

Financial Highlights

The following table presents the summarized consolidated results of the Group for the years ended December 31, 2004 and 2003 and the financial positions as of December 31, 2004 and 2003. The 2003 amounts have been restated following the adoption of a new accounting standard in 2004. Certain prior-year balances have also been reclassified to conform to the 2004 presentation.

Consolidated operating statements

in USD millions, for the years ended December 31

	2004	2003	Change
Gross written premiums and policy fees	49,304	48,805	1%
Business operating profit	3,143	2,316	36%
Net income	2,587	2,009	29%

Consolidated balance sheets

in USD millions, as of December 31

	2004	2003	Change
Total Group investments	191,100	175,967	9%
Insurance reserves, gross	246,162	223,418	10%
Total shareholders' equity	22,181	18,934	17%

General Insurance key performance indicators

for the years ended December 31

Business operating profit (in USD millions)	1,380	2,146	(36%)
Combined ratio	101.6%	97.9%	(3.7 pts)

Life Insurance key performance indicators

for the years ended December 31

Business operating profit (in USD millions)	1,063	856	24%
New business profit margin (as % of APE)	11.4%	9.0%	2.4 pts
Embedded value operating return, after tax	10.8%	10.5%	0.3 pts

Return on common stockholder equity

for the years ended December 31

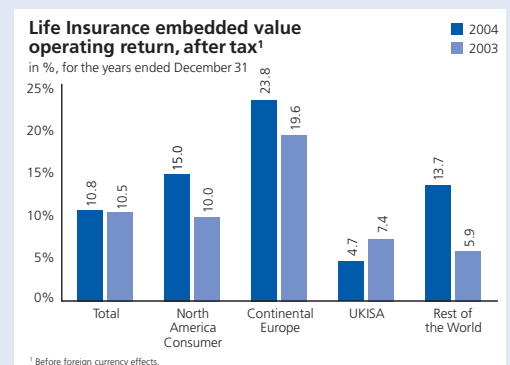
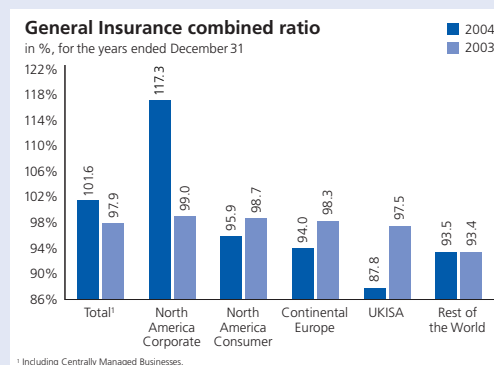
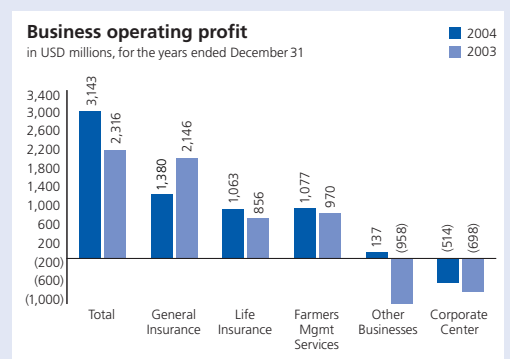
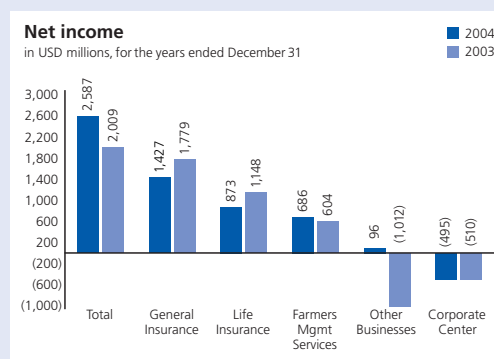
Return on equity	13.3%	12.1%	1.2 pts
Business operating profit (after tax) return on equity	11.5%	9.8%	1.7 pts

Per share data

for the years ended December 31

Diluted earnings per share (in CHF)	22.18	18.86	18%
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Key Performance Indicators



Our Aspiration

We aspire to become the leading global insurance group in our chosen general and life insurance markets, consistently delivering top-tier results for our shareholders.

By so doing, we will create strong relationships with customers, agents and brokers and rewarding opportunities for employees.

Financial Strength Ratings

A financial strength rating is a third-party assessment of an insurance company's financial security, based on

its ability to meet policyholder claims. As of December 31, 2004, Zurich had the following ratings:

Rating agency	Financial strength rating	Rating outlook
A. M. Best	A (excellent)	Stable
Fitch Ratings	A	Positive
Moody's	A2	Positive
Standard & Poor's	A+	Stable

For additional information, see our Web site at www.zurich.com under the link Investor Relations.

Business Year 2004

February 19

For 2003, Zurich reports a net income of USD 2.1 billion (since restated to USD 2.0 billion) after a loss of USD 3.4 billion (including special provisions of USD 3.5 billion after tax) in 2002.

March 11

Zurich appoints four banks to lead a USD 3 billion revolving credit facility. Market interest is strong and the facility is over-subscribed.

April 2

Zurich reinforces its strategic direction designed to generate sustained and profitable growth. With primary focus on General Insurance and Life Insurance, Zurich has a diversified portfolio of businesses across global corporate, commercial and personal customer segments and geographical regions.

April 16

Zurich's Annual General Meeting approves a nominal value reduction of its shares, resulting in a payment to shareholders of CHF 2.50 per registered share.

May 19

Zurich reports net income of USD 702 million (since restated to USD 730 million) for the first three months of 2004.

July 26

Zurich signs an agreement to outsource its global IT applications in the US, UK, Switzerland and Germany to Computer Sciences Corporation (CSC).

August 13

Hurricane Charley hits Florida, heralding the start of six weeks of battering by Hurricanes Frances, Ivan and Jeanne in the US and the Caribbean.

August 19

At half year 2004, Zurich reports a near doubling of net income to USD 1,448 million.

September 3

Zurich announces its intention to raise fixed rate senior debt in the Euro market for refinancing and general corporate purposes. The transaction raises EUR 1 billion and is more than three times over-subscribed.

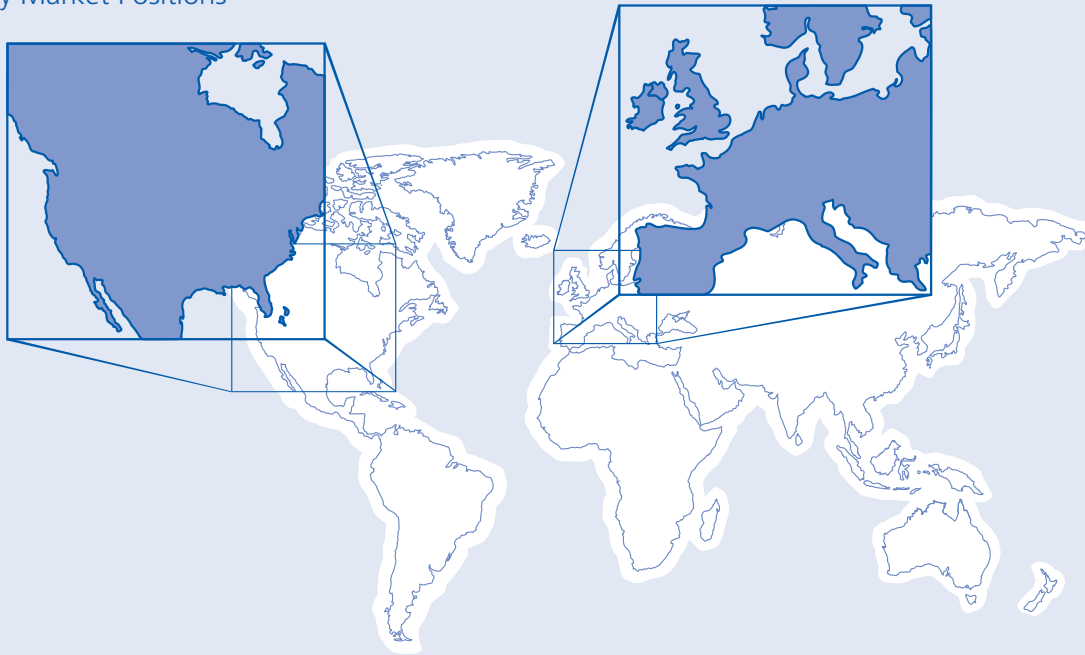
November 17

Strong growth in net income for the first nine months of 2004 to USD 1,902 million is reported, despite the impact of the most severe hurricane season in more than a century.

December 26

As a result of a powerful earthquake in the Indian Ocean, a disastrous tsunami sweeps through South Asia, killing an estimated 300,000 people. Zurich sets up a program to donate USD 1 million to countries affected by the catastrophe and to match up to USD 1 million in charitable contributions made by thousands of our employees.

Key Market Positions



Zurich's key market positions

2nd largest in general corporate business worldwide¹

¹ based on gross written premiums 2003
Source: Zurich's internal research and analysis

4th largest general insurer in the US²

² including Farmers Exchanges*, based on net written premiums 2003
Source: A.M. Best

4th largest general insurer in Europe³

³ based on gross written premiums 2003
Source: Peer company data

North America – market positions

2nd largest writer of property and casualty commercial multi-peril insurance¹

¹ including Farmers Exchanges*, based on direct written premiums 2003
Source: A.M. Best

2nd largest product liability insurer²

² including Farmers Exchanges*, based on net written premiums 2003
Source: A.M. Best

3rd largest personal lines insurer¹

*"Farmers Exchanges" refers to three reciprocal insurers, their subsidiaries and affiliates operating mainly under the Farmers brand, to which we provide management services but do not own.

Europe – market positions

2nd largest general insurer in Switzerland¹

¹ based on direct written premiums 2003
Source: Federal Office of Private Insurance

3rd largest life insurer in Switzerland¹

² based on new business premiums 2003
Source: Tillinghast

2nd largest insurer of unit-linked products in Germany²

³ based on gross written premiums 2003
Source: Kölner Institut für Versicherungsinformation

4th largest general and life insurer in Germany³

⁴ based on net earned premiums 2003
Source: Moody's Insurance Statistical Supplement

3rd largest general insurer in the UK⁴

⁵ based on gross earned premiums 2003
Source: Datamonitor UK Insurance Reports 2003

4th largest home insurer in the UK⁵

⁶ Source: Zurich's internal research and analysis

4th largest motor insurer in the UK⁵

Market leader in international program business⁶

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