

Half Year Results Reporting 2006

Media presentation

Zurich, August 17, 2006

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James J. Schiro

Patrick O'Sullivan

Introduction

James J. Schiro
Chief Executive Officer

August 17, 2006

Half Year Results 2006

Patrick O'Sullivan
Group Finance Director

August 17, 2006

Financial highlights



in USD millions
for the six months ended June 30

	2006	2005	Change
Business operating profit	2,847	2,305	24%
Net income attributable to shareholders	1,957	1,799	9%
General Insurance combined ratio	94.8%	96.9%	2.1pts
Life Insurance new business profit margin ¹	17.7%	17.4%	0.3pts

	06/30/06	06/30/05	12/31/05
Return on common shareholders' equity (ROE) ²	19.0%	18.5%	15.5%
Business operating profit (after tax) ROE ²	18.8%	16.6%	13.6%

¹ As % of APE (Annual Premiums Equivalent)

² Returns for the periods ended June 30, 2006 and 2005 are annualized on a compound basis using the results for the six months ended June 30. Returns for the period ended December 31, 2005 are for the year ended December 31, 2005. ROE is based on net income attributable to common shareholders.

Business operating profit by segment



in USD millions

for the six months ended June 30

	2006	2005	Change
General Insurance	1,781	1,385	29%
Global Life	557	536	4%
Farmers Management Services	615	609	1%
Other Businesses	298	154	94%
Corporate Functions	-404	-379	-7%
Total	2,847	2,305	24%

Gross written premiums and policy fees by segment



in USD millions

for the six months ended June 30

	2006	2005	Change	Change in LC ¹
General Insurance	18,477	18,635	-1%	2%
Global Life	5,133	5,460	-6%	-2% ²
Other Businesses	1,090	1,913	-43%	-43%
Other segments and eliminations	-95	-54	nm	nm
Total	24,605	25,954	-5%	-3%
Life insurance deposits	5,619	4,643	21%	26%
Life GWP, policy fees and ins. deposits	10,752	10,103	6%	11%

¹ Local Currency

² After also adjusting for the effects of the redesign of the group life business model in Switzerland, gross written premiums and policy fees in Global Life increased by 2%.

Global Life

key performance indicators



in USD millions

for the six months ended June 30

	2006	2005	Change	Change in LC ⁴
Business operating profit	557	536	4%	
Annual Premiums Equivalent (APE)	1,163	1,076	8%	20%
New business profit, after tax	205	187	10%	19%
New business profit margin, after tax ¹	17.7%	17.4%	0.3pts	
EV operating profit ²	703	n/a	n/a	
EV operating return ³	10.5%	n/a	n/a	

¹ Based on Annual Premiums Equivalent

² European Embedded Value operating profit, after tax

³ European Embedded Value operating return, after tax and before foreign currency translation effects, annualized

⁴ Local Currency

Global Life

new business indicators



Annual Premiums Equivalent and New Business Profit

in USD millions for the six months ended June 30	APE 2006	APE 2005	Change	Change	NBP 2006	NBP 2005	Change
United States	53	54	-2%	in LC¹ -2%	26	43	-40%
United Kingdom	384	367	5%	16%	35	30	17%
Germany	217	252	-14%	-2%	41	45	-9%
Switzerland	44	51	-14%	0%	4	1	nm
Rest of Europe	360	293	23%	40%	74	50	48%
International Businesses	105	59	78%	79%	25	18	39%
Total	1,163	1,076	8%	20%	205	187	10%

¹ Local Currency

General Insurance

key performance indicators

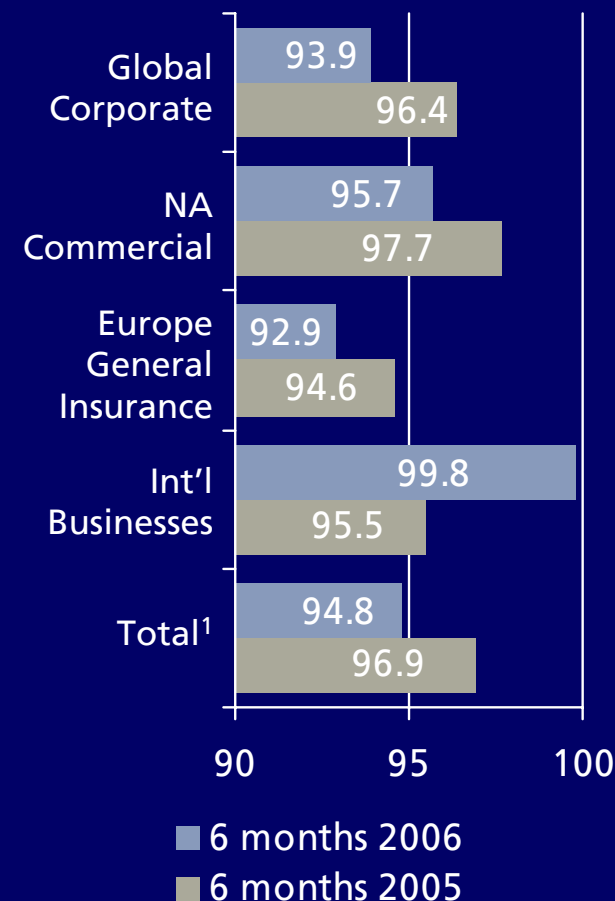


Business Operating Profit

in USD millions
for the six months ended June 30

	2006	2005	Change
Global Corporate	364	270	35%
North America Commercial	568	403	41%
Europe General Insurance	781	714	9%
International Businesses	74	116	-36%
Centrally Managed Businesses	-6	-118	95%
Total	1,781	1,385	29%

Combined ratio (%)



¹ Including Centrally Managed Businesses and inter-segment eliminations

Update on North America property catastrophe exposure



- **Reinsurance**
 - No significant change to structure announced at year end
- **Primary rates**
 - Rates for US property lines rose with strong increases in CAT exposed areas
- **Exposure management**
 - Optimized exposure from revised CAT modeling
 - Rebalancing portfolio across range of CAT exposures
 - Florida windstorm, California earthquake
 - Selective underwriting, e.g. age of building
 - Increased deductibles taken by customers

Farmers Exchanges¹

key performance indicators



in USD millions

for the six months ended June 30

	2006	2005	Change
Gross written premiums	7,435	7,277	2%
Net underwriting result	228	296	-23%
Combined ratio	95.8%	94.4%	-1.4pts
Adjusted combined ratio ²	89.1%	87.4%	-1.7pts
Surplus ratio	38.3%	37.4%	0.9pts

¹ Zurich Financial Services has no ownership interest in the Farmers Exchanges. Farmers Group, Inc., a wholly owned subsidiary of the Group, provides management services to the Farmers Exchanges and receives fees for its services.

² Adjusted for profit portion of management fees

Investment performance of Group investments



in USD millions

for the six months ended June 30

	2006	2005	Change
Net investment income	3,871	4,030	-4%
Net capital gains on investments and impairments	507	1,001	-49%
<i>of which attributable to shareholders</i>	415	457	-9%
Net investment result	4,378	5,031	-13%
Net investment result in %, not annualized ¹	2.4%	2.6%	-0.2pts
Movements in net unrealized gains on investments included in total equity ²	-3,718	1,239	nm
Total investment result	660	6,270	-89%

¹ In % of average investments

² Before attribution to policyholders and other

Closing remarks

James J. Schiro
Chief Executive Officer

August 17, 2006

Q&A