

Zurich delivers strong results for the first quarter 2013

- Q1 BOP of USD 1.4 billion, essentially unchanged compared with prior year
- Q1 NIAS of USD 1.1 billion, down 7% compared with prior year
- Q1 combined ratio of 94.9%, compared with 94.6% in prior year
- Q1 BOPAT ROE 12.0%, down from 13.4% at Q1 2012 and up from 9.3% at year-end 2012
- High quality operating performance across all core businesses
- Strong underwriting performance largely offsetting lower investment income
- Efficiency program generating benefits in mature markets
- Good growth in Global Life and target markets
- Strong capital position well within AA target range

Select financial highlights for the Group as of March 31, 2013 (unaudited)

(For a more comprehensive set of financial highlights covering the three months ended March 31, see page 8)

in USD millions, for the three months ended March 31, unless otherwise stated	2013	2012 ⁵	Change in USD	Change in LC
Business operating profit (BOP)	1,351	1,370	(1%)	(0%)
Net income after tax attributable to shareholders (NIAS)	1'062	1,140	(7%)	(7%)
Total Group business volumes ²	19,075	19,628	(3%)	(2%)
Net investment return on Group investments	0.8%	0.9%	(0.1 pts)	(0.1 pts)
Total return on Group investments	0.4%	2.0%	(1.6 pts)	(1.4 pts)
Shareholders' equity ³	34,758	34,505	1%	9%
Diluted earnings per share (in CHF)	6.69	7.14	(6%)	na
Book value per share (in CHF) ³	223.79	214.86	4%	na
Return on common shareholders' equity (ROE) ⁴	12.3%	14.4%	(2.2 pts)	(2.7 pts)
Business operating profit (after tax) return on common shareholders' equity (BOPAT ROE) ⁴	12.0%	13.4%	(1.4 pts)	(1.8 pts)

Zurich, May 16, 2013 – Zurich Insurance Group (Zurich) today reported a business operating profit (BOP) of USD 1.4 billion and net income attributable to shareholders (NIAS)¹ of USD 1.1 billion for the three months ended March 31, 2013.

“I am pleased with this result as it demonstrates the continued success of our strategy. All our core businesses delivered a high quality operating performance while maintaining focus on underwriting discipline and expense management. We continue to operate in a challenging economic environment with persisting low interest rates against which we have posted strong, high quality underlying profits,” said Chief Executive Officer Martin Senn.

“We remain on track to deliver our 2013 targets. We continue to grow in our Global Life business and in target markets, where our acquisitions and alliances have strengthened our position in several key countries, contributing to the robust insurance performance across the Group. In Latin America, Zurich Santander continues to contribute significantly to our performance, complementing strong organic growth in this strategically important region.”

General Insurance recorded a strong BOP of USD 807 million, despite persistent lower yields and less favorable development of reserves established in prior years, and achieved a 1.5 point improvement in the underlying loss ratio in the first three months of 2013 compared with 2012.

Global Life delivered a resilient set of results with an increasing contribution from insurance businesses acquired from Banco Santander S.A. (Zurich Santander) in Latin America and improvements in Europe, which benefited from expense savings, compensating for reductions in North America, Asia Pacific and the Middle East.

Farmers saw a strong increase in BOP of USD 51 million to USD 420 million reflecting an improved underwriting result in the reinsurance operation and a slightly reduced contribution from the management services company.

The non-core businesses recorded a business operating profit of USD 37 million compared with a business operating profit of USD 81 million in the same period of

2012, which had benefited from one-off gains. Other Operating Businesses reported an improvement in its business operating result of USD 7 million, reducing the loss to USD 221 million during the first three months of 2013.

The Group preserved a strong capital position with shareholders' equity increasing to USD 34.8 billion. This does not reflect the 2012 accrual for the dividend, totaling USD 2.7 billion, which will be reported in the second quarter since the AGM took place in April. If shareholders' equity were adjusted by the amount of the 2012 dividend, paid in the second quarter 2013, return on equity ratios would have increased by approximately 50 basis points. Solvency remains strong with the capitalization ratio under the Swiss Solvency Test (SST), as filed with the regulator as of January 1, 2013, at 185% compared with 178% as filed as of July 1, 2012.

Segment performance
(for the three months ended March 31, 2013)

General Insurance:

in USD millions, for the three months ended March 31, unless otherwise stated	2013	2012	Change in USD	Change in LC
General Insurance gross written premiums and policy fees	10,686	10,470	2%	3%
General Insurance business operating profit	807	858	(6%)	(5%)
General Insurance combined ratio (in %)	94.9%	94.6%	(0.3 pts)	(0.5 pts)

General Insurance maintained focus on disciplined underwriting and expense management. The business continued to achieve savings objectives in mature markets while investing selectively in target growth markets.

General Insurance business operating profit decreased by USD 51 million to USD 807 million, or by 6% in U.S. dollar terms or 5% on a local currency basis. This result in the first three months reflects the sustained focus on disciplined underwriting and expense management as the underlying loss ratio improved by 1.5 points, the best recorded since we have reported this figure. The segment also benefited from favorable weather conditions and the absence of significant catastrophes for the second consecutive year. Lower investment income as a result of persistent lower investment yields, lower net releases of reserves established in prior years and higher commissions offset these improvements, resulting in an overall combined ratio of 94.9%.

General Insurance gross written premiums and policy fees increased by USD 216 million to USD 10.7 billion, or by 2% in U.S. dollar terms and 3% on a local currency basis. Growth compared with the same period of 2012 was maintained in all businesses except in Europe where economic and competitive pressures continued. Double digit growth in International Markets, both organic and in Zurich Santander, was complemented by strong premium growth, particularly in North America Commercial and Global Corporate where improving economic conditions and the market environment continued to support rate increases and exposure growth.

The net underwriting result decreased by USD 17 million to USD 367 million, reflected in a slight increase of 0.3 percentage points in the combined ratio to 94.9%.

Global Life:

in USD millions, for the three months ended March 31, unless otherwise stated	2013	2012	Change in USD	Change in LC
Global Life gross written premiums, policy fees and insurance deposits	6,716	7,395	(9%)	(8%)
Global Life business operating profit	308	290	6%	10%
Global Life new business annual premium equivalent (APE)	1,042	919 ⁵	13%	14%
Global Life new business margin, after tax (as % of APE)	31.9%	21.4% ⁶	10.5 pts	
Global Life new business value, after tax	332	196 ⁵	69%	71%

Global Life continued to make progress in its strategic objectives of increasing geographic diversification outside Europe and growth, both organic and through Zurich Santander, in target markets, while maintaining focus on shifting its product mix from traditional savings business towards protection and fee-based products.

Global Life business operating profit increased by USD 18 million to USD 308 million or by 6% in U.S. dollar terms and 10% on a local currency basis. Improvements in the expense margin from expense savings in mature European markets and lower policy acquisition expenses, together with a higher contribution from Zurich Santander, were partly offset by reductions in the investment margin.

Gross written premiums and policy fees increased by USD 295 million to USD 3.7 billion or by 9% in U. S. dollar terms or 11% on a local currency basis, driven primarily by increased volumes of protection business. Lower margin insurance deposits decreased

by USD 975 million to USD 3.0 billion or by 25% in U.S. dollar terms and 24% on a local currency basis. This decrease occurred primarily in the UK following the expected reduction in insurance deposits from single premium Private Banking Client Solutions products as well as lower initial portfolio transfers in Corporate Life & Pensions savings business compared with the same period in 2012.

Overall new business value (NBV) of USD 332 million increased by 69% in U.S. dollar terms or 71% on a local currency basis driven by the inclusion of the Zurich Santander result and strong performance in all regions. New business annual premium equivalent (APE) increased by USD 123 million or by 13% in U.S. dollar terms and 14% on a local currency basis.

Farmers:

in USD millions, for the three months ended March 31, unless otherwise stated	2013	2012	Change in USD	Change in LC
Farmers Management Services managed fees and other related revenues	702	710	(1%)	
Farmers Re gross written premiums and policy fees	971	1,053	(8%)	
Farmers business operating profit	420	370	14%	
Farmers Management Services gross management result	330	338	(2%)	
Farmers Management Services managed gross earned premium margin	7.1%	7.3%	(0.3 pts)	

Farmers business operating profit increased by USD 51 million to USD 420 million or by 14%, driven by an improved underwriting result in Farmers Re. Farmers Management Services business operating profit decreased by USD 14 million to USD 338 million or by 4%, driven by lower revenues from new business generated by the Farmers Exchanges which are owned by their policyholders and managed by Farmers Group, Inc., a wholly owned subsidiary of the Group. Farmers Re business operating profit increased by USD 64 million to USD 82 million, driven by an improved underlying loss ratio and lower weather-related losses.

Farmers Management Services management fees and other related revenues decreased by USD 8 million to USD 702 million or by 1%, which was driven by a decrease in other related revenues arising from lower levels of new policies. The 8% decrease to USD 971 million in gross written premiums and policy fees of Farmers Re reflected

mainly a decrease in the quota share reinsurance agreements as well as a 1% drop in gross written premiums in the Farmers Exchanges. The changes were a reduction in the All Lines quota share agreement with the Farmers Exchanges from 20% to 18.5% effective December 31, 2012, and a reduction in the Auto Physical Damage quota share reinsurance agreement with the Farmers Exchanges from USD 1 billion per year to USD 925 million per year effective January 1, 2013.

Other Operating Businesses: Other Operating Businesses, predominantly consisting of the headquarters' expenses and financing activities, reported a decreased operating loss of USD 221 million, down USD 7 million from the same period in 2012. This was primarily driven by a reduction in the headquarters business operating loss to USD 3 million, some USD 24 million lower than in the same period of 2012.

Non-Core Businesses: Non-Core Businesses reported a business operating profit of USD 37 million compared with a business operating profit of USD 81 million in the same period of 2012. An improvement in centrally managed businesses was mainly driven by the recognition of profit arising from the reinsurance of a UK general insurance run-off portfolio. The reduction in Other run-off as compared with the same period of 2012 was mainly driven by the 2012 one-off gain from the reassessment of liabilities on certain life run-off policies.

Group investments:

in USD millions, for the three months ended March 31, unless otherwise stated	2013	2012 ^s	Change in USD	Change in LC
Average Group investments	208,228	202,892	3%	4%
Net investment result on Group investments	1,693	1,774	(5%)	(4%)
Net investment return on Group investments (not annualized and calculated on average Group investments)	0.8%	0.9%	(0.1pts)	(0.1 pts)
Total return on Group investments (not annualized and calculated on average Group investments)	0.4%	2.0%	(1.6 pts)	(1.4 pts)

The net investment result on Group investments, which includes investment income, realized gains and losses and impairments, contributed USD 1.7 billion to the Group's total revenues for the three months ended March 31, 2013, a net return of 0.8% (not annualized). The decline was driven by investing cash flow during a prolonged period of persistently low interest rates. Net capital gains on investments and impairments

amounted to USD 120 million, mainly driven by sales of debt and equity securities. Net unrealized gains reported in shareholders' equity decreased by USD 879 million since December 31, 2012, mainly driven by the widening of credit spreads in the eurozone and the slight increase in yields on government securities in some markets. Total return on Group investments, which includes investment income, realized gains and losses and impairments as well as changes in unrealized gains and losses reported in shareholders' equity, was 0.4% (not annualized), a decrease of 1.6 points compared with the same period of 2012.

¹ Net income after tax attributable to shareholders

² Total Group business volumes comprises gross written premiums, policy fees, insurance deposits and management fees generated within General Insurance, Global Life and Farmers.

³ As of March 31, 2013 and March 31, 2012, respectively

⁴ Calculated based on the discrete quarter result and annualized. See the Financial Supplement and the Operating and Financial Review on the Investor Relations' page of our website www.zurich.com.

⁵ March 31, 2012 and December 31, 2012 have been restated as set out in note 1 of the unaudited Consolidated financial statements

⁶ Does not include any contribution from the insurance businesses acquired from Banco Santander S.A. (Zurich Santander) or from the acquisition of Zurich Insurance Malaysia Berhad.

Financial Highlights (unaudited)

The following table presents the summarized consolidated results of the Group for the three months ended March 31, 2013 and 2012 and the financial position as of March 31, 2013 and December 31, 2012, respectively. Interim results are not necessarily indicative of full year results. All amounts are shown in USD millions and rounded to the nearest million unless otherwise stated with the consequence that the rounded amounts may not add to the rounded total in all cases.

All ratios and variances are calculated using the underlying amount rather than the rounded amount. This document should be read in conjunction with the Annual Report 2012 for the Zurich Insurance Group and with its unaudited Consolidated financial statements for the three months ended March 31, 2013. Certain comparatives have been restated as set out in note 1 of the unaudited Consolidated financial statements.

In addition to the figures stated according to the International Financial Reporting Standards (IFRS), Zurich Insurance Group uses business operating profit (BOP) measures and other performance indicators to enhance the understanding of its results. These additional measures should be viewed as complementary to, and not a substitute for, the figures determined according to the IFRS. For a reconciliation of BOP to net income after income taxes see note 16 of the unaudited Consolidated financial statements.

in USD millions, for the three months ended March 31, unless otherwise stated	2013	2012 ¹	Change ²
Business operating profit	1,351	1,370	(1%)
Net income attributable to shareholders	1,062	1,140	(7%)
General Insurance gross written premiums and policy fees	10,686	10,470	2%
Global Life gross written premiums, policy fees and insurance deposits	6,716	7,395	(9%)
Farmers Management Services management fees and other related revenues	702	710	(1%)
Farmers Re gross written premiums and policy fees	971	1,053	(8%)
General Insurance business operating profit	807	858	(6%)
General Insurance combined ratio	94.9%	94.6%	(0.3 pts)
Global Life business operating profit	308	290	6%
Global Life new business annual premium equivalent (APE)	1,042	919 ³	13%
Global Life new business margin, after tax (as % of APE)	31.9%	21.4% ³	10.5 pts
Global Life new business value, after tax	332	196 ³	69%
Farmers business operating profit	420	370	14%
Farmers Management Services gross management result	330	338	(2%)
Farmers Management Services managed gross earned premium margin	7.1%	7.3%	(0.3 pts)
Average Group investments	208,228	202,892	3%
Net investment result on Group investments	1,693	1,774	(5%)
Net investment return on Group investments ⁴	0.8%	0.9%	(0.1 pts)
Total return on Group investments ⁴	0.4%	2.0%	(1.6 pts)
Shareholders' equity ⁵	34,758⁶	34,505	1%
Swiss Solvency Test capitalization ratio ⁷	185%	178%	7 pts
Diluted earnings per share (in CHF)	6.69	7.14	(6%)
Book value per share (in CHF) ⁵	223.79	214.86	4%
Return on common shareholders' equity (ROE)	12.3%	14.4%	(2.2 pts)
Business operating profit (after tax) return on common shareholders' equity (BOPAT ROE)	12.0%	13.4%	(1.4 pts)

¹ March 31, 2012 and December 31, 2012 have been restated as set out in note 1 of the unaudited Consolidated financial statements.

² Parentheses around numbers represent an adverse variance.

³ March 31, 2012 does not include any contribution from the insurance businesses acquired from Banco Santander S.A. (Zurich Santander) or from the acquisition of Zurich Insurance Malaysia Berhad (ZIMB).

⁴ Not annualized and calculated on average Group investments.

⁵ As of March 31, 2013 and December 31, 2012, respectively.

⁶ The Annual General Meeting approved a gross dividend of CHF 17.00 per share on April 4, 2013. This gross dividend represented a 70 percent payout of 2012 earnings to shareholders, and will be recognized through shareholders' equity during the second quarter of 2013.

⁷ Ratios as of January 1, 2013 and July 1, 2012, respectively, are calculated based on the Group's internal model which is subject to the review and approval of the Group's regulator, the Swiss Financial Market Supervisory Authority (FINMA).

Note to editors

A pre-recorded video presentation to accompany the analyst and investor slide presentation will be available from 06.45 hrs CEDT on our website www.zurich.com. The video can be accessed through the following link also on the iPhone und iPad: <http://www.media-server.com/m/p/uq2uec26>

In addition, there will be a conference call Q&A session for analysts and investors with CFO Pierre Wauthier, starting at 13.00 hrs CEDT. Media may listen in. Please dial-in to register approximately 3 to 5 minutes prior to the start of the Q&A session. A podcast of the Q&A session will be available from 16.00 hrs CEDT.

Dial-in numbers:

- Europe +41 (0)58 310 50 00
- UK +44 (0)203 059 58 62
- USA +1 (1) 631 570 56 13

Supplemental financial information is available on our website www.zurich.com. Please click on the [Results for the three months to March 31, 2013](#) link on the bottom left corner of our homepage.

For broadcast-standard and streaming-quality video as well as high resolution pictures supporting this news release, please visit <http://zurich.synapticdigital.com/>

To get instant access to Zurich's news releases, calendar and other corporate publications on your [iPad](#) or [iPhone](#) please go to your App Store and get the free [Zurich Investors and Media App](#).

Zurich Insurance Group (Zurich) is a leading multi-line insurance provider with a global network of subsidiaries and offices in Europe, North America, Latin America, Asia-Pacific and the Middle East as well as other markets. It offers a wide range of general insurance and life insurance products and services for individuals, small businesses, mid-sized and large companies as well as multinational corporations. Zurich employs about 60,000 people serving customers in more than 170 countries. The Group, formerly known as Zurich Financial Services Group, is headquartered in Zurich, Switzerland, where it was founded in 1872. The holding company, Zurich Insurance Group Ltd (ZURN), is listed on the SIX Swiss Exchange and has a level I American Depositary Receipt program (ZURVY) which is traded over-the-counter on OTCQX. Further information about Zurich is available at www.zurich.com.

For further information:

Zurich Insurance Group Ltd

Mythenquai 2, 8022 Zurich, Switzerland

www.zurich.com

SIX Swiss Exchange/SMI: ZURN, Valor: 001107539

Media Relations

phone +41 (0)44 625 21 00, fax +41 (0)44 625 26 41

media@zurich.com

twitter [@Zurich](https://twitter.com/Zurich)

Investor Relations

phone +41 (0)44 625 22 99, fax +41 (0)44 625 36 18

investor.relations@zurich.com

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 Insurance Group Ltd or the Zurich Insurance 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 Insurance Group 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 Insurance Group Ltd and its Group and on whether the targets will be achieved. Zurich Insurance Group 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.

All references to "Farmers Exchanges" mean Farmers Insurance Exchange, Fire Insurance Exchange, Truck Insurance Exchange and their subsidiaries and affiliates. The three Exchanges are California domiciled interinsurance exchanges owned by their policyholders with governance oversight by their Boards of Governors. Farmers Group, Inc. and its subsidiaries are appointed as the attorneys-in-fact for the Farmers Exchanges and in that capacity provide certain non-claims administrative and management services to the Farmers Exchanges. Neither Farmers Group, Inc., nor its parent companies, Zurich Insurance Company Ltd and Zurich Insurance Group Ltd, have any ownership interest in the Farmers Exchanges. Financial information about the Farmers Exchanges is proprietary to the Farmers Exchanges, but is provided to support an understanding of the performance of Farmers Group, Inc. and Farmers Reinsurance Company.

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

Persons requiring advice should consult an independent advisor.

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

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