



ZURICH  
FINANCIAL SERVICES

# Half Year Results Reporting 2005

## Media presentation

Zurich, August 18, 2005

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# Agenda



- Introduction
- Half year results 2005
- Q&A

James J. Schiro

Patrick O'Sullivan



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# Introduction

James J. Schiro  
Chief Executive Officer

August 18, 2005

# Financial highlights



in USD millions

for the six months ended June 30

|  | 2005     | 2004 <sup>1</sup> | Change   |
|--|----------|-------------------|----------|
| Gross written premiums and policy fees                   | 25,954   | 26,356            | -2%      |
| Business operating profit                                | 2,305    | 1,978             | 17%      |
| Net income attributable to shareholders                  | 1,799    | 1,484             | 21%      |
| General Insurance combined ratio                         | 96.9%    | 96.6%             | -0.3pts  |
| Life Insurance new business profit margin <sup>2</sup>   | 10.9%    | 9.7%              | 1.2pts   |
|  | 06/30/05 | 06/30/04          | 12/31/04 |
| Return on common stockholders' equity (ROE) <sup>3</sup> | 18.4%    | 18.5%             | 13.4%    |
| Business operating profit (after tax) ROE <sup>3</sup>   | 16.5%    | 16.7%             | 12.5%    |

<sup>1</sup> Certain 2004 amounts have been restated for implementation of several new and revised accounting standards and to conform to the current presentation of our segments.

<sup>2</sup> As % of APE (Annual Premiums Equivalent)

<sup>3</sup> Returns for the periods ended June 30, 2005 and 2004 are annualized on a compound basis using the results for the six months ended June 30. Returns for the period ended December 31, 2004 are for the year ended December 31, 2004. Performance measures for 2004 periods are based on financial information as restated. ROE is based on net income attributable to common stockholders.



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# Half year results 2005

Patrick O'Sullivan  
Group Finance Director

August 18, 2005

# Business operating profit by segment



in USD millions  
for the six months ended June 30

|                             | 2005  | 2004  | Change |
|-----------------------------|-------|-------|--------|
| General Insurance           | 1,384 | 1,260 | 10%    |
| Life Insurance              | 536   | 440   | 22%    |
| Farmers Management Services | 609   | 556   | 10%    |
| Other Businesses            | 158   | 35    | 351%   |
| Corporate Functions         | -382  | -313  | -22%   |
| Total                       | 2,305 | 1,978 | 17%    |

# General Insurance key performance indicators

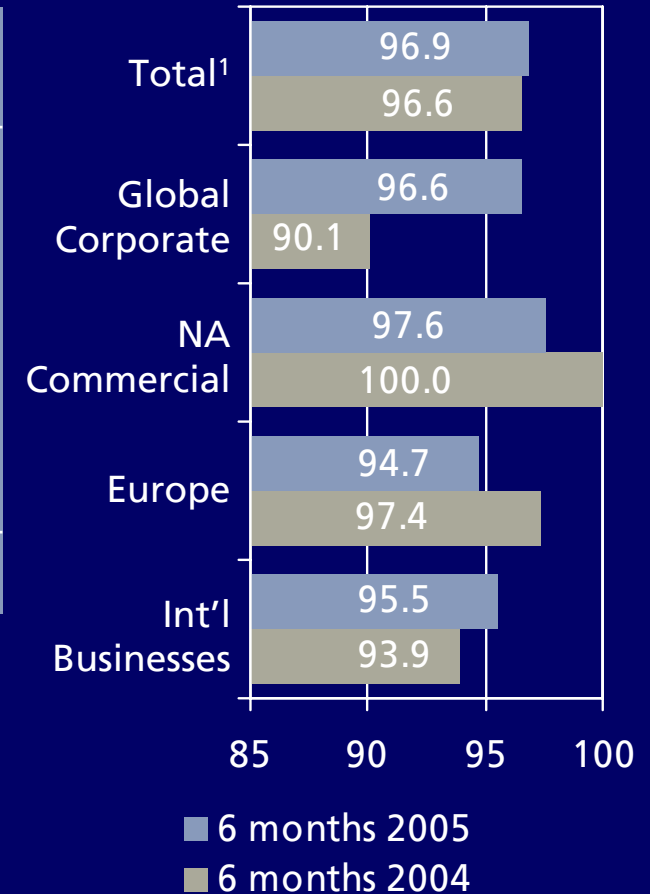


## Business Operating Profit

in USD millions  
for the six months ended June 30

|                              | 2005         | 2004         | Change     |
|------------------------------|--------------|--------------|------------|
| Global Corporate             | 248          | 353          | -30%       |
| North America Commercial     | 424          | 240          | 77%        |
| Europe                       | 714          | 509          | 40%        |
| International Businesses     | 116          | 112          | 4%         |
| Centrally Managed Businesses | -118         | 46           | nm         |
| <b>Total</b>                 | <b>1,384</b> | <b>1,260</b> | <b>10%</b> |

## Combined ratio (%)



<sup>1</sup> Including Centrally Managed Businesses and inter-segment eliminations

# Life Insurance key new business indicators



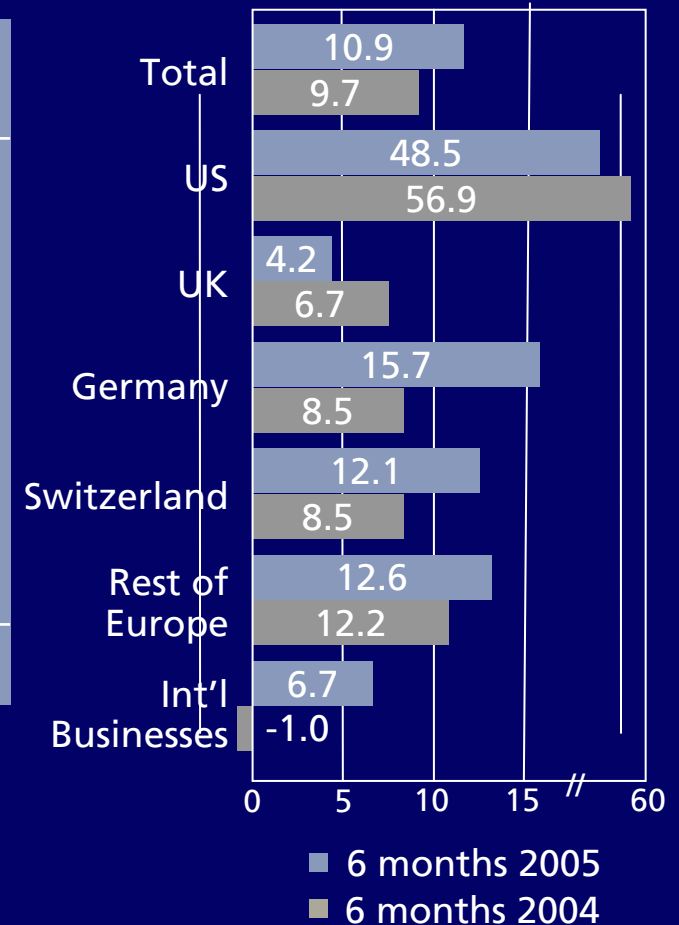
## Business operating profit by business unit

in USD millions

for the six months ended June 30

|                             | 2005       | 2004       | Change     |
|-----------------------------|------------|------------|------------|
| United States               | 105        | 102        | 3%         |
| United Kingdom <sup>2</sup> | 88         | 145        | -39%       |
| Germany                     | 55         | 18         | 206%       |
| Switzerland                 | 156        | 83         | 88%        |
| Rest of Europe <sup>3</sup> | 91         | 72         | 26%        |
| International Businesses    | 41         | 20         | 105%       |
| <b>Total</b>                | <b>536</b> | <b>440</b> | <b>22%</b> |

## New business profit margin<sup>1</sup>



<sup>1</sup> As % of Annual Premiums Equivalent, after tax

<sup>2</sup> Including the Isle of Man

<sup>3</sup> Including eliminations

# Business operating profit by segment



in USD millions  
for the six months ended June 30

|                             | 2005         | 2004         | Change     |
|-----------------------------|--------------|--------------|------------|
| General Insurance           | 1,384        | 1,260        | 10%        |
| Life Insurance              | 536          | 440          | 22%        |
| Farmers Management Services | 609          | 556          | 10%        |
| Other Businesses            | 158          | 35           | 351%       |
| <i>of which: Farmers Re</i> | 113          | 92           | 23%        |
| Corporate Functions         | -382         | -313         | -22%       |
| <b>Total</b>                | <b>2,305</b> | <b>1,978</b> | <b>17%</b> |

# Investment performance of Group investments



in USD millions  
for the six months ended June 30

|  | 2005    | 2004    | Change |
|--|---------|---------|--------|
| Net investment income                            | 4,030   | 3,652   | 10%    |
| Net capital gains on investments and impairments | 1,001   | 254     | 294%   |
| Net investment result                            | 5,031   | 3,906   | 29%    |
| Average investments <sup>1</sup>                 | 187,699 | 175,124 | 7%     |
| Total return <sup>2</sup>                        | 3.4%    | 1.7%    | 1.7pts |

<sup>1</sup> Excluding average cash received as collateral for securities lending

<sup>2</sup> Before investment expenses and not annualized



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Q&A