

Quarterly consolidated operating statements (unaudited)

Operating statements by business segment in USD millions, for the three months ended December 31	General Insurance		Life Insurance		Farmers Management Services		Other Businesses		Corporate Center		Eliminations		Total	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Revenues														
Gross written premiums and policy fees	8,444	7,787	3,192	2,970	–	–	418	497	97	77	(254)	(273)	11,897	11,058
Less premiums ceded to reinsurers	(2,198)	(1,970)	(208)	(229)	–	–	(46)	(108)	(87)	(72)	254	273	(2,285)	(2,106)
Net written premiums and policy fees	6,246	5,817	2,984	2,741	–	–	372	389	10	5	–	–	9,612	8,952
Net change in reserves for unearned premiums	985	(464)	14	(34)	–	–	37	15	(7)	1	–	–	1,029	(482)
Net earned premiums and policy fees	7,231	5,353	2,998	2,707	–	–	409	404	3	6	–	–	10,641	8,470
Management fees	–	–	5	60	476	455	7	17	4	1	(4)	(13)	488	520
Net investment income	518	405	1,087	1,093	12	22	180	156	150	72	(223)	(200)	1,724	1,548
Net realized capital gains/(losses) on investments and impairments	88	(75)	373	(154)	4	4	43	16	(120)	(262)	–	–	388	(471)
Net unrealized capital gains/(losses) on investments	2	14	66	58	1	1	94	34	193	(101)	–	–	356	6
Net gain on divestments of businesses	(109)	(16)	168	31	–	–	(19)	20	–	–	–	–	40	35
Other income	80	119	277	248	–	–	63	140	113	103	(106)	(36)	427	574
Total revenues	7,810	5,800	4,974	4,043	493	482	777	787	343	(181)	(333)	(249)	14,064	10,682
Benefits, losses and expenses														
Losses and loss adjustment expenses	(5,094)	(4,084)	(32)	(21)	–	–	(225)	(242)	(62)	(23)	44	28	(5,369)	(4,342)
Life insurance death and other benefits	(35)	(54)	(3,026)	(2,147)	–	–	(142)	(142)	(3)	(3)	(36)	(22)	(3,242)	(2,368)
Increase in future life policyholders' benefits	(1)	(7)	211	(73)	–	–	–	(17)	1	–	(1)	(6)	210	(103)
Insurance benefits and losses	(5,130)	(4,145)	(2,847)	(2,241)	–	–	(367)	(401)	(64)	(26)	7	–	(8,401)	(6,813)
Policyholder dividends and participation in profits	(12)	(15)	(482)	(397)	–	–	(12)	(152)	58	(3)	–	–	(448)	(567)
Underwriting and policy acquisition costs	(1,336)	(946)	(205)	(452)	–	–	(147)	(85)	(1)	1	–	–	(1,689)	(1,482)
Other operating and administrative expenses	(594)	(838)	(546)	(486)	(252)	(216)	(213)	(426)	(260)	(96)	99	48	(1,766)	(2,014)
Amortization of intangible assets	(49)	(37)	(50)	(54)	(23)	(21)	(5)	(7)	(5)	(7)	–	–	(132)	(126)
Interest expense on debt	(53)	(52)	(11)	(43)	(14)	(10)	(49)	(94)	(207)	(182)	195	189	(139)	(192)
Interest credited to policyholders and other interest	(31)	(21)	(196)	(203)	(1)	–	(68)	(37)	(8)	(1)	32	12	(272)	(250)
Total benefits, losses and expenses	(7,205)	(6,054)	(4,337)	(3,876)	(290)	(247)	(861)	(1,202)	(487)	(314)	333	249	(12,847)	(11,444)
Net income / (loss) before income taxes and minority interests	605	(254)	637	167	203	235	(84)	(415)	(144)	(495)	–	–	1,217	(762)
Net income / (loss)	547	39	506	112	127	150	(266)	(385)	(233)	(598)	–	–	681	(682)

Quarterly statistical data per region – General Insurance (unaudited)

for the three months ended December 31

in USD millions	North America Corporate		North America Consumer		Continental Europe		UKISA		Rest of the World		Centrally Managed Businesses		Eliminations		Total	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Gross written premiums and policy fees	3,780	3,436	779	435	1,971	1,527	1,480	1,056	511	468	447	1,273	(524)	(408)	8,444	7,787
Net earned premiums and policy fees	2,484	1,897	791	275	2,100	1,645	1,261	986	310	268	285	282	–	–	7,231	5,353
Insurance benefits and losses	(2,022)	(1,365)	(422)	(120)	(1,526)	(1,403)	(900)	(795)	(170)	(142)	(91)	(320)	1	–	(5,130)	(4,145)
Policyholder dividends and participation in profits	(3)	(3)	–	–	(13)	(15)	–	–	4	3	–	–	–	–	(12)	(15)
Total net technical expenses	(504)	(388)	(367)	(148)	(486)	(406)	(331)	(177)	(119)	(100)	(44)	(90)	(10)	(2)	(1,861)	(1,311)
Net underwriting result	(45)	141	2	7	75	(179)	30	14	25	29	150	(128)	(9)	(2)	228	(118)
Net investment income	156	129	22	11	154	122	117	84	20	14	50	45	(1)	–	518	405
Net realized capital gains/(losses) on investments and impairments	38	(44)	1	–	64	(29)	(4)	(8)	(13)	(4)	2	10	–	–	88	(75)
Net unrealized capital gains/(losses) on investments	–	–	–	–	(6)	9	6	8	2	(3)	–	–	–	–	2	14
Net non-technical result	(31)	(202)	(1)	–	(201)	(226)	(45)	(61)	3	(5)	34	12	10	2	(231)	(480)
Net income / (loss) before income taxes and minority interests	118	24	24	18	86	(303)	104	37	37	31	236	(61)	–	–	605	(254)
Net income / (loss)	137	14	21	14	49	(202)	85	250	19	25	236	(62)	–	–	547	39

Quarterly statistical data per region – Life Insurance (unaudited)

for the three months ended December 31

in USD millions	North America Consumer ¹		Continental Europe		UKISA		Rest of the World		Centrally Managed Businesses		Eliminations		Total	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Gross written premiums, policy fees and insurance deposits	276	1,532	2,798	2,389	1,797	1,526	423	368	283	–	(4)	–	5,573	5,815
Gross written premiums and policy fees	138	329	2,300	1,989	514	452	173	200	71	–	(4)	–	3,192	2,970
Net earned premiums and policy fees	93	186	2,270	1,917	467	442	155	162	13	–	–	–	2,998	2,707
Management fees	–	–	2	3	2	56	1	1	–	–	–	–	5	60
Net investment income	87	179	732	620	217	255	46	39	6	–	(1)	–	1,087	1,093
Net realized capital gains/(losses) on investments and impairments	7	(17)	254	(77)	110	(60)	(7)	–	9	–	–	–	373	(154)
Net unrealized capital gains/(losses) on investments	–	–	(57)	(24)	122	80	1	2	–	–	–	–	66	58
Other income (incl. net gain on divestments of businesses)	(19)	23	205	156	245	90	14	10	1	–	(1)	–	445	279
Total revenues	168	371	3,406	2,595	1,163	863	210	214	29	–	(2)	–	4,974	4,043
Insurance benefits and losses	(58)	(85)	(2,318)	(1,972)	(368)	(46)	(105)	(138)	2	–	–	–	(2,847)	(2,241)
Policyholder dividends and participation in profits	(1)	(1)	(408)	(304)	(66)	(81)	(7)	(11)	–	–	–	–	(482)	(397)
Underwriting and policy acquisition costs	9	7	(26)	(10)	(152)	(419)	(30)	(30)	(6)	–	–	–	(205)	(452)
Other operating and administrative expenses	(16)	(71)	(192)	(240)	(267)	(143)	(70)	(32)	(3)	–	2	–	(546)	(486)
Amortization of intangible assets	(6)	(19)	(5)	(21)	(39)	(13)	–	(1)	–	–	–	–	(50)	(54)
Interest expense on debt and other interest	(45)	(108)	(127)	(91)	(30)	(47)	–	–	(5)	–	–	–	(207)	(246)
Total benefits, losses and expenses	(117)	(277)	(3,076)	(2,638)	(922)	(749)	(212)	(212)	(12)	–	2	–	(4,337)	(3,876)
Net income / (loss) before income taxes and minority interests	51	94	330	(43)	241	114	(2)	2	17	–	–	–	637	167
Net income / (loss)	37	76	258	(6)	181	51	15	(9)	15	–	–	–	506	112

¹ North America Corporate is no longer active in life insurance.

Reconciliation of net income and business operating profit by business segment (unaudited)

for the three months ended December 31

in USD millions	General Insurance		Life Insurance		Farmers Management Services		Other Businesses		Corporate Center		Total	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Net income/(loss) ¹	547	39	506	112	127	150	(266)	(385)	(233)	(598)	681	(682)
<i>Adjusted for:</i>												
Special provisions	–	311	–	129	–	–	–	198	–	2	–	640
Restructuring reserve	–	–	8	–	–	–	36	–	–	–	44	–
Net gain on divestments of businesses	109	16	(168)	(31)	–	–	19	(20)	–	–	(40)	(35)
Realized and unrealized capital (gains)/losses, including impairments, excluding capital markets and banking activities	(90)	61	(439)	96	(4)	(5)	(41)	31	(73)	362	(647)	545
Policyholder allocation of realized and unrealized capital losses	–	–	303	92	–	–	–	–	–	–	303	92
Tax expense, adjusting for life policyholder tax	39	(295)	56	209	75	85	157	(52)	74	98	401	45
Business operating profit	605	132	266	607	198	230	(95)	(228)	(232)	(136)	742	605

¹ Net income/(loss) after special provisions in 2002.

Centre contribution to operating statements

in USD millions, for the years ended December 31

	Centre	
	2003	2002
Revenues		
Direct written premiums and policy fees	157	179
Assumed written premiums	1,253	1,368
Gross written premiums and policy fees	1,410	1,547
Less premiums ceded to reinsurers	(135)	(50)
Net written premiums and policy fees	1,275	1,497
Net change in reserves for unearned premiums	62	(67)
Net earned premiums and policy fees	1,337	1,430
Net investment income	494	528
Net realized capital gains/(losses) on investments and impairments	128	(74)
Net unrealized capital gains on investments	1	86
Other income	145	146
Total revenues	2,105	2,116
Inter-segment transactions	(296)	(253)
Benefits, losses and expenses		
Losses and loss adjustment expenses	(1,176)	(538)
Life insurance death and other benefits	(555)	(543)
Increase in future life policyholders' benefits	(84)	17
Insurance benefits and losses	(1,815)	(1,064)
Policyholder dividends and participation in profits	(273)	(413)
Underwriting and policy acquisition costs	(448)	(345)
Other operating and administrative expenses	(297)	(294)
Amortization of intangible assets	(14)	(10)
Interest expense on debt	(17)	(23)
Interest credited to policyholders and other interest	(120)	(82)
Total benefits, losses and expenses	(2,984)	(2,231)
Net loss before income taxes and minority interests	(879)	(115)
Net loss	(817)	(113)

Centre contribution to balance sheets (summarized)

in USD millions, as at December 31

	Centre	
	2003	2002
Group investments	8,480	9,019
Reinsurance assets	618	501
Deposits made under assumed reinsurance contracts	1,310	1,303
Deferred policy acquisition costs	99	181
Goodwill	64	68
Other segment assets	819	895
Total segment assets after consolidation of investments in subsidiaries	11,390	11,967
Reserves for losses and loss adjustment expenses, gross	2,606	2,671
Reserves for unearned premiums, gross	436	465
Future life policyholders' benefits, gross	1,947	1,841
Policyholders' contract deposits and other funds, gross	3,201	2,757
Insurance reserves, gross	8,190	7,734
Debt related to capital markets and banking activities	520	234
Senior debt	77	178
Other segment liabilities	2,451	2,858
Total segment liabilities	11,238	11,004
Minority interests	7	7
Segment equity	145	956