linked insurance contracts. They are managed in accordance with the investment objectives of each unit-linked fund. The investment result for unit-linked products is passed to policyholders through a charge to policyholder dividends and participation in profits.

**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 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 own by Farmers Group, Inc. a wholly owned subsidiary of the Group.

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

## Disclaimer & Cautionary Statement

Certain statements in this document are forward-looking statements, including, but not limited to, statements that are predicated on or indicate future events, trends, plans or objectives of Zurich Financial Services Ltd or the Zurich Financial Services Group (the "Group"). Forward-looking statements include statements regarding the Group's targeted profit, return on equity targets, expenses, pricing conditions, dividend policy and underwriting and claims results, 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 a global economic downturn, in the financial services industries in particular; (iii) performance of financial markets; (iv) levels of interest rates and currency exchange rates; (v) frequency, severity and development of insured claims events; (vi) mortality and morbidity experience; (vii) policy renewal and lapse rates; and (viii) changes in laws and regulations and in the policies of regulators may have a direct bearing on the results of operations of Zurich Financial Services Ltd and its Group and on whether the targets will be achieved. Zurich Financial Services Ltd undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

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