
Zurich Financial Services

3rd Sal. Oppenheim European Financials Conference

Patrick O'Sullivan, Group Finance Director

November 28, 2006



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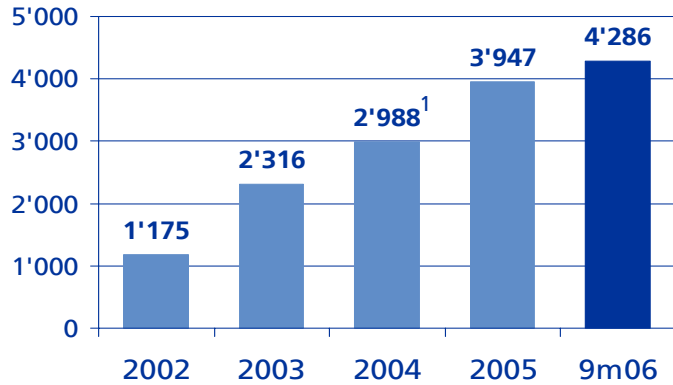
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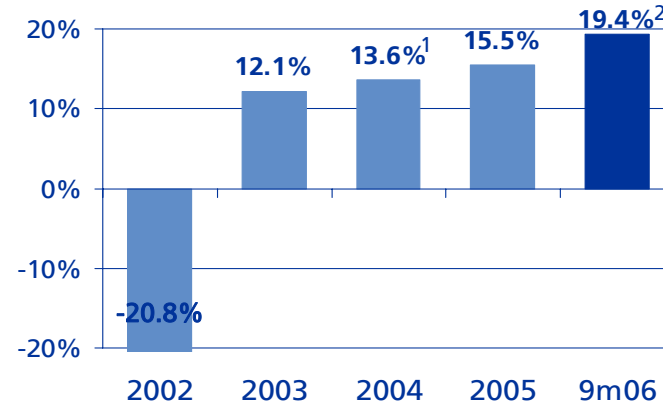
It should be noted, that past performance is not a guide to future performance. Persons requiring advice should consult an independent adviser.

A track record of performance improvements

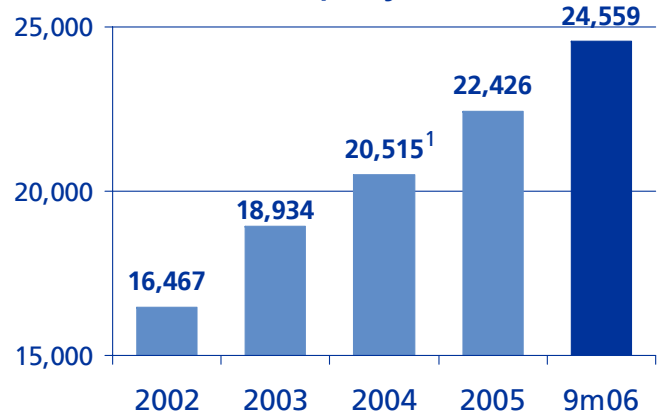
Business Operating Profit (in USD millions)



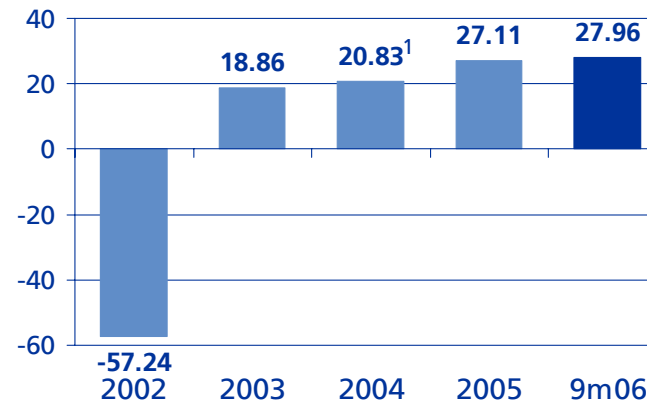
Return on common shareholders' equity



Shareholders' equity (in USD millions)



Diluted earnings per share (in CHF)

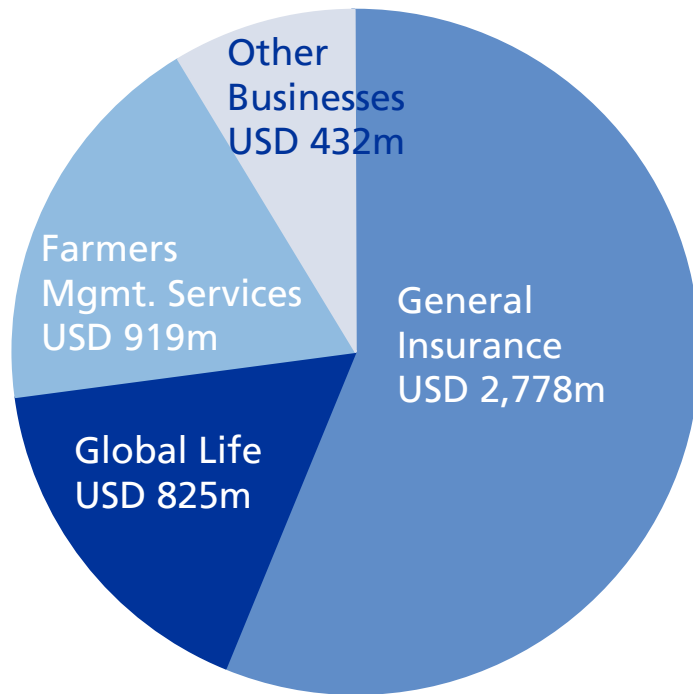


¹ Restated

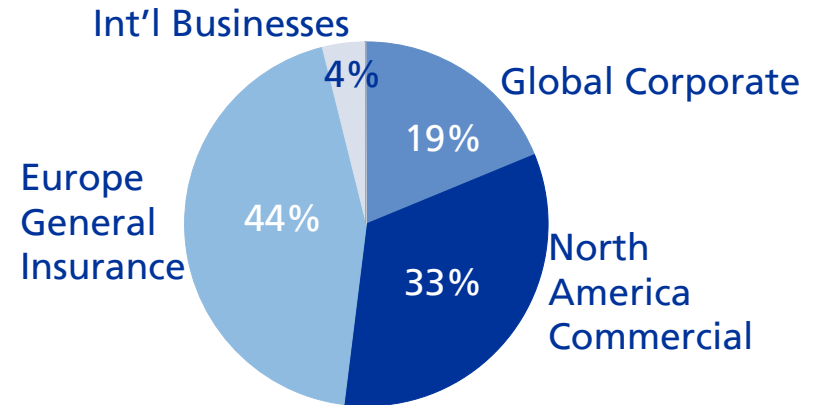
² Return for the nine months 2006 is annualized on a compound basis using the result for the nine months ended September 30, 2006.

Zurich has a well diversified, global book

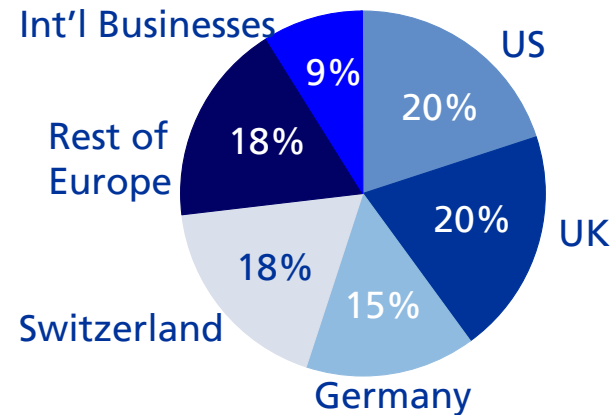
Business Operating Profit by segment^{1,2}



Business Operating Profit General Insurance^{1,3}



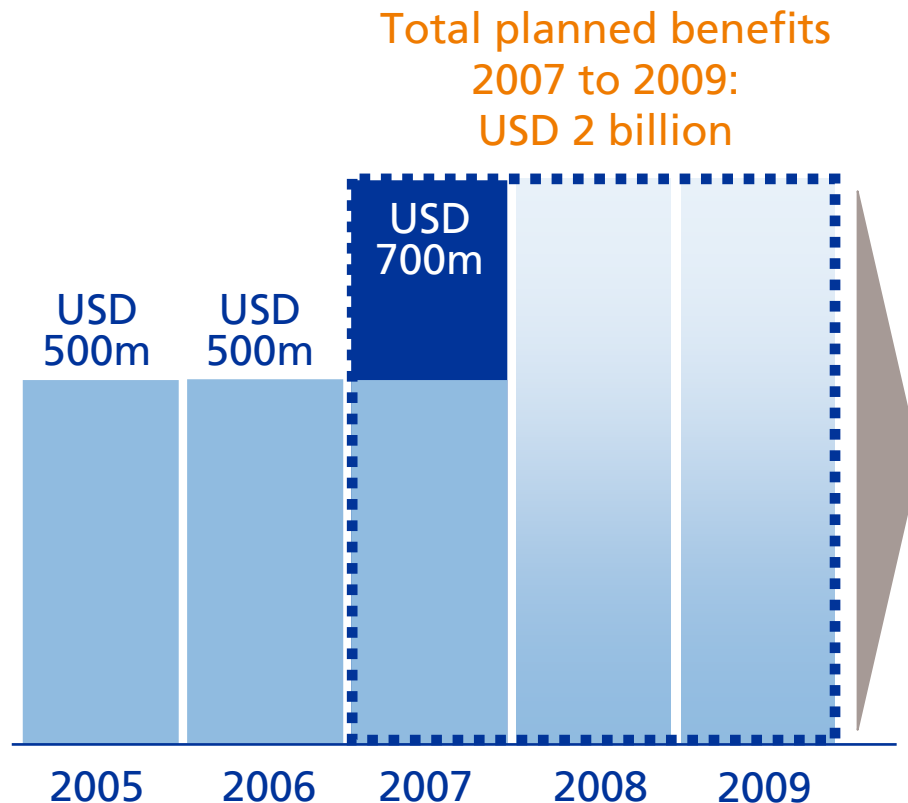
Business Operating Profit Global Life¹



1 For the nine months ended September 30, 2006
 2 Excluding Corporate Functions
 3 Excluding Group Reinsurance



Update on The Zurich Way – revised target of USD 2 billion for 2007 to 2009



- The 2006 target is well on track.
- We increase the 2007 target to USD 700m.
- Developing our three year plan, we expect benefits of USD 2 billion from 2007 to 2009.
- 12 major work-streams with over 300 initiatives
- Expected contributions to key performance indicators for 2007-09
 - General Insurance:**
Combined ratio: 2.0pts p.a.
 - Global Life:**
APE¹: half of targeted double digit growth to come from TZW

¹ Gross new business annual premium equivalent (APE)

Implementation examples in our Business Divisions

- Europe General Insurance (EGI)
- North America Commercial (NAC)
- Global Life
- Farmers Management Services

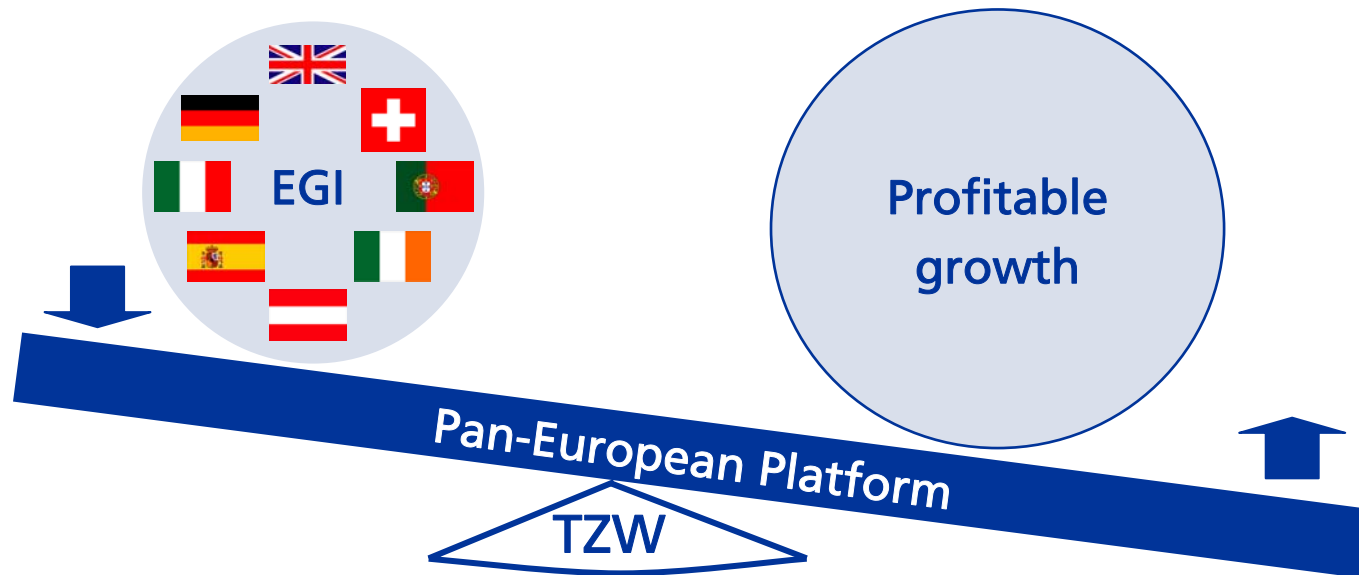
Vision and key focus areas for EGI

2010 vision

We are implementing pan-European strategies and platforms to consolidate our competitive advantage throughout the value chain

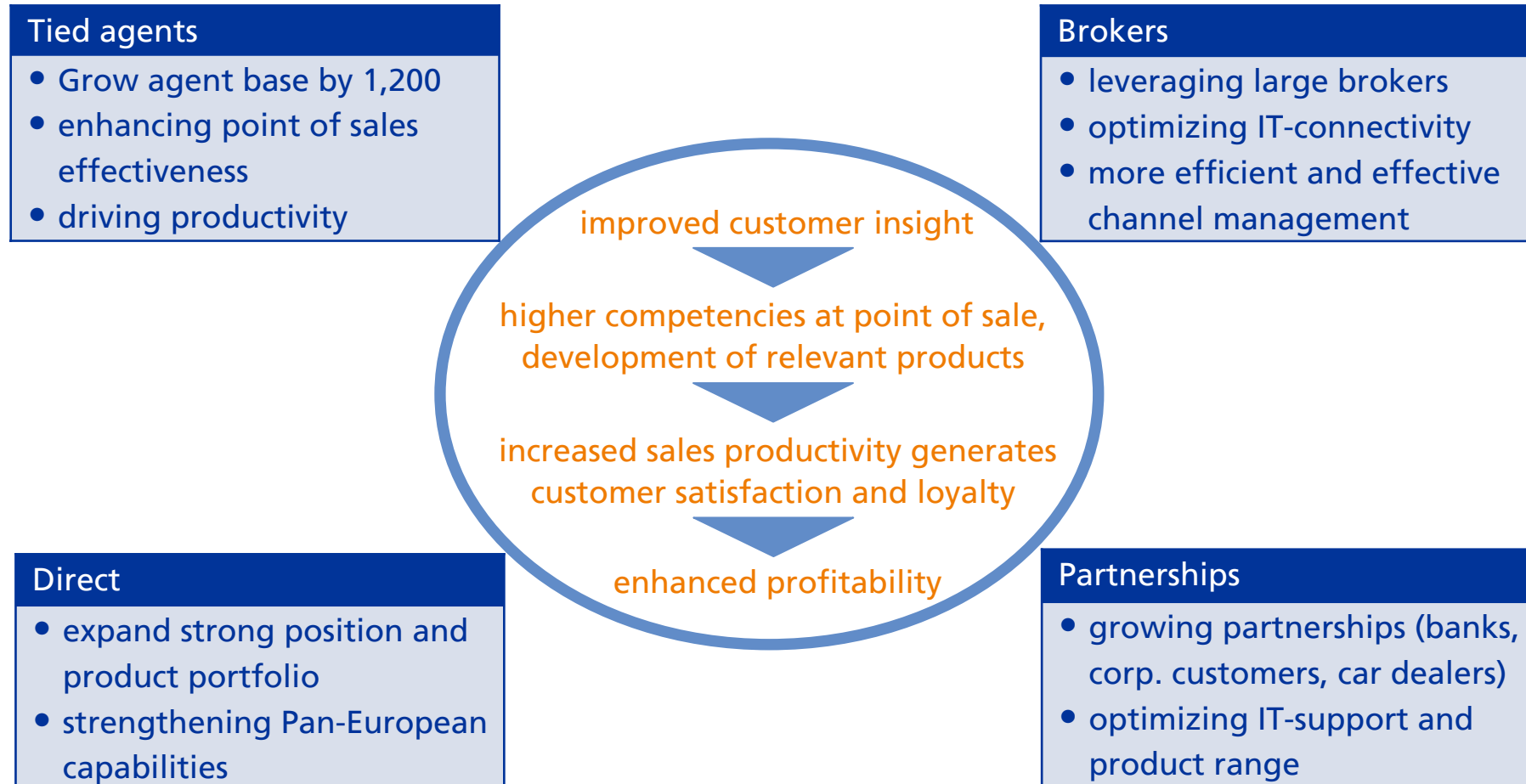
- Leading European insurer with top-tier positions in chosen markets
- Cost leadership
- Sophisticated way of doing business
- Distribution transformation

The Zurich Way (TZW) and the Pan-European platform: why they drive profitable growth



- Enhanced management control with less friction
- Shortened innovation time allows faster responses to customer needs
- TZW initiatives spread out equally within a tightly controlled framework
- 8:1 – 8 country implementations empowered and accelerated by 1 idea
- 8:1 – 8 European countries, 1 European mindset

EGI is transforming multi-channel distribution to maximize access and customer insight

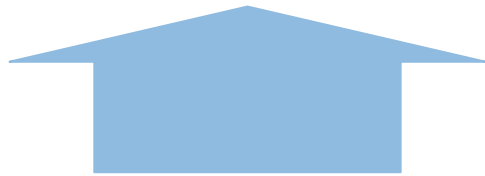


Illustrative implementation examples in our Business Divisions

- Europe General Insurance (EGI)
- North America Commercial (NAC)
- Global Life
- Farmers Management Services

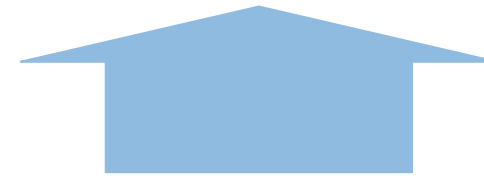
NAC establishing technical discipline – 1st wave of TZW initiatives fully implemented¹

Establishing Technical Discipline



Underwriting
“Charging the right price for
the underlying risk”

- Upgraded Technical Price sophistication
- Strengthened product line leadership
- Improved metrics, scorecards
- Reduced underwriting leakage



Claims
“Paying the appropriate
amount per claim merits”

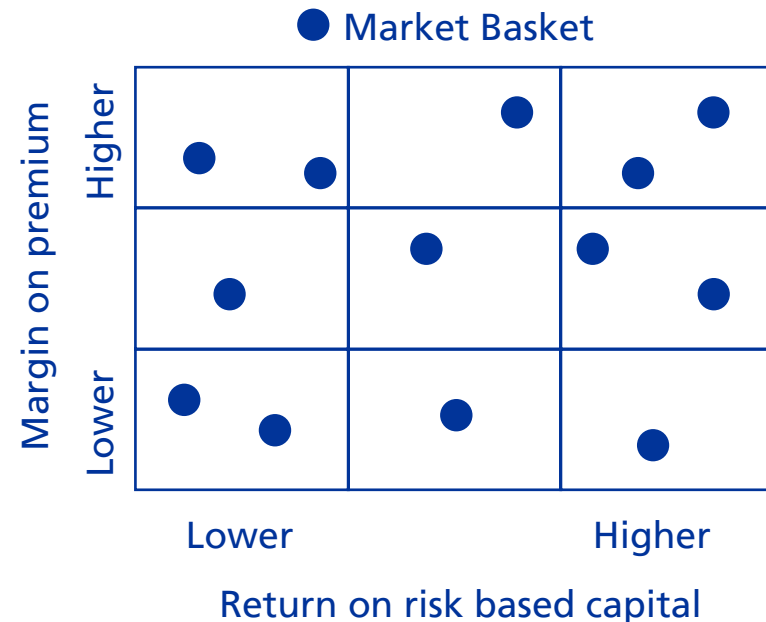
- Establish best practices, in particular
CAT management
- Improved metrics, scorecards
- Reduced claims leakage

¹ Additional detail provided in Zurich’s investors’ day presentation of January 20, 2005 and June 30, 2005

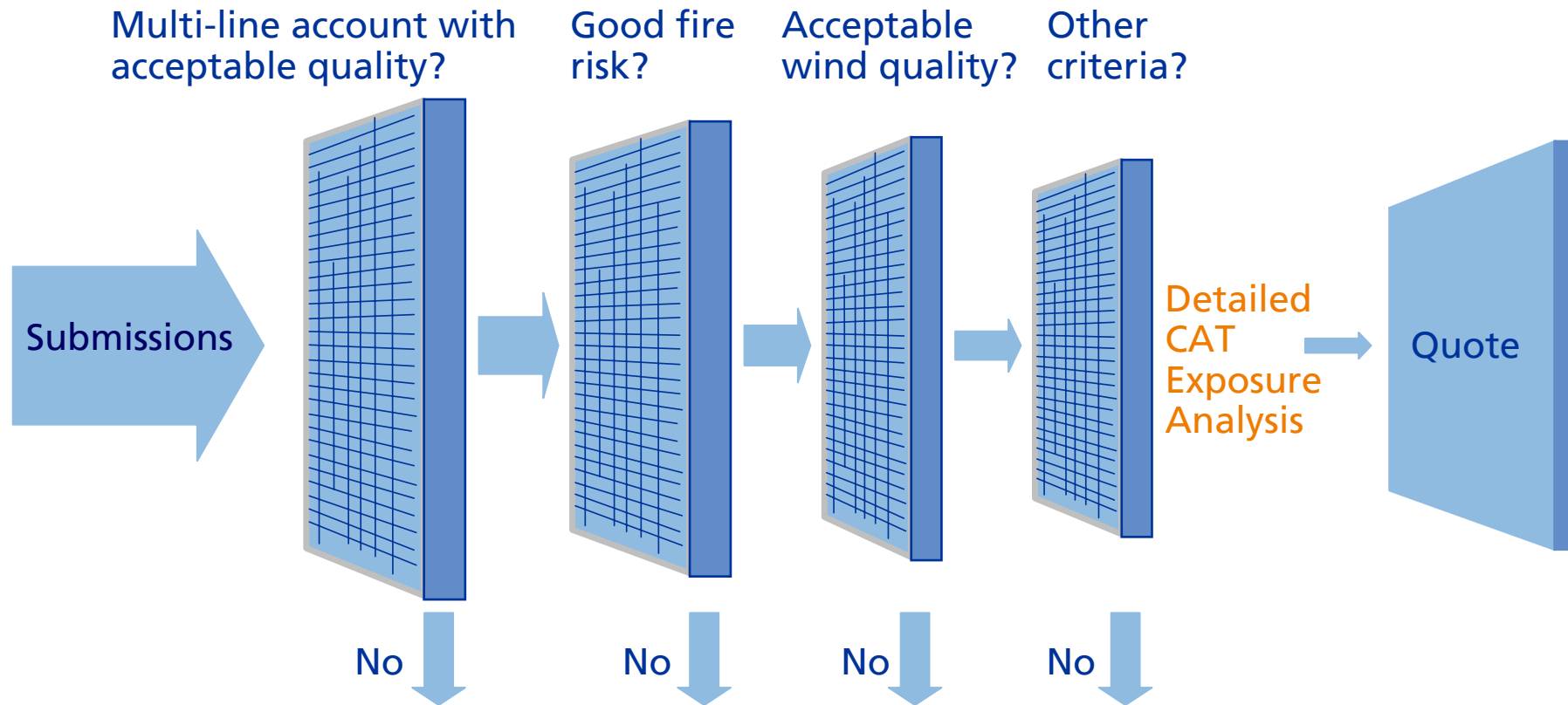
NAC enabling profitable growth - portfolio reshaped to maximize profit per unit of risk

- Divide our businesses into 68 market baskets for making capital allocation decisions
- Analyze performance using two lenses:
 - Margin on premium (BOP/NEP)
 - Return on Risk-Based Capital (RBC)
- Balance capital intensity with profitability
- Continually review and reshape the business by growing or shrinking into the most attractive portfolio
- Ensures that NAC's portfolio is composed of the RIGHT segments, at the RIGHT price, at the RIGHT time in the cycle

Force rank businesses to balance capital intensity with operating profit



NAC managing risk profile and optimizing capital use



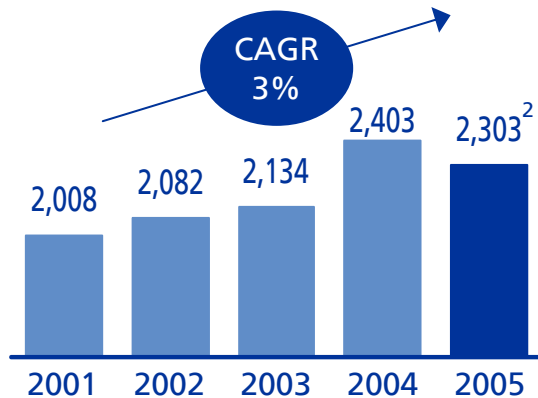
Accounts that do not pass the filters are flagged for special attention and compelling reason must justify spending capacity

Illustrative implementation examples in our Business Divisions

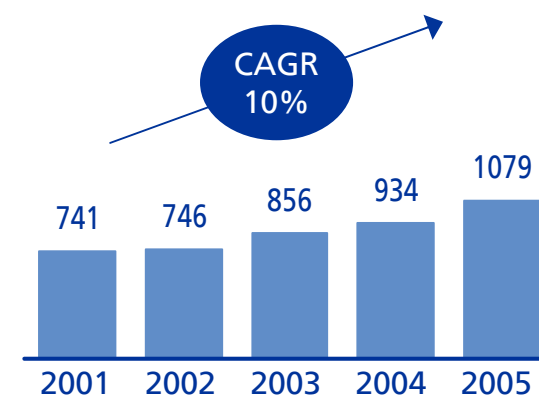
- Europe General Insurance (EGI)
- North America Commercial (NAC)
- Global Life
- Farmers Management Services

Global Life – After fixing profitability, our focus is now on growth

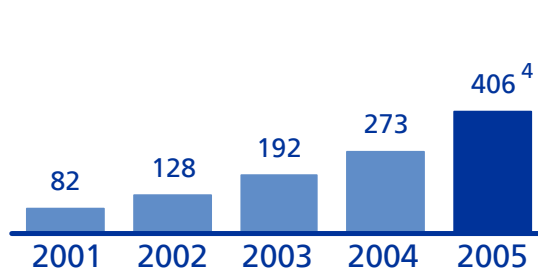
New business APE
in USD millions



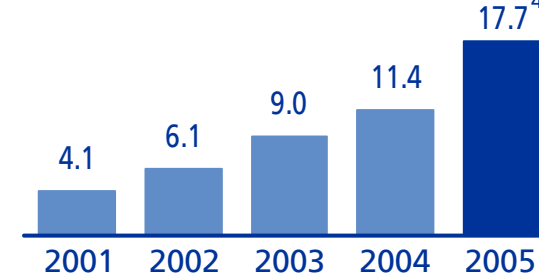
Business operating profit (BOP)³
in USD millions



New business profit (NBP)¹
in USD millions



New business margin (NBM)¹
in %



9 months 2006:

- APE +14%⁵
- NBP +33%^{4,5}
- NBM 19.3%⁴
- BOP -1%

1 Traditional EV methodology as reported in these years
 2 Excludes Australia's investment business
 3 2001-2003 as reported, 2004 restated for IFRS changes

4 European EV methodology
 5 Change in local currency

We radically changed the Global Life business model in multiple markets

UK

- Consolidated legal entities
- Separated distribution from manufacturing / Openwork
- Release of USD 1.1 billion
- Overhaul cost base
- Outsourcing non-core back office

Germany

- Service company model
- Restructured balance sheet and investment portfolio
- Continued focus on unit-linked
- Consolidate legal entities

Switzerland

- Changed business model for group pension business
- Transfer processing onto German product platform
- Integrated legal entities

Zurich International¹

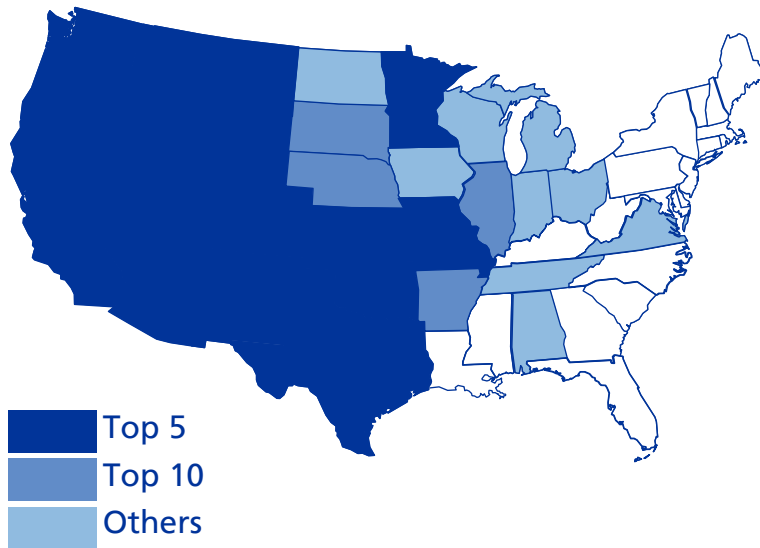
- Business world-wide written on one single balance sheet
- Using a single platform with two processing centres
- Flexible/efficient expansion meeting demands from expatriates worldwide

¹ Zurich International Solutions is headquartered on the Isle of Man

Illustrative implementation examples in our Business Divisions

- Europe General Insurance (EGI)
- North America Commercial (NAC)
- Global Life
- Farmers Management Services

Farmers is driving profitable growth through improved customer service, new products, and distribution



Source: A.M. Best 2005

Core states

- 3rd largest Auto
- 3rd largest Home
- 3rd largest Commercial Multi-Peril
- Largest Specialty (Mobile Home)

- Focus on customer service, product management and distribution
- Further improve penetration in existing core states in the Western U.S. with:
 - sophisticated customer segmentation and service (e.g. Hispanic community)
 - new products (e.g. new homeowner policy)
 - continuously increasing tied agents base (new high of almost 14,000 at the end of September 2006)
- Preparing for Eastward expansion in 2007

Key take aways from Zurich

- Zurich has a track record of strong performance improvements and has continuously delivered excellent results.
- Zurich is well diversified by lines of business and geography, and we have achieved selective growth in the nine months to September 30, 2006.
- We are driving efficiency improvements through The Zurich Way with more than 300 initiatives, and we expect benefits of USD 2 billion from 2007 to 2009.
- We will manage our capital to maximize our long-term ROE.

Appendix

Results Reporting for the Nine Months ended September 30, 2006

Financial highlights

in USD millions for the nine months ended September 30	2006	2005	Change
Business operating profit	4,286	2,863	50%
Net income attributable to shareholders	3,253	2,256	44%
General Insurance combined ratio	94.8%	100.9%	6.1pts
Global Life new business profit margin ¹	19.3%	16.3%	3.0pts
	09/30/06	09/30/05	12/31/05
Return on common shareholders' equity (ROE) ²	19.4%	15.0%	15.5%
Business operating profit (after tax) ROE ²	18.2%	13.2%	13.6%

¹ After tax, as % of APE (Annual Premiums Equivalent)

² Returns for the periods ended September 30, 2006 and 2005 are annualized on a compound basis using the results for the nine months ended September 30. Returns for the period ended December 31, 2005 are for the year ended December 31, 2005.

Business operating profit by segment

in USD millions

for the nine months ended September 30

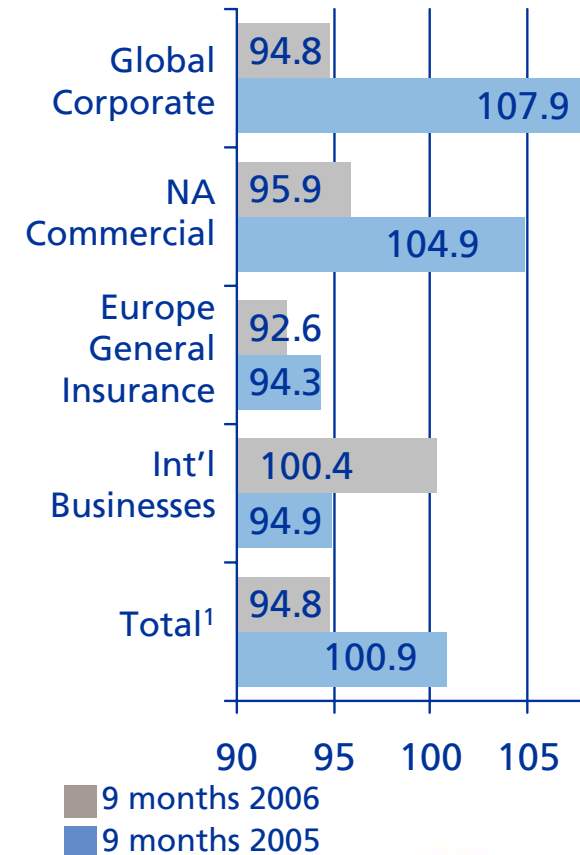
	2006	2005	Change
General Insurance	2,778	1,354	105%
Global Life	825	830	-1%
Farmers Management Services	919	926	-1%
Other Businesses	432	305	42%
Corporate Functions	-668	-552	-21%
Total	4,286	2,863	50%

General Insurance – key performance indicators

Business Operating Profit

in USD millions for the nine months ended Sept. 30	2006	2005	Change
Global Corporate	527	-6	nm
North America Commercial	892	261	242%
Europe General Insurance	1,209	1,060	14%
International Businesses	100	173	-42%
Group Reinsurance	50	-134	nm
Total	2,778	1,354	105%

Combined ratio (%)



¹ Including Group Reinsurance and inter-segment eliminations

Global Life – key performance indicators

in USD millions
for the nine months ended September 30

	2006	2005	Change	Change in LC ¹
Annual Premium Equivalent (APE)	1,669	1,624	3%	14%
New business profit, after tax	322	264	22%	33%
New business profit margin, after tax ²	19.3%	16.3%	3.0pts	
Business operating profit	825	830	-1%	

¹ Local Currency

² Based on Annual Premium Equivalent

Farmers Management Services – key performance indicators

in USD millions

for the nine months ended September 30

	2006	2005	Change
Management fees and other related revenue	1,589	1,538	3%
Business operating profit	919	926	-1%
Gross operating margin	50.7%	52.8%	-2.1pts

Farmers Exchanges¹ – key performance indicators

in USD millions for the nine months ended September 30	2006	2005	Change
Gross written premiums	11,384	11,028	3%
Net underwriting result	271	92	195%
Combined ratio	96.0%	97.9%	1.9pts
Adjusted combined ratio ²	89.2%	91.1%	1.9pts
Surplus ratio	37.7% ³	36.6%	1.1pts

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

³ After repayment of USD 107 million surplus note in September 2006

The Zurich Way initiatives – updated 2007 target

