



## **Impact of new and revised International Financial Reporting Standards**

**Zurich Financial Services**

Mythenquai 2  
8022 Zurich  
Switzerland

[www.zurich.com](http://www.zurich.com)

SWX Swiss Exchange/virt-x: ZURN

**Media and Public Relations**

Phone +41 (0)1 625 21 00

Fax +41 (0)1 625 26 41

[media@zurich.com](mailto:media@zurich.com)

**Investor Relations**

Phone +41 (0)1 625 22 99

Fax +41 (0)1 625 36 18

[investor.relations@zurich.com](mailto:investor.relations@zurich.com)

Zurich, May 3, 2005 – Zurich Financial Services Group (Zurich) today published changes to its 2004 consolidated financial statements following the adoption of a number of revisions to International Financial Reporting Standards (IFRS), which became effective January 1, 2005. The main adjustments for Zurich result from the adoption of IFRS 4, which relates to the definition of an insurance contract. They primarily affect the accounting treatment of Zurich's Life Insurance business with impacts on both the Group's balance sheet and income statement.

Zurich has been reporting on an IFRS basis since 1997, and the changes resulting in the restatements are due to new and revised standards rather than the effects of full adoption of IFRS from other national accounting standards, as has been the case with many other organizations. The adoption of the new and revised IFRS requirements have resulted in a restatement of shareholders' equity from USD 22,181 million to USD 20,670 million as of December 31, 2004. Net income for 2004 was restated from USD 2,587 million to USD 2,466 million. Further detail is given in the table.

The adoption of the new and revised accounting policies does not change the Group's business fundamentals, its underlying profitability, or the regulatory capital position of its legal entities. The restatement largely reflects changes in the timing of profit recognition.

<b>Restatement of 2004 shareholders' equity and net income</b>		
(In USD millions – unaudited)	<b>Opening net impact Jan 1, 2004</b>	<b>Closing net impact Dec 31, 2004</b>
Shareholders' equity, as previously reported in the 2004 Annual Report	18,934	22,181
Total IFRS 4 adjustments	-1,320	-1,528
Other IAS/IFRS adjustments	15	17
Total adjustments	-1,305	-1,511
Shareholders' equity, restated	17,629	20,670
	<b>December 31, 2004</b>	<b>March 31, 2004</b>
Net income, as previously reported in the 2004 Annual Report and 2004 Q1 Report	2,587	730
IFRS 4 adjustments	-121	-86
Net income after tax and minority interests, restated	2,466	644

**Note:**

There will be a conference call with a presentation for investors and analysts today at 6:30 p.m. CET (5:30 p.m. British Summer Time). For further information please refer to the Investor Relations section on our website [www.zurich.com](http://www.zurich.com). A pdf-version of the presentation and some restated 2004 financial tables will also be available on [www.zurich.com](http://www.zurich.com).

**Zurich Financial Services** is an insurance-based financial services provider with a global network that focuses its activities on its key markets in North America and Europe. Founded in 1872, Zurich is headquartered in Zurich, Switzerland. Zurich has offices in more than 50 countries and employs about 57,000 people.