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Annual Results Reporting 2011 - Analysts and Media Presentation

Remarks by Martin Senn

Chief Executive Officer

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Today we are proud to present our annual results for 2011 showing good profitability despite an unprecedented level of catastrophe and weather related losses and despite a very challenging market environment.

We continue to generate strong cash flows. We have a strong capital base and solvency position. We are growing where we want to grow and thanks to our resilient performance in 2011 and the continuing execution of our strategy, we are well positioned to outperform in a challenging environment. This gives us the confidence to maintain our dividend at 17 Swiss francs per share which is, as the dividend payment will be paid from the capital contribution reserve, exempt from Swiss withholding tax.

Business operating profit was 4.3 billion dollars, a decline of 12 percent, while net income after tax attributable to shareholders was 3.8 billion dollars, 10 percent higher than in 2010. These are strong numbers in a year characterized by a challenging global economic environment with historically low interest rates and high volatility and an exceptionally high level of catastrophe losses and weather-related losses. Industry-wide, these losses were more than twice the level seen in 2010 and more than three times the average of the last 10 years.

We have also benefited from strong risk management actions and gains from investments including the sale of part of the Group's stake in New China Life Insurance.

Despite the challenging environment in which we are operating, our return on equity was close to 12 percent and our business operating profit after tax return on equity came in at 10.2%, reflecting the impact of the exceptionally high level of catastrophe and weather related losses.

Our underlying businesses continue to perform well and to execute on their strategies with solid improvement in their underlying performance and continued focus on driving growth and value in Global Life and Farmers and in General Insurance, achieving selected growth in those areas where we can do so profitably.

In General Insurance, efficiency enhancements and robust underwriting actions reflecting our sustained focus on profitability produced a strong 2 percentage point improvement in our underlying loss ratio. The exceptional frequency and overall severity of catastrophe and significant weather-related losses nevertheless impacted the combined ratio, which deteriorated to 98.8%. Our Global Life business continued to grow new business value in certain mature markets and particularly in emerging markets. This is in line with our objectives and we expect this trend to continue as we embed our acquisition in Malaysia and our alliance with Banco Santander in Latin America.

Meanwhile, Farmers delivered growth in premiums in all continued business lines, except for homeowners. The growth momentum accelerated through the year as Farmers continued to execute on its multi-channel and multi-brand strategy, building the strength of its brands and expanding its customer reach.

As to our capital position, shareholders equity remained stable at broadly the same level as of December 31, 2010 after recording the total cost of paying 2.7 billion dollars of dividends in 2011.

The strength of this performance is what gives us the confidence to pay such an attractive dividend. As you know, the dividend is subject to shareholder approval at our Annual General Meeting on March 29.

Our policy is to pay an attractive and sustainable dividend, and the proposed dividend reflects both our strong performance and our continuing confidence in our strategy which has helped us deliver profits in every quarter since the current economic crisis began – in fact since 2002.

We are successfully managing the current volatility and we are prepared for the challenges ahead.

Our continued focus on financial and underwriting discipline and the effective execution of our strategy has enabled us to deliver strong results and to continue to generate strong cash flows from which we can sustain an attractive dividend.

We are on track to deliver our targets by 2013. Our capital and solvency positions remain strong and we have a strong platform from which to grow our business selectively in mature markets and in high-growth markets.

In 2011, we were able to selectively capture growth through our alliance with Banco Santander in Latin America and our acquisition in Malaysia as well as through the renewal of our distribution agreement in Germany and Italy with Deutsche Bank.

We will continue to seek out new opportunities to grow our business through acquisitions, joint ventures and alliances. And we will strive for organic growth by improving our customer proposition, reviewing our product portfolio, using technology to know our customers better and by investing in our people, our processes and our systems. But this growth will never come at the cost of the financial and underwriting discipline.

We are managing the present with confidence and we are leveraging our strong position to prepare for the future. We believe that in markets like these our strength is a critical advantage in capturing new opportunities. We have clear criteria and are committed to acting on opportunities that meet these criteria and we will do this The Zurich Way, with discipline and focus.

In recognition of this and the fact that Zurich has now been focused on insurance for several years, our Board of Directors will propose changing our name from Zurich Financial Services to Zurich Insurance Group at our Annual General Meeting on March 29.

Our results for 2011 show that our strategy is working and as we highlighted at our Investor Day in December, we are confident on how to further build on this growth momentum.

CLOSING SUMMARY

I hope today's announcement has reminded you that we remain a very robust business. A business that through a combination of financial and underwriting discipline and the effective execution of

our strategy continues to weather the challenging economic times in which we live, generating sustainable profitability, paying attractive dividends and enhancing our platform for future growth. We continue to generate strong cash flows. We have a strong capital base and solvency position. We are growing where we want to grow. And thanks to our resilient performance in 2011 and the continuing execution of our strategy, we are well positioned to outperform in a challenging environment.

These results would not have been possible without the support of our customers, our business partners and the hard work of all our employees.