
Zurich Financial Services – UBS Swiss Alpine Summit

Dieter Wemmer, CEO Europe General Insurance

Gstaad, January 19, 2007



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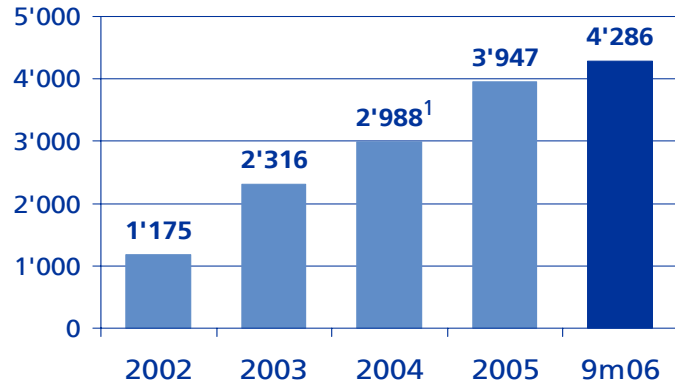
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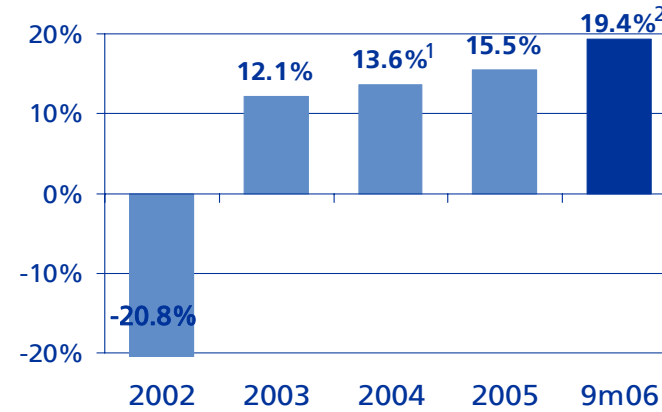
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A track record of performance improvements

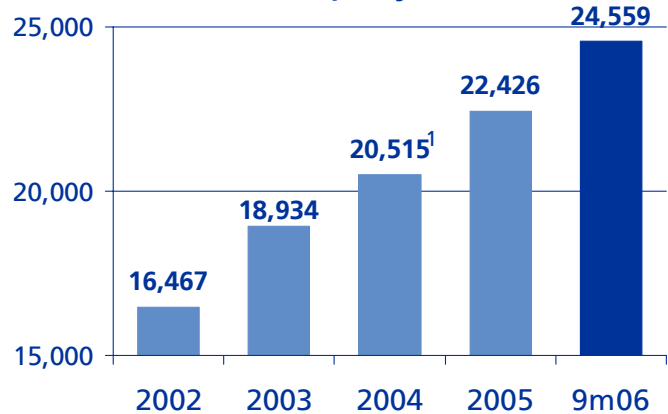
Business Operating Profit (in USD millions)



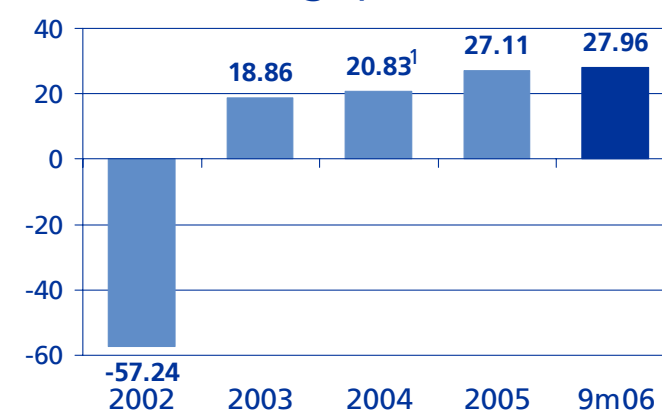
Return on common shareholders' equity



Shareholders' equity (in USD millions)



Diluted earnings per share (in CHF)



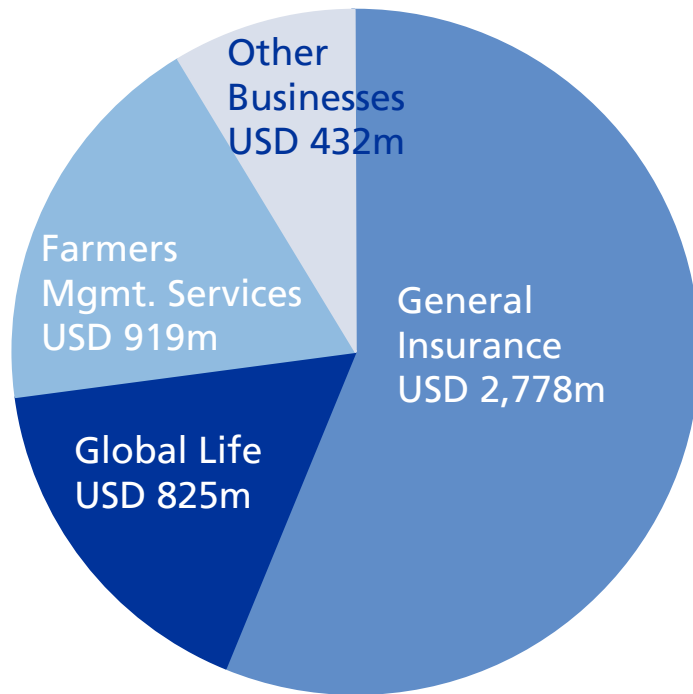
¹ Restated

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

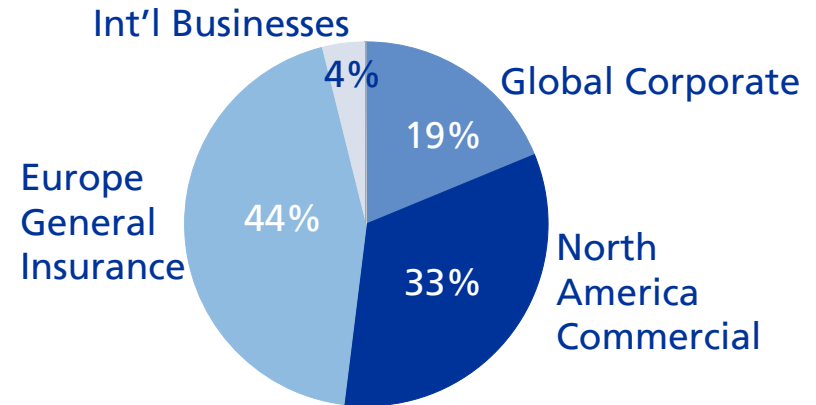


Zurich has a well diversified, global book

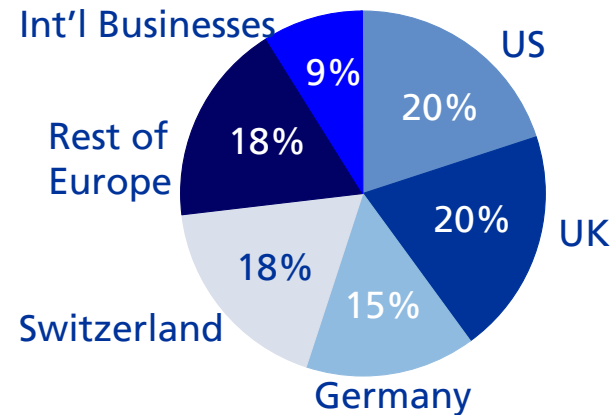
Business Operating Profit by segment^{1,2}



Business Operating Profit General Insurance^{1,3}



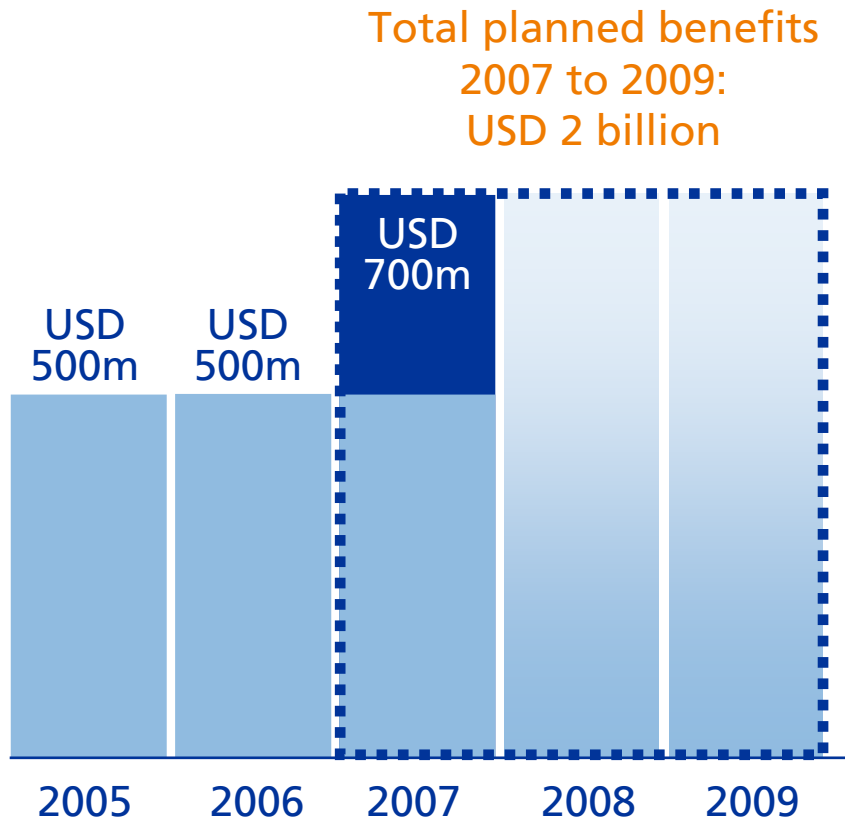
Business Operating Profit Global Life¹



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

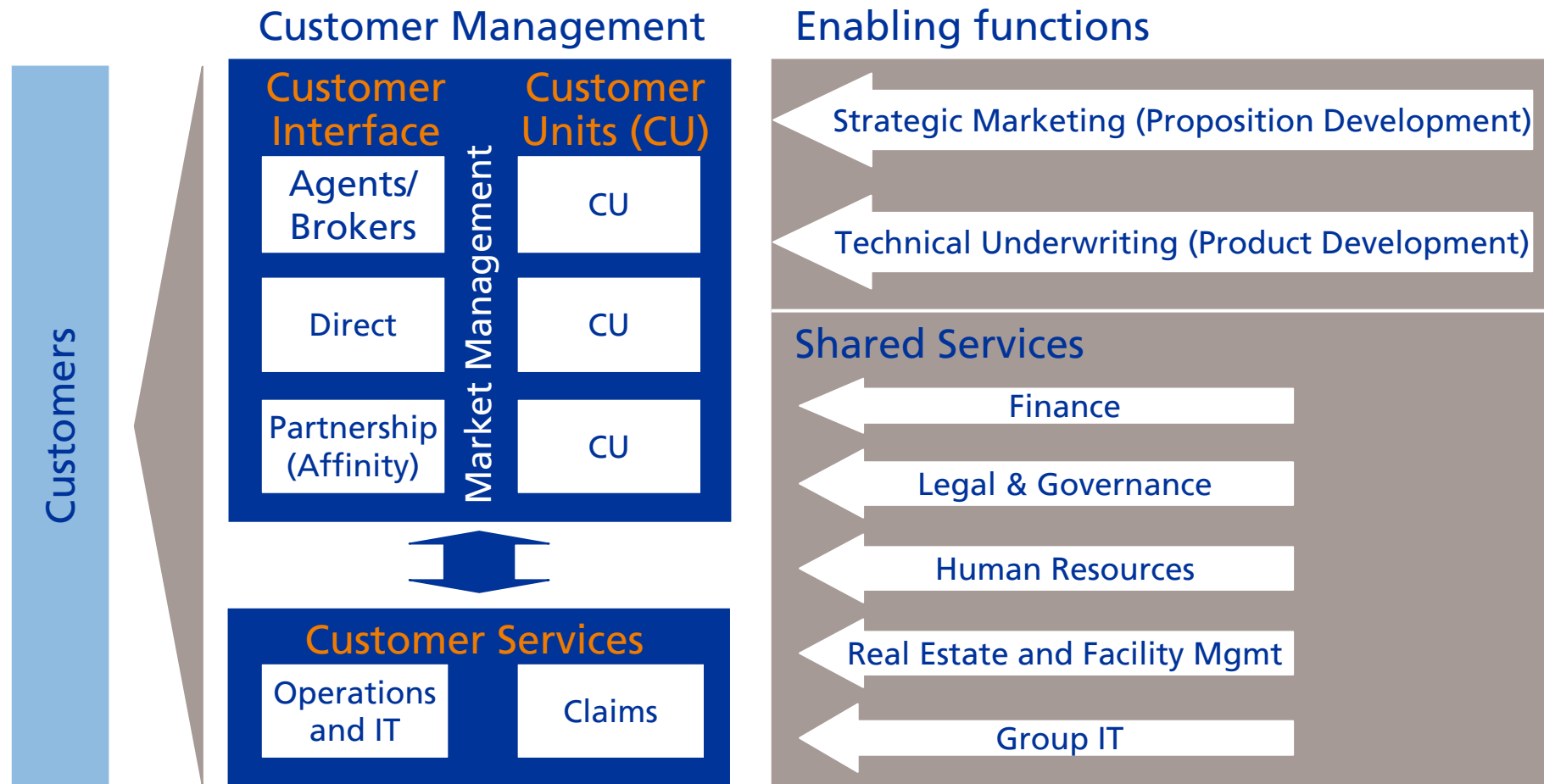
Delivering on our vision and key focus areas for Europe General Insurance (EGI)

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 EGI Country Blue Print enables better customer service, new business growth and...



...helps bundling cost savings opportunities with "Customer Services" & "Shared Services" as main levers

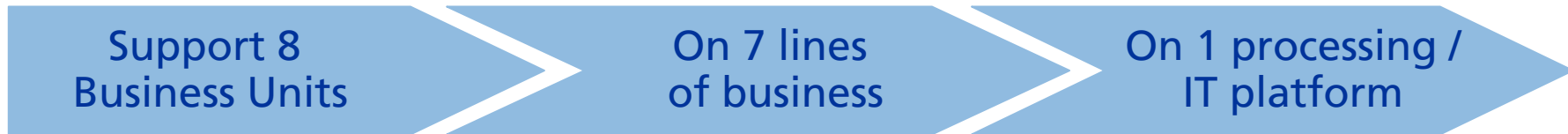
- Business Operating Model
 - Pan-European
 - Standardization
 - Knowledge funnel
- Customer centricity
- Call centers
- Service units
- Out-tasking (labor arbitrage)



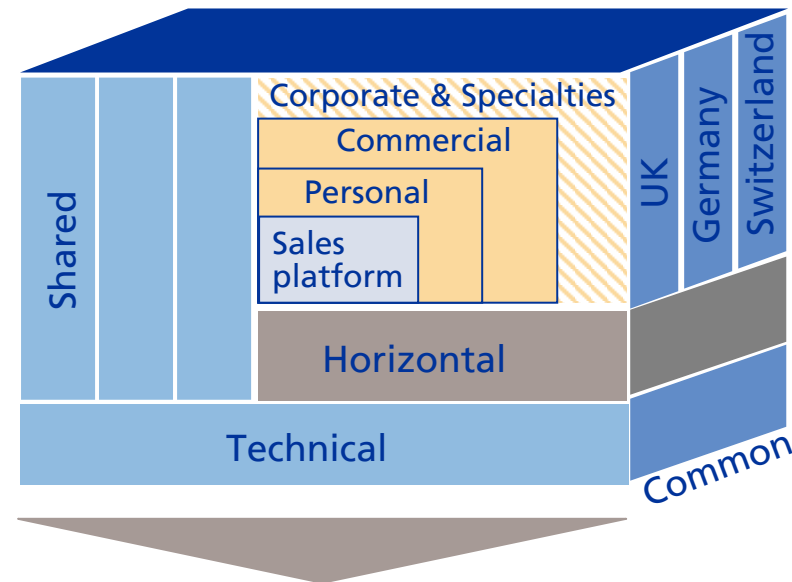
- European Shared Services, Phase 2
 - Further refine "Hub & satellite" approach
- Various strategic projects on the way e.g. in finance, procurement, claims



Our pan-European strategy in a nutshell – our common platform



- Direct
- Commercial Fast Flow
- Personal Lines
- Commercial Lines
- Corporate Business
- Specialties
- Life (Spain)



More than 70% of the system is "common"

Our main initiatives to achieve a 20% Expense Ratio for Europe General Insurance in the medium-term



- One UK General Insurance organization
- Capitalize on leveraging pan-European platforms
- Scale effects on premiums, driven by market segmentation, multi-channel distribution and customer centricity



- Business model 2007
- Functional organization along the value adding chain
- Optimize costs by harmonizing new working time models



- Project "Info Swiss" (efficient processes, lower IT expenses)
- Project "Varia" (increase distribution efficiency)
- Continuous focus on strict expense management



- Migrate local legacy systems onto European IT platform
- Successful direct business: new sales platform to further decrease distribution costs



- Optimize sales commission system for agents
- Develop e-access to enhance front and back office processes

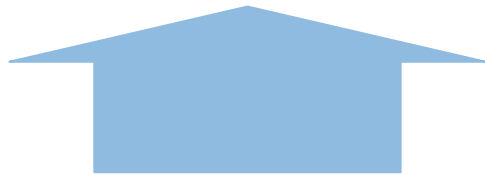
20%
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Implementation examples in our Business Divisions

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

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

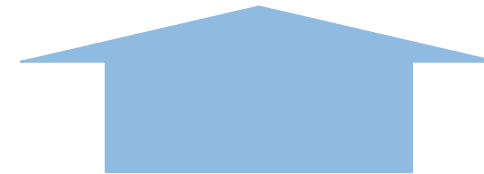
Establishing Technical Discipline



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”

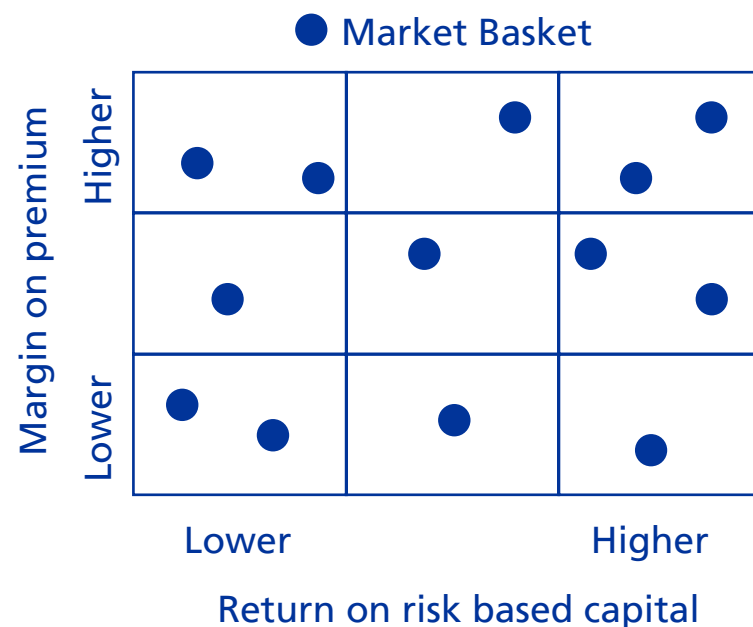
- Establish best practices, in particular CAT management
- Improved metrics, scorecards
- Reduced claims leakage

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

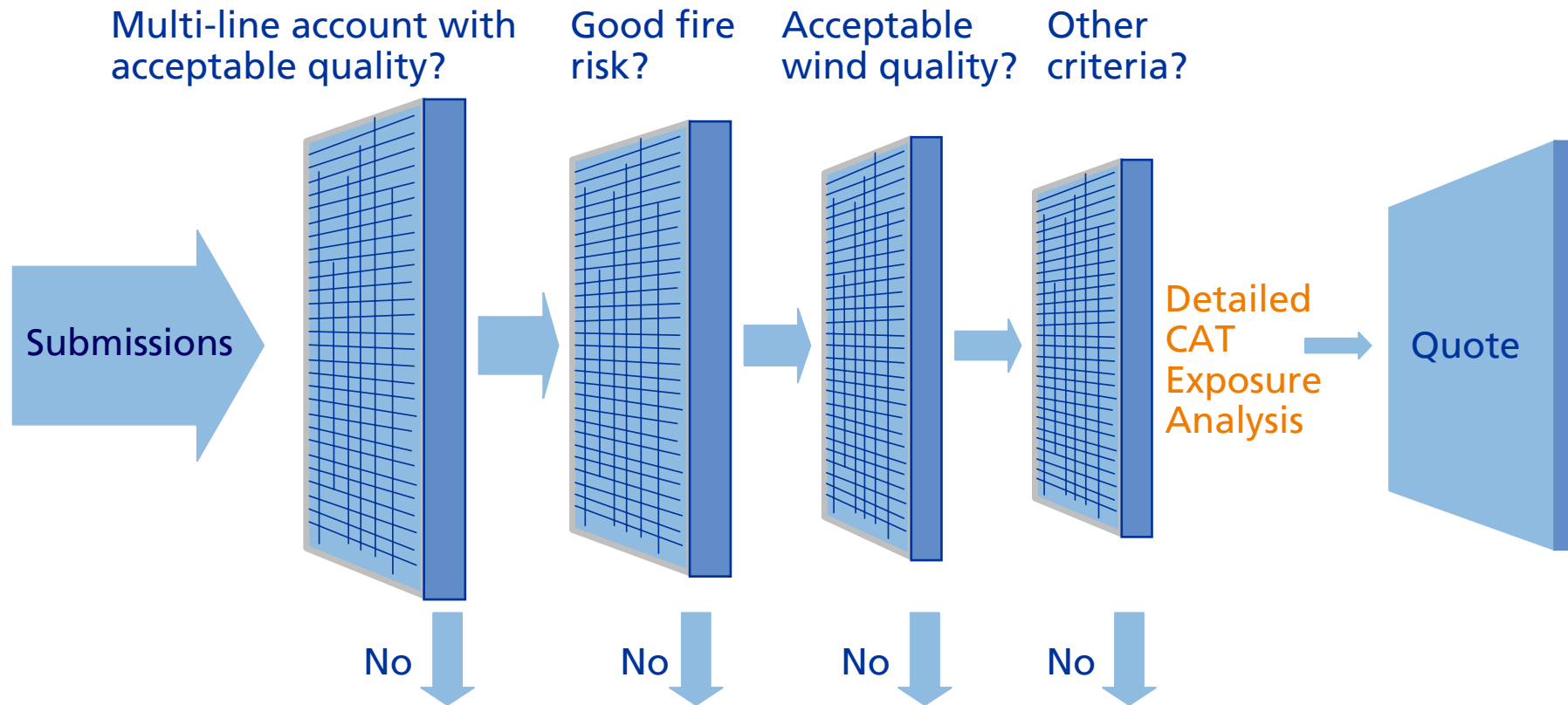
NAC enabling profitable growth – portfolio reshaped to maximize profit per unit of risk

- 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
- Ensure 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



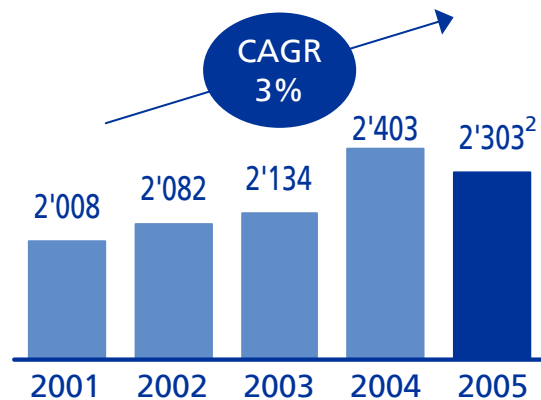
Accounts that do not pass the filters are flagged for special attention and compelling reason must justify spending capacity

Implementation examples in our Business Divisions

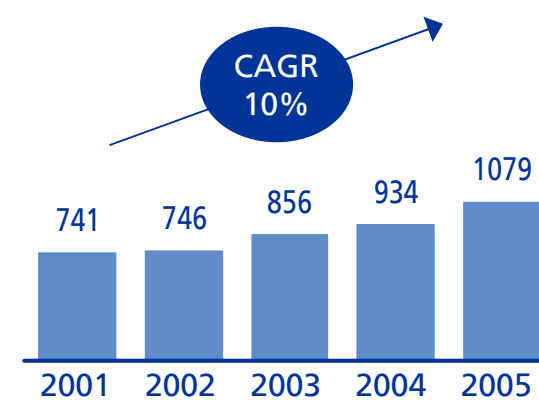
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Global Life – After fixing profitability, our focus is now on growth

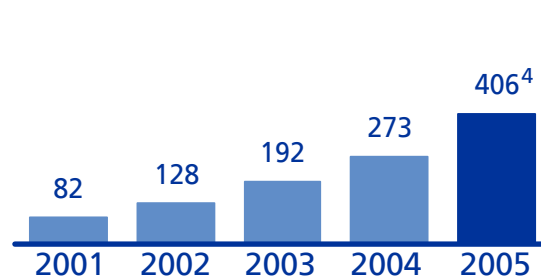
New business APE
in USD millions



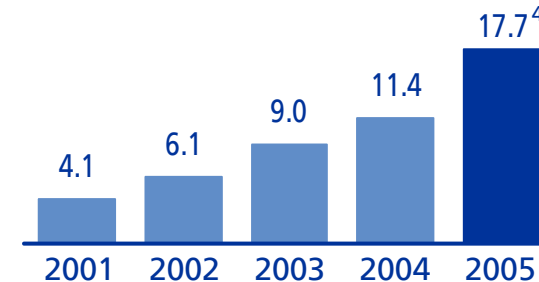
Business operating profit (BOP)³
in USD millions



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

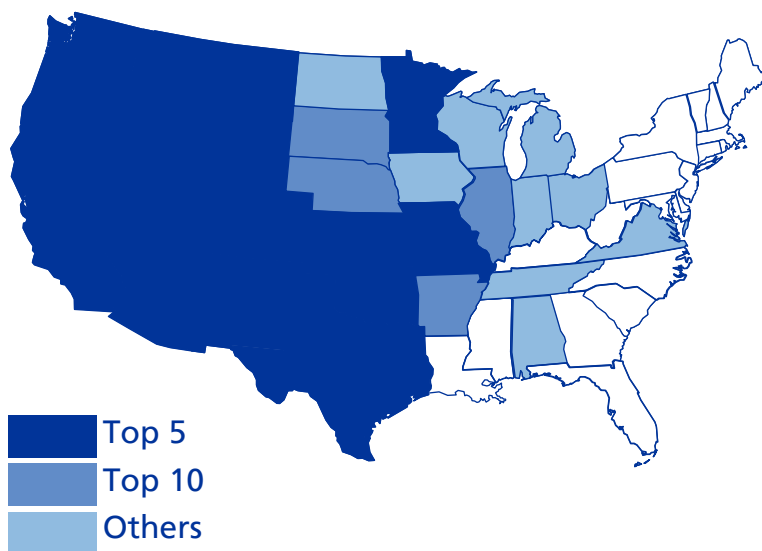
- Business world-wide written on one single balance sheet
- Using a single platform with two processing centres
- Flexible/efficient expansion meeting demands from expatriates worldwide

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.