



**ZURICH**  
FINANCIAL SERVICES

# Results Reporting for the Nine Months to September 30, 2004

Analyst presentation  
Zurich, November 17, 2004



# Disclaimer and cautionary statement

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Certain statements in this document are forward-looking statements, including, but not limited to, statements that are predications of or indicate future events, trends, plans or objectives. Forward-looking statements include statements regarding our targeted profit improvement, return on equity targets, expense reductions, pricing conditions, dividend policy and underwriting claims improvements. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and Zurich Financial Services' plans and objectives to differ materially from those expressed or implied in the forward looking statements (or from past results). Factors such as (i) general economic conditions and competitive factors, particularly in our key markets; (ii) performance of financial markets; (iii) levels of interest rates and currency exchange rates; (iv) frequency, severity and development of insured claims events; (v) mortality and morbidity experience; (vi) policy renewal and lapse rates; and (vii) changes in laws and regulations and in the policies of regulators may have a direct bearing on Zurich Financial Services' results of operations and on whether Zurich Financial Services will achieve its targets. Zurich Financial Services undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

It should be noted, that past performance is not a guide to future performance. Please also note that interim results are not necessarily indicative of the full year results. Persons requiring advice should consult an independent adviser.

# Agenda

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- Introduction and Overview
- Results for the Nine Months
- Q&A

James J. Schiro

Patrick O'Sullivan



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# Introduction and Overview

James J. Schiro  
Chief Executive Officer

November 17, 2004

# Financial highlights

in USD millions for the nine months ended Sept. 30	2004	2003 <sup>1</sup>	Change
Gross written premiums and policy fees	37,584	36,910	2%
Business operating profit	2,522	1,532	65%
Net income	1,902	1,410	35%
ROE, annualized	13.9%	12.1%	1.8pts
Business operating profit ROE, annualized	12.5%	9.8%	2.7pts
General Insurance combined ratio	98.8%	98.2%	-0.6pts
Life new business profit margin (as % of APE <sup>2</sup> )	10.5%	8.7%	1.8pts

<sup>1</sup> Certain 2003 amounts have been restated for implementation of new accounting standards in 2003 and 2004

<sup>2</sup> APE = Annual Premiums Equivalent



# Results for the Nine Months

Patrick O'Sullivan  
Group Finance Director

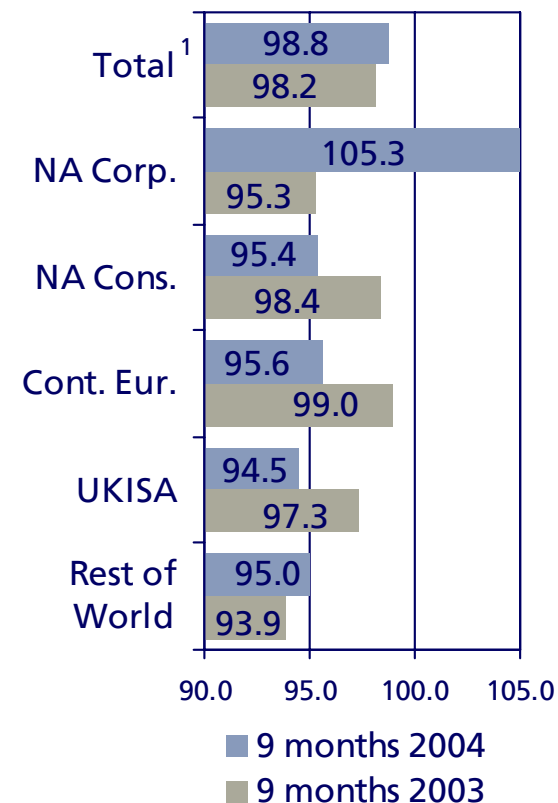
November 17, 2004

# General Insurance key performance indicators

## Business operating profit

in USD millions for the nine months ended Sept. 30	2004	2003	Change
NA Corporate	28	741	-96%
NA Consumer	176	92	91%
Continental Europe	655	456	44%
UKISA	545	337	62%
Rest of World	115	102	13%
Centrally Managed Businesses	-11	-184	94%
<b>Total</b>	<b>1,508</b>	<b>1,544</b>	<b>-2%</b>

## Combined ratio (%)



<sup>1</sup> Including Centrally Managed Businesses

# Insurance reserves development

in USD millions

	2004
Reserves for losses and LAE, net, as of January 1	37,013
Net losses and loss adjustment expenses incurred	
Current year	16,016
Prior periods	962
Net losses and loss adjustment expenses paid	-12,717
Other movements (FX and divestments)	-600
Reserves for losses and LAE, net, as of September 30	40,674

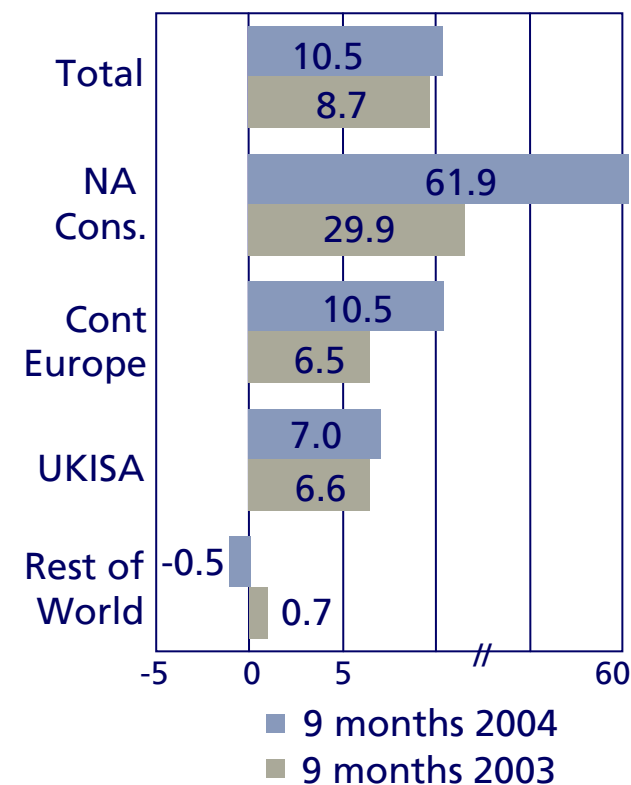


# Life Insurance key new business indicators

## Gross new business APE<sup>1</sup>

in USD millions for the nine months ended Sept. 30	2004	2003	Change
NA Consumer	86	199	-57%
Continental Europe	612	575	6%
UKISA	766	566	35%
Rest of World	148	214	-31%
<b>Total</b>	<b>1,612</b>	<b>1,554</b>	<b>4%</b>

## New business margin<sup>2</sup>



<sup>1</sup> APE = Annual Premiums Equivalent

<sup>2</sup> In % of APE

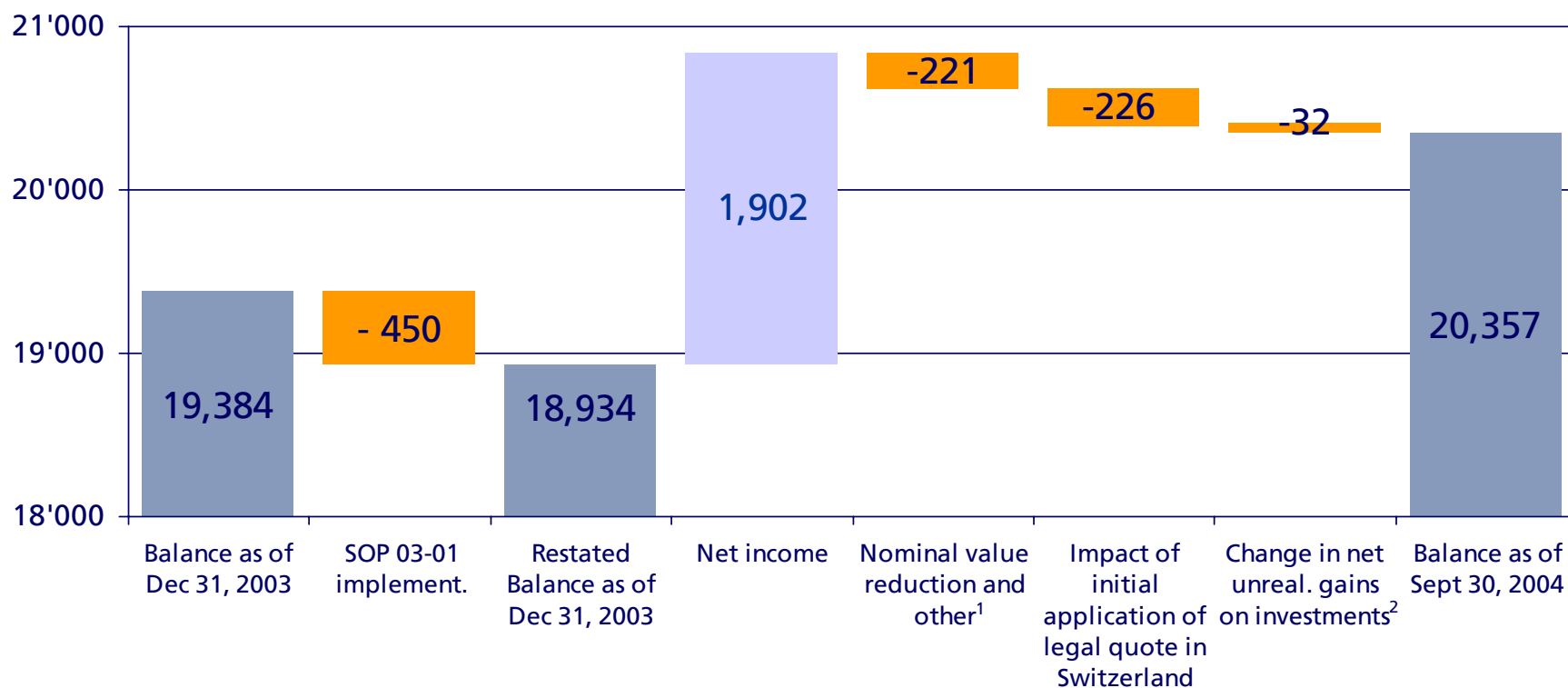
# Business operating profit by segment

in USD millions for the nine months ended Sept. 30	2004	2003 <sup>1</sup>	Change
General Insurance	1,508	1,544	-2%
Life Insurance	738	576	28%
Farmers Management Services	816	772	6%
Other Businesses	-57	-909	94%
<i>of which: Centre</i>	-34	-934	96%
Corporate Center	-483	-451	-7%
<b>Total</b>	<b>2,522</b>	<b>1,532</b>	<b>65%</b>

<sup>1</sup> Certain reclassifications have been made to prior year amounts to conform to the current year presentation and certain 2003 amounts have been restated for implementation of new accounting standards in 2003 and 2004.

# Shareholders' equity

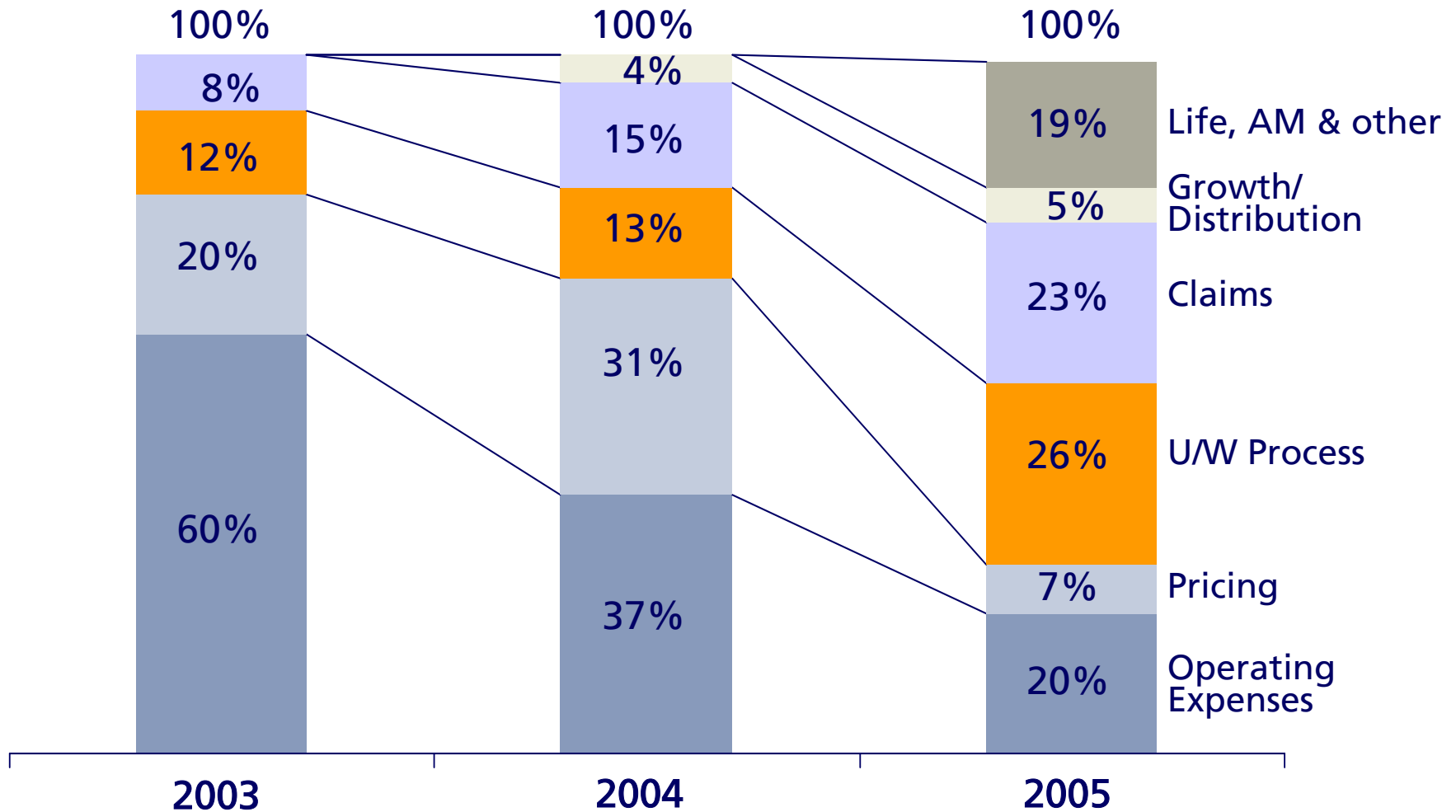
in USD millions



<sup>1</sup> Includes translation adjustments, dividends on preferred securities, treasury stock & share-based payment transactions

<sup>2</sup> Excluding translation adjustments

# Trends in profit improvement initiatives





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# Results Reporting for the Nine Months to September 30, 2004

Q&A



# Results Reporting for the Nine Months to September 30, 2004

Appendix

# Hurricane losses split by regions

## Net of reinsurance, before tax

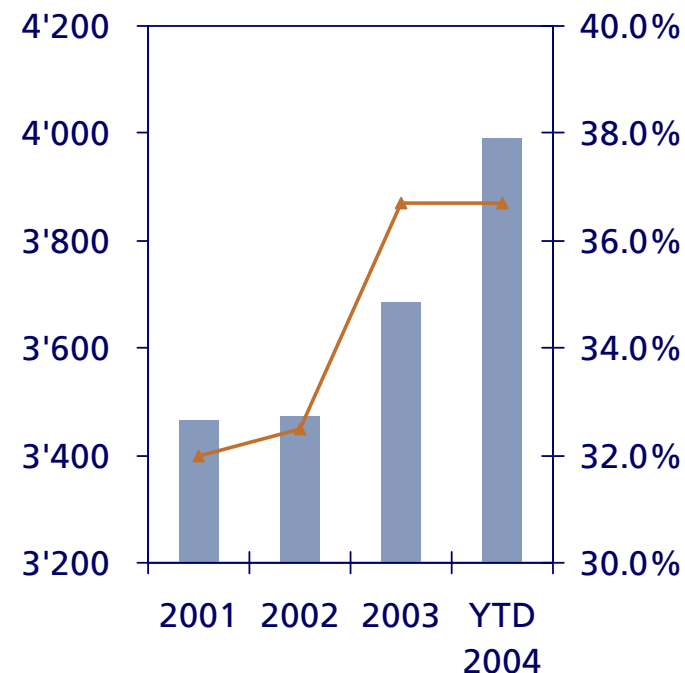
in USD millions  
for the nine months ended Sept. 30

	2004
NA Corporate <sup>1</sup>	437
Continental Europe Corporate	10
UKISA	50
Other	28
<b>Total</b>	<b>525</b>

<sup>1</sup> Including reinstatement cost

# Farmers P&C Group Companies<sup>1</sup> (1/3)

in USD millions for the nine months ended Sept. 30	2004	2003
Gross written premiums	10,764	10,481
Net underwriting gain	82	-210
Net surplus change (YTD)	308	140
12-month gain	379	345
Ending Surplus	3,992	3,614
Surplus Ratio	36.7%	37.9%



<sup>1</sup> Zurich Financial Services has no ownership interest in the Farmers P&C Group Companies. Farmers Group, Inc., a wholly owned subsidiary of the Group, provides management services to the Farmers P&C Group Companies and receives a fee for its services.



# Farmers P&C Group Companies (2/3)

## Combined ratio by line of business

for the nine months ended Sept. 30

	2004	2003	Change
Auto	99.9%	98.7%	-1.2pts
Homeowners	82.0%	94.1%	12.1pts
Commercial P&C <sup>1</sup>	99.4%	103.5%	4.1pts
Specialty	102.9%	96.4%	-6.5pts
Sub total	96.4%	99.3%	2.9pts
Earthquake	1.1%	1.5%	0.4pts
Total	97.5%	100.8%	3.3pts
Adjusted combined ratio <sup>2</sup>	90.6%	93.8%	3.2pts

<sup>1</sup> Excludes earthquake losses before quota share treaties

<sup>2</sup> Adjusted for profit portion of Farmers Group, Inc.

# Farmers P&C Group Companies (3/3)

Quarterly combined ratio

