

# Annual Results Reporting 2004

## Financial Supplement (unaudited)<sup>1</sup>

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<sup>1</sup> Certain 2003 amounts have been restated for implementation of new accounting standard in 2004, as discussed in note 3 of the Annual Report 2004. In addition, certain reclassifications have been made to 2003 amounts to conform to the current presentation.

## Statistical data per region – General Insurance for the years ended December 31 (unaudited)

in USD millions, for the years ended December 31	North America Corporate		North America Consumer		Continental Europe		UKISA		Rest of the World		Centrally Managed Businesses		Eliminations		Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Gross written premiums and policy fees	<b>15,709</b>	15,476	<b>3,128</b>	3,175	<b>10,712</b>	10,052	<b>6,509</b>	6,314	<b>2,201</b>	2,140	<b>470</b>	796	<b>(1,091)</b>	(1,703)	<b>37,638</b>	36,250
Net earned premiums and policy fees	<b>10,561</b>	9,038	<b>3,063</b>	3,184	<b>9,153</b>	8,457	<b>5,674</b>	4,821	<b>1,465</b>	1,238	<b>244</b>	400	–	–	<b>30,160</b>	27,138
Insurance benefits and losses, net of reinsurance	<b>10,332</b>	7,066	<b>1,686</b>	1,969	<b>6,508</b>	6,312	<b>3,699</b>	3,570	<b>842</b>	694	<b>309</b>	217	–	3	<b>23,376</b>	19,831
Policyholder dividends and participation in profits, net of reinsurance	<b>7</b>	5	–	–	<b>1</b>	4	–	–	<b>1</b>	2	–	–	–	–	<b>9</b>	11
Total net technical expenses	<b>2,054</b>	1,867	<b>1,253</b>	1,174	<b>2,094</b>	2,001	<b>1,284</b>	1,126	<b>527</b>	460	<b>72</b>	91	<b>(40)</b>	(1)	<b>7,244</b>	6,718
Net underwriting result	<b>(1,832)</b>	100	<b>124</b>	41	<b>550</b>	140	<b>691</b>	125	<b>95</b>	82	<b>(137)</b>	92	<b>40</b>	(2)	<b>(469)</b>	578
Net investment income	<b>734</b>	580	<b>101</b>	76	<b>663</b>	640	<b>592</b>	415	<b>88</b>	66	<b>287</b>	184	<b>(40)</b>	(9)	<b>2,425</b>	1,952
Net capital gains/(losses) on investments and impairments	<b>83</b>	204	<b>1</b>	(3)	<b>59</b>	107	<b>(70)</b>	3	<b>14</b>	(6)	–	(27)	–	–	<b>87</b>	278
Net non-technical result	<b>(66)</b>	(18)	<b>(1)</b>	(2)	<b>(259)</b>	(310)	<b>(158)</b>	(131)	<b>1</b>	8	<b>(102)</b>	(2)	–	11	<b>(585)</b>	(444)
Net income/(loss) before income taxes and minority interests	<b>(1,081)</b>	866	<b>225</b>	112	<b>1,013</b>	577	<b>1,055</b>	412	<b>198</b>	150	<b>48</b>	247	–	–	<b>1,458</b>	2,364
Net income/(loss)	<b>(506)</b>	671	<b>200</b>	98	<b>767</b>	359	<b>761</b>	286	<b>145</b>	105	<b>60</b>	260	–	–	<b>1,427</b>	1,779

Ratios, as % of net earned premiums and policy fees

Loss ratio	<b>97.8%</b>	78.2%	<b>55.0%</b>	61.8%	<b>71.1%</b>	74.6%	<b>65.2%</b>	74.1%	<b>57.4%</b>	56.1%	<b>126.8%</b>	54.4%	n/a	n/a	<b>77.6%</b>	73.1%
Expense ratio <sup>1</sup>	<b>19.5%</b>	20.8%	<b>40.9%</b>	36.9%	<b>22.9%</b>	23.7%	<b>22.6%</b>	23.4%	<b>36.1%</b>	37.3%	<b>29.3%</b>	22.8%	n/a	n/a	<b>24.0%</b>	24.8%
Combined ratio	<b>117.3%</b>	99.0%	<b>95.9%</b>	98.7%	<b>94.0%</b>	98.3%	<b>87.8%</b>	97.5%	<b>93.5%</b>	93.4%	<b>156.1%</b>	77.2%	n/a	n/a	<b>101.6%</b>	97.9%

<sup>1</sup> Including policyholder dividends and participation in profits.

### Gross written premiums and policy fees

Accident and health	<b>327</b>	311	–	–	<b>1,090</b>	1,062	<b>561</b>	70	<b>157</b>	157	<b>2</b>	–	–	–	<b>2,137</b>	1,600
Automobile	<b>1,987</b>	1,939	–	–	<b>4,349</b>	4,010	<b>1,841</b>	1,724	<b>815</b>	761	<b>3</b>	–	–	–	<b>8,995</b>	8,434
Fire and other property	<b>2,672</b>	2,789	–	–	<b>2,063</b>	2,041	<b>2,093</b>	1,868	<b>559</b>	611	<b>5</b>	(1)	–	–	<b>7,392</b>	7,308
General liability	<b>5,443</b>	5,145	–	–	<b>1,531</b>	1,237	<b>1,395</b>	1,711	<b>243</b>	208	<b>1</b>	(1)	–	–	<b>8,613</b>	8,300
Other general insurance lines	<b>4,396</b>	4,186	–	–	<b>761</b>	705	<b>222</b>	197	<b>343</b>	265	<b>22</b>	(56)	<b>(44)</b>	4	<b>5,700</b>	5,301
Assumed reinsurance	<b>884</b>	1,106	<b>3,128</b>	3,175	<b>918</b>	997	<b>397</b>	744	<b>84</b>	138	<b>437</b>	854	<b>(1,047)</b>	(1,707)	<b>4,801</b>	5,307
Total	<b>15,709</b>	15,476	<b>3,128</b>	3,175	<b>10,712</b>	10,052	<b>6,509</b>	6,314	<b>2,201</b>	2,140	<b>470</b>	796	<b>(1,091)</b>	(1,703)	<b>37,638</b>	36,250

### Total investments as of December 31, of which:

Debt securities	<b>89.4%</b>	89.2%	<b>91.2%</b>	89.9%	<b>65.6%</b>	63.9%	<b>58.7%</b>	54.0%	<b>31.0%</b>	31.8%	<b>1.3%</b>	1.2%	n/a	n/a	<b>64.8%</b>	62.2%
Equity securities	<b>3.8%</b>	5.8%	<b>5.6%</b>	5.5%	<b>9.1%</b>	8.5%	<b>7.5%</b>	8.6%	<b>46.6%</b>	46.5%	<b>0.2%</b>	0.1%	n/a	n/a	<b>7.4%</b>	7.9%
Real estate held for investment	<b>0.0%</b>	0.1%	<b>0.0%</b>	0.0%	<b>10.6%</b>	11.7%	<b>0.2%</b>	0.6%	<b>2.4%</b>	3.2%	<b>0.5%</b>	0.6%	n/a	n/a	<b>3.3%</b>	3.7%
Short-term investments, cash and cash equivalents	<b>5.5%</b>	4.2%	<b>3.2%</b>	4.6%	<b>4.5%</b>	4.7%	<b>28.8%</b>	23.1%	<b>19.8%</b>	18.1%	<b>91.4%</b>	83.8%	n/a	n/a	<b>19.4%</b>	18.0%
Other investments	<b>1.3%</b>	0.7%	<b>0.0%</b>	0.0%	<b>10.2%</b>	11.2%	<b>4.8%</b>	13.7%	<b>0.2%</b>	0.4%	<b>6.6%</b>	14.3%	n/a	n/a	<b>5.1%</b>	8.2%
Total	<b>100.0%</b>	100.0%	<b>100.0%</b>	100.0%	<b>100.0%</b>	100.0%	<b>100.0%</b>	100.0%	<b>100.0%</b>	100.0%	<b>100.0%</b>	100.0%	n/a	n/a	<b>100.0%</b>	100.0%

## Statistical data per region – Life Insurance for the years ended December 31 (unaudited)

in USD millions, for the years ended December 31	North America Consumer		Continental Europe		UKISA		Rest of the World		Eliminations		Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Gross written premiums, policy fees and insurance deposits	<b>1,115</b>	2,434	<b>9,098</b>	9,790	<b>7,864</b>	6,571	<b>1,207</b>	1,381	<b>(12)</b>	(13)	<b>19,272</b>	20,163
Gross written premiums and policy fees	<b>568</b>	1,029	<b>7,566</b>	8,215	<b>2,224</b>	1,684	<b>633</b>	711	<b>(12)</b>	(14)	<b>10,979</b>	11,625
Net earned premiums and policy fees	<b>434</b>	594	<b>7,346</b>	8,132	<b>1,932</b>	1,513	<b>575</b>	644	–	–	<b>10,287</b>	10,883
Management fees	–	–	<b>4</b>	3	–	141	<b>13</b>	12	–	–	<b>17</b>	156
Net investment income	<b>359</b>	584	<b>2,830</b>	2,834	<b>2,903</b>	2,319	<b>132</b>	146	–	–	<b>6,224</b>	5,883
Net capital gains/(losses) on investments and impairments	<b>2</b>	71	<b>171</b>	(289)	<b>4,305</b>	4,580	<b>47</b>	18	–	–	<b>4,525</b>	4,380
Other income (incl. net gain on divestments of businesses)	<b>1</b>	(125)	<b>454</b>	607	<b>357</b>	727	<b>78</b>	81	–	(2)	<b>890</b>	1,288
Total revenues	<b>796</b>	1,124	<b>10,805</b>	11,287	<b>9,497</b>	9,280	<b>845</b>	901	–	(2)	<b>21,943</b>	22,590
Insurance benefits and losses, net of reinsurance	<b>221</b>	292	<b>8,029</b>	8,916	<b>1,524</b>	1,533	<b>406</b>	458	–	–	<b>10,180</b>	11,199
Policyholder dividends and participation in profits, net of reinsurance	<b>2</b>	4	<b>803</b>	187	<b>5,912</b>	5,629	<b>37</b>	41	–	–	<b>6,754</b>	5,861
Underwriting and policy acquisition costs, net of reinsurance	<b>71</b>	163	<b>539</b>	463	<b>619</b>	496	<b>132</b>	149	–	–	<b>1,361</b>	1,271
Administrative and other operating expenses	<b>69</b>	130	<b>436</b>	499	<b>551</b>	696	<b>187</b>	205	–	(2)	<b>1,243</b>	1,528
Amortization of intangible assets	<b>19</b>	99	<b>121</b>	53	<b>85</b>	19	<b>5</b>	5	–	–	<b>230</b>	176
Interest expense on debt and other interest	<b>177</b>	352	<b>460</b>	463	<b>148</b>	115	<b>3</b>	4	–	–	<b>788</b>	934
Total benefits, losses and expenses	<b>559</b>	1,040	<b>10,388</b>	10,581	<b>8,839</b>	8,488	<b>770</b>	862	–	(2)	<b>20,556</b>	20,969
Net income before income taxes and minority interests	<b>237</b>	84	<b>417</b>	706	<b>658</b>	792	<b>75</b>	39	–	–	<b>1,387</b>	1,621
Net income	<b>159</b>	56	<b>323</b>	482	<b>337</b>	564	<b>54</b>	46	–	–	<b>873</b>	1,148

### Gross written premiums and policy fees

Individual Life												
Single premiums	<b>8</b>	12	<b>853</b>	959	<b>362</b>	254	<b>78</b>	120	–	–	<b>1,301</b>	1,345
Periodic premiums	<b>288</b>	537	<b>3,660</b>	3,528	<b>376</b>	441	<b>285</b>	330	–	–	<b>4,609</b>	4,836
Group Life												
Single premiums	–	–	<b>1,303</b>	1,860	<b>3</b>	2	<b>27</b>	28	–	–	<b>1,333</b>	1,890
Periodic premiums	–	–	<b>1,326</b>	1,530	<b>45</b>	73	<b>55</b>	50	–	–	<b>1,426</b>	1,653
Accident, health and other	<b>29</b>	26	<b>149</b>	69	<b>24</b>	51	<b>94</b>	90	<b>(12)</b>	(14)	<b>284</b>	222
Policy fees on unit-linked and other investment-type products	<b>243</b>	454	<b>275</b>	269	<b>1,414</b>	863	<b>94</b>	93	–	–	<b>2,026</b>	1,679
Total	<b>568</b>	1,029	<b>7,566</b>	8,215	<b>2,224</b>	1,684	<b>633</b>	711	<b>(12)</b>	(14)	<b>10,979</b>	11,625

### Total investments as of December 31, of which:

Debt securities	<b>85.2%</b>	82.8%	<b>57.1%</b>	58.9%	<b>30.0%</b>	31.6%	<b>60.3%</b>	59.5%	<b>n/a</b>	n/a	<b>44.6%</b>	47.1%
Equity securities	<b>1.3%</b>	2.8%	<b>7.5%</b>	10.3%	<b>54.3%</b>	53.9%	<b>28.8%</b>	27.5%	<b>n/a</b>	n/a	<b>31.1%</b>	30.7%
Real estate held for investment	<b>1.3%</b>	1.4%	<b>5.5%</b>	5.9%	<b>6.5%</b>	5.9%	<b>0.9%</b>	0.8%	<b>n/a</b>	n/a	<b>5.7%</b>	5.6%
Short-term investments, cash and cash equivalents	<b>0.5%</b>	0.4%	<b>2.3%</b>	5.3%	<b>7.8%</b>	7.0%	<b>6.2%</b>	7.4%	<b>n/a</b>	n/a	<b>5.1%</b>	6.0%
Other investments	<b>11.7%</b>	12.6%	<b>27.6%</b>	19.6%	<b>1.4%</b>	1.6%	<b>3.8%</b>	4.8%	<b>n/a</b>	n/a	<b>13.5%</b>	10.6%
Total	<b>100.0%</b>	100.0%	<b>100.0%</b>	100.0%	<b>100.0%</b>	100.0%	<b>100.0%</b>	100.0%	<b>n/a</b>	n/a	<b>100.0%</b>	100.0%

## Operating statements by business segment for the three months ended December 31 – three months (unaudited)

in USD millions, for the three months ended December 31	General Insurance		Life Insurance		Farmers Management Services		Other Businesses		Corporate Center		Eliminations		Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
<b>Revenues</b>														
Direct written premiums and policy fees	7,479	7,155	3,051	3,097	–	–	90	104	12	12	9	36	10,641	10,404
Assumed written premiums	1,028	1,289	17	22	–	–	178	321	97	91	(241)	(232)	1,079	1,491
Gross written premiums and policy fees	8,507	8,444	3,068	3,119	–	–	268	425	109	103	(232)	(196)	11,720	11,895
Less premiums ceded to reinsurers	(1,771)	(2,198)	(248)	(151)	–	–	(68)	(41)	(95)	(91)	232	196	(1,950)	(2,285)
Net written premiums and policy fees	6,736	6,246	2,820	2,968	–	–	200	384	14	12	–	–	9,770	9,610
Net change in reserves for unearned premiums	1,213	976	(11)	14	–	–	5	37	(9)	(7)	–	–	1,198	1,020
Net earned premiums and policy fees	7,949	7,222	2,809	2,982	–	–	205	421	5	5	–	–	10,968	10,630
Management fees	–	–	5	7	502	476	6	5	4	4	(3)	(4)	514	488
Net investment income	703	518	1,674	1,411	25	12	175	185	93	151	(211)	(222)	2,459	2,055
Net capital gains on investments and impairments	14	90	2,856	2,375	–	5	55	146	58	72	–	–	2,983	2,688
Net gain/(loss) on divestments of businesses	8	(109)	(4)	168	–	–	22	(19)	54	–	–	–	80	40
Other income	202	81	243	277	–	–	48	63	357	112	(239)	(106)	611	427
<b>Total revenues</b>	<b>8,876</b>	<b>7,802</b>	<b>7,583</b>	<b>7,220</b>	<b>527</b>	<b>493</b>	<b>511</b>	<b>801</b>	<b>571</b>	<b>344</b>	<b>(453)</b>	<b>(332)</b>	<b>17,615</b>	<b>16,328</b>
<b>Benefits, losses and expenses</b>														
Losses and loss adjustment expenses, net of reinsurance	6,789	5,094	25	24	–	–	(327)	181	16	71	(11)	(1)	6,492	5,369
Life insurance death and other benefits, net of reinsurance	46	35	3,107	3,016	–	–	186	186	16	12	(12)	(7)	3,343	3,242
(Decrease)/increase in future life policyholders' benefits, net of reinsurance	–	1	(272)	(62)	–	–	25	24	24	(1)	2	–	(221)	(38)
Insurance benefits and losses, net of reinsurance	6,835	5,130	2,860	2,978	–	–	(116)	391	56	82	(21)	(8)	9,614	8,573
Policyholder dividends and participation in profits, net of reinsurance	3	5	3,507	2,680	–	–	54	13	–	(59)	–	–	3,564	2,639
Underwriting and policy acquisition costs, net of reinsurance	1,484	1,336	63	200	–	–	227	152	3	–	–	–	1,777	1,688
Administrative and other operating expenses	603	598	409	547	254	252	(10)	209	168	258	(212)	(98)	1,212	1,766
Amortization of intangible assets	27	49	89	51	23	23	4	4	2	5	–	–	145	132
Interest expense on debt	4	51	6	11	–	14	38	49	208	208	(161)	(194)	95	139
Interest credited to policyholders and other interest	26	31	207	192	–	1	105	73	(2)	7	(59)	(32)	277	272
<b>Total benefits, losses and expenses</b>	<b>8,982</b>	<b>7,200</b>	<b>7,141</b>	<b>6,659</b>	<b>277</b>	<b>290</b>	<b>302</b>	<b>891</b>	<b>435</b>	<b>501</b>	<b>(453)</b>	<b>(332)</b>	<b>16,684</b>	<b>15,209</b>
Net income/(loss) before income taxes and minority interests	(106)	602	442	561	250	203	209	(90)	136	(157)	–	–	931	1,119
Net income/(loss)	221	545	200	439	158	127	189	(266)	(83)	(246)	–	–	685	599
Business operating profit	(135)	601	310	280	261	198	210	(46)	(32)	(247)	–	–	614	786

## Statistical data per region – General Insurance for the three months ended December 31 – three months (unaudited)

in USD millions, for the three months ended December 31	North America Corporate		North America Consumer		Continental Europe		UKISA		Rest of the World		Centrally Managed Businesses		Eliminations		Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Gross written premiums and policy fees	<b>3,787</b>	3,781	<b>582</b>	779	<b>2,092</b>	1,952	<b>1,565</b>	1,566	<b>532</b>	524	<b>129</b>	192	<b>(180)</b>	(350)	<b>8,507</b>	8,444
Net earned premiums and policy fees	<b>2,758</b>	2,505	<b>767</b>	791	<b>2,395</b>	2,261	<b>1,528</b>	1,293	<b>401</b>	321	<b>100</b>	51	–	–	<b>7,949</b>	7,222
Insurance benefits and losses, net of reinsurance	<b>3,704</b>	2,200	<b>372</b>	421	<b>1,608</b>	1,671	<b>716</b>	930	<b>221</b>	175	<b>214</b>	(268)	–	1	<b>6,835</b>	5,130
Policyholder dividends and participation in profits, net of reinsurance	<b>3</b>	3	–	–	<b>(1)</b>	6	–	–	<b>1</b>	(4)	–	–	–	–	<b>3</b>	5
Total net technical expenses	<b>466</b>	507	<b>376</b>	367	<b>533</b>	505	<b>347</b>	333	<b>136</b>	125	<b>12</b>	22	<b>(28)</b>	3	<b>1,842</b>	1,862
Net underwriting result	<b>(1,415)</b>	(205)	<b>19</b>	3	<b>255</b>	79	<b>465</b>	30	<b>43</b>	25	<b>(126)</b>	297	<b>28</b>	(4)	<b>(731)</b>	225
Net investment income	<b>204</b>	156	<b>29</b>	22	<b>170</b>	155	<b>166</b>	118	<b>28</b>	20	<b>119</b>	49	<b>(13)</b>	(2)	<b>703</b>	518
Net capital gains/(losses) on investments and impairments	<b>41</b>	38	<b>1</b>	1	<b>(14)</b>	58	<b>(12)</b>	2	<b>(2)</b>	(10)	–	1	–	–	<b>14</b>	90
Net non-technical result	<b>19</b>	(30)	–	(1)	<b>(27)</b>	(200)	<b>(66)</b>	(47)	<b>(6)</b>	4	<b>3</b>	37	<b>(15)</b>	6	<b>(92)</b>	(231)
Net income/(loss) before income taxes and minority interests	<b>(1,151)</b>	(41)	<b>49</b>	25	<b>384</b>	92	<b>553</b>	103	<b>63</b>	39	<b>(4)</b>	384	–	–	<b>(106)</b>	602
Net income/(loss)	<b>(649)</b>	(25)	<b>43</b>	21	<b>334</b>	55	<b>433</b>	86	<b>48</b>	20	<b>12</b>	388	–	–	<b>221</b>	545
Business operating profit	<b>(1,193)</b>	(77)	<b>48</b>	23	<b>349</b>	147	<b>560</b>	103	<b>65</b>	48	<b>36</b>	357	–	–	<b>(135)</b>	601

## Statistical data per region – Life Insurance for the three months ended December 31 – three months (unaudited)

in USD millions, for the three months ended December 31	North America Consumer		Continental Europe		UKISA		Rest of the World		Eliminations		Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Gross written premiums, policy fees and insurance deposits	<b>273</b>	276	<b>2,669</b>	2,798	<b>2,142</b>	1,797	<b>241</b>	421	–	(4)	<b>5,325</b>	5,288
Gross written premiums and policy fees	<b>143</b>	138	<b>2,137</b>	2,300	<b>638</b>	514	<b>150</b>	172	–	(5)	<b>3,068</b>	3,119
Net earned premiums and policy fees	<b>116</b>	94	<b>2,007</b>	2,270	<b>546</b>	467	<b>140</b>	151	–	–	<b>2,809</b>	2,982
Management fees	–	–	<b>2</b>	2	–	2	<b>3</b>	3	–	–	<b>5</b>	7
Net investment income	<b>89</b>	84	<b>727</b>	738	<b>824</b>	544	<b>34</b>	46	–	(1)	<b>1,674</b>	1,411
Net capital gains on investments and impairments	<b>6</b>	7	<b>12</b>	209	<b>2,821</b>	2,156	<b>17</b>	3	–	–	<b>2,856</b>	2,375
Other income (incl. net gain on divestments of businesses)	–	(19)	<b>135</b>	206	<b>99</b>	244	<b>5</b>	14	–	–	<b>239</b>	445
Total revenues	<b>211</b>	166	<b>2,883</b>	3,425	<b>4,290</b>	3,413	<b>199</b>	217	–	(1)	<b>7,583</b>	7,220
Insurance benefits and losses, net of reinsurance	<b>63</b>	39	<b>2,113</b>	2,318	<b>602</b>	519	<b>82</b>	102	–	–	<b>2,860</b>	2,978
Policyholder dividends and participation in profits, net of reinsurance	–	(1)	<b>323</b>	426	<b>3,166</b>	2,241	<b>18</b>	14	–	–	<b>3,507</b>	2,680
Underwriting and policy acquisition costs, net of reinsurance	<b>14</b>	(8)	<b>47</b>	26	<b>(26)</b>	151	<b>28</b>	31	–	–	<b>63</b>	200
Administrative and other operating expenses	<b>20</b>	16	<b>114</b>	193	<b>228</b>	271	<b>47</b>	68	–	(1)	<b>409</b>	547
Amortization of intangible assets	<b>5</b>	6	<b>60</b>	5	<b>22</b>	39	<b>2</b>	1	–	–	<b>89</b>	51
Interest expense on debt and other interest	<b>45</b>	45	<b>125</b>	127	<b>43</b>	30	–	1	–	–	<b>213</b>	203
Total benefits, losses and expenses	<b>147</b>	97	<b>2,782</b>	3,095	<b>4,035</b>	3,251	<b>177</b>	217	–	(1)	<b>7,141</b>	6,659
Net income before income taxes and minority interests	<b>64</b>	69	<b>101</b>	330	<b>255</b>	162	<b>22</b>	–	–	–	<b>442</b>	561
Net income	<b>46</b>	49	<b>81</b>	258	<b>63</b>	115	<b>10</b>	17	–	–	<b>200</b>	439
Business operating profit	<b>57</b>	83	<b>109</b>	139	<b>100</b>	36	<b>44</b>	22	–	–	<b>310</b>	280

## Reconciliation of net income and business operating profit by business segment for the three months ended December 31 – three months (unaudited)

	General Insurance		Life Insurance		Farmers Management Services		Other Businesses		Corporate Center		Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
in USD millions, for the three months ended December 31												
Net income/(loss)	<b>221</b>	545	<b>200</b>	439	<b>158</b>	127	<b>189</b>	(266)	<b>(83)</b>	(246)	<b>685</b>	599
Adjusted for:												
Net capital (gains)/losses on investments and impairments, excluding capital markets and banking activities	<b>(14)</b>	(90)	<b>(2,856)</b>	(2,375)	–	(5)	<b>10</b>	(34)	<b>(58)</b>	(72)	<b>(2,918)</b>	(2,576)
Policyholder allocation of net capital gains on investments and impairments	–	–	<b>2,839</b>	2,260	–	–	<b>10</b>	47	–	–	<b>2,849</b>	2,307
Tax expense/(benefit), adjusting for life policyholder tax	<b>(339)</b>	37	<b>19</b>	116	<b>93</b>	76	<b>23</b>	152	<b>163</b>	71	<b>(41)</b>	452
Net loss/(gain) on divestments of businesses	<b>(8)</b>	109	<b>4</b>	(168)	–	–	<b>(22)</b>	19	<b>(54)</b>	–	<b>(80)</b>	(40)
Realized gain on sale of assets	–	–	–	–	<b>10</b>	–	–	–	–	–	<b>10</b>	–
Restructuring provision	<b>5</b>	–	<b>50</b>	8	–	–	–	36	–	–	<b>55</b>	44
Implementation of Swiss Legal Quote	–	–	<b>54</b>	–	–	–	–	–	–	–	<b>54</b>	–
Business operating profit	<b>(135)</b>	601	<b>310</b>	280	<b>261</b>	198	<b>210</b>	(46)	<b>(32)</b>	(247)	<b>614</b>	786

## Statistical data per region – General Insurance: Continental Europe by subregion for the years ended December 31 – year-to-date (unaudited)

in USD millions, for the years ended December 31	Switzerland		Germany		Spain		Italy		Rest of Europe		Continental Europe Corporate		Eliminations		Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Gross written premiums and policy fees	<b>1,750</b>	1,677	<b>2,887</b>	2,682	<b>1,475</b>	1,225	<b>1,661</b>	1,410	<b>1,588</b>	2,333	<b>3,041</b>	2,402	<b>(1,690)</b>	(1,677)	<b>10,712</b>	10,052
Net earned premiums and policy fees	<b>1,655</b>	1,614	<b>2,077</b>	1,908	<b>881</b>	885	<b>1,308</b>	1,044	<b>1,353</b>	1,396	<b>1,879</b>	1,610	–	–	<b>9,153</b>	8,457
Net underwriting result	<b>46</b>	(75)	<b>114</b>	91	<b>66</b>	20	<b>99</b>	45	<b>75</b>	(12)	<b>150</b>	71	–	–	<b>550</b>	140
Business operating profit	<b>144</b>	45	<b>245</b>	190	<b>94</b>	66	<b>161</b>	100	<b>128</b>	95	<b>232</b>	107	–	–	<b>1,004</b>	603
Ratios, as % of net earned premiums and policy fees																
Loss ratio	<b>72.4%</b>	79.9%	<b>71.1%</b>	71.0%	<b>69.1%</b>	73.5%	<b>71.7%</b>	72.7%	<b>71.5%</b>	75.6%	<b>70.2%</b>	74.5%	<b>n/a</b>	n/a	<b>71.1%</b>	74.6%
Expense ratio <sup>1</sup>	<b>24.8%</b>	24.7%	<b>23.4%</b>	24.1%	<b>23.4%</b>	24.3%	<b>20.8%</b>	23.0%	<b>23.0%</b>	25.3%	<b>21.8%</b>	21.1%	<b>n/a</b>	n/a	<b>22.9%</b>	23.7%
Combined ratio	<b>97.2%</b>	104.6%	<b>94.5%</b>	95.1%	<b>92.5%</b>	97.8%	<b>92.5%</b>	95.7%	<b>94.5%</b>	100.9%	<b>92.0%</b>	95.6%	<b>n/a</b>	n/a	<b>94.0%</b>	98.3%

<sup>1</sup> Including policyholder dividends and participation in profits.



## Statistical data per region – Life Insurance: Continental Europe by subregion for the years ended December 31 – year-to-date (unaudited)

in USD millions, for the years ended December 31	Switzerland		Germany		Spain		Italy		Rest of Europe		Eliminations		Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Gross written premiums and policy fees	<b>2,796</b>	3,360	<b>3,762</b>	3,746	<b>210</b>	196	<b>516</b>	428	<b>282</b>	485	–	–	<b>7,566</b>	8,215
Net earned premiums and policy fees	<b>2,783</b>	3,345	<b>3,591</b>	3,679	<b>196</b>	189	<b>511</b>	453	<b>265</b>	466	–	–	<b>7,346</b>	8,132
Net investment income	<b>819</b>	836	<b>1,541</b>	1,352	<b>143</b>	134	<b>215</b>	193	<b>112</b>	319	–	–	<b>2,830</b>	2,834
Business operating profit	<b>157</b>	50	<b>82</b>	118	<b>28</b>	36	<b>37</b>	23	<b>51</b>	67	–	–	<b>355</b>	294

## Further statistical data (unaudited)

### Centre contribution to operating statements (summarized, unaudited) for the years ended December 31 – year-to-date

in USD millions, for the years ended December 31

	2004	2003
<b>Revenues</b>		
Net earned premiums and policy fees	1,112	1,337
Net investment income	405	494
Net capital gains on investments and impairments	52	129
Other income	195	145
<b>Total revenues</b>	<b>1,764</b>	<b>2,105</b>

### Benefits, losses and expenses

Insurance benefits and losses, net of reinsurance	715	1,815
Policyholder dividends and participation in profits, net of reinsurance	143	273
Underwriting and policy acquisition costs, net of reinsurance	475	448
Other expenses	385	448
<b>Total benefits, losses and expenses</b>	<b>1,718</b>	<b>2,984</b>

Net income/(loss) before income taxes and minority interests	46	(879)
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Net income/(loss)	9	(818)
Business operating profit	58	(882)

### Centre contribution to balance sheets (summarized, unaudited)

in USD millions, as of December 31

	2004	2003
Total investments	8,824	8,480
Reinsurance assets	463	618
Deposits made under assumed reinsurance contracts	1,243	1,310
Other assets	778	982
<b>Total assets after consolidation of investments in subsidiaries</b>	<b>11,308</b>	<b>11,390</b>
Insurance reserves, gross	7,344	8,190
Total debt	763	597
Other liabilities	2,382	2,451
<b>Total liabilities</b>	<b>10,489</b>	<b>11,238</b>

Principal exchange rates USD per foreign currency unit	Balance sheets as of		Operating statements and cash flows for the years ended	
	12/31/04	12/31/03	12/31/04	12/31/03
Euro	1.3555	1.2594	1.2440	1.1333
Swiss franc	0.8769	0.8072	0.8063	0.7446
British pound sterling	1.9183	1.7858	1.8329	1.6363

### Foreign exchange impact on key financial figures – General Insurance (unaudited)

for the year ended December 31, 2004  
variance over the year ended December 31, 2003

	% change in local currency	% change in USD
Gross written premiums and policy fees	(1%)	4%
Net investment result	7%	13%
Insurance benefits and losses, net of reinsurance	13%	18%

### Foreign exchange impact on key financial figures – Life Insurance (unaudited)

for the year ended December 31, 2004  
variance over the year ended December 31, 2003

	% change in local currency	% change in USD
Gross written premiums, policy fees and insurance deposits	(13%)	(4%)
Insurance deposits	(12%)	(3%)
Gross written premiums and policy fees	(13%)	(6%)
Net investment result	(5%)	5%
Insurance benefits and losses, net of reinsurance	(17%)	(9%)

## Further statistical data (unaudited)

### Investments: split “Group investments” and “Investments for unit-linked products”

Investments include “Group investments” and “Investments for unit-linked products” (due to the implementation of SOP03-01 as discussed in note 3 of the Consolidated Financial Statements in the Annual Report 2004). “Group investments” include investments where the Group bears all or part of the investment risk. The investment result of “Investments for unit-linked products” is included in the operating statements, despite the fact that policyholders bear the investment risk. This investment result, however, is offset by a substantially corresponding charge included in “Policyholder dividends and participation in profits”. As a result, there is no material net impact on the Group’s operating results. To distinguish between the different character of “Group investments” and “Investments for unit-linked products”, separate investment disclosures are set forth below.

Investment result	Net investment income		Net capital gains/(losses) and impairments <sup>1</sup>		Investment result	
	2004	2003	2004	2003	2004	2003
in USD millions, for the years ended December 31						
<b>Group investments</b>						
Debt securities	5,161	5,045	762	1,402	5,923	6,447
Equity securities	420	486	(178)	(343)	242	143
Investments in associates	86	90	(36)	(9)	50	81
Other investments:						
Investments held by investment companies	14	11	140	113	154	124
Real estate held for investment	508	532	31	(4)	539	528
Mortgage loans, policyholders’ collateral and other loans	1,075	785	187	74	1,262	859
Short-term investments	99	78	–	1	99	79
Other <sup>2</sup>	120	104	34	(412)	154	(308)
Cash and cash equivalents	253	203	8	(11)	261	192
Investment result, gross, for Group investments	7,736	7,334	948	811	8,684	8,145
Investment expenses for Group investments <sup>3</sup>	(289)	(330)	–	–	(289)	(330)
Investment result, net, for Group investments	7,447	7,004	948	811	8,395	7,815
<b>Investments for unit-linked products</b>						
Investment result, net, for investments for unit-linked products	1,667	1,391	3,986	4,369	5,653	5,760
<b>Total investments</b>						
Investment result, net, for total investments	9,114	8,395	4,934	5,180	14,048	13,575

<sup>1</sup> Impairments on Group investments amounted to USD 175 million in 2004 and USD 1,067 million in 2003.

<sup>2</sup> Including net capital gains/(losses) on derivative financial instruments of USD 7 million in 2004 and USD (417) million in 2003.

<sup>3</sup> Rental operating expense for real estate held for investment of USD 148 million in 2004 and USD 118 million in 2003 are included in these amounts.

The details of the investment balances as of December 31, 2004 and 2003 are given in the tables below.

Breakdown of investments as of December 31	Group investments				Investments for unit-linked products		Total investments	
	2004 USD millions	% of total	2003 USD millions	% of total	2004 USD millions	2003 USD millions	2004 USD millions	2003 USD millions
Debt securities:								
Available-for-sale	107,831	56.4%	100,025	56.8%	51	61	107,882	100,086
Held-to-maturity	5,855	3.1%	3,886	2.2%	–	–	5,855	3,886
Trading	10,612	5.6%	9,091	5.2%	6,163	5,969	16,775	15,060
Total debt securities	124,298	65.1%	113,002	64.2%	6,214	6,030	130,512	119,032
Equity securities (including trading equity portfolios in capital markets and banking activities):								
Available-for-sale	12,064	6.3%	13,525	7.7%	–	–	12,064	13,525
Trading	4,875	2.5%	5,966	3.4%	44,574	37,134	49,449	43,100
of which: – Trading equity portfolios in capital markets and banking activities	2,773	1.5%	4,303	2.4%	–	–	2,773	4,303
– Investments for unit-linked products	–	–	–	–	44,574	37,134	44,574	37,134
Total equity securities	16,939	8.8%	19,491	11.1%	44,574	37,134	61,513	56,625
Investments in associates	645	0.3%	991	0.6%	–	–	645	991
Other investments:								
Investments held by investment companies	1,728	0.9%	1,576	0.9%	–	–	1,728	1,576
Real estate held for investment	7,193	3.8%	7,462	4.2%	5,348	3,639	12,541	11,101
Mortgage loans	10,251	5.4%	11,283	6.4%	–	–	10,251	11,283
Policyholders' collateral and other loans	14,902	7.8%	7,479	4.3%	–	–	14,902	7,479
Short-term investments	1,226	0.6%	998	0.6%	717	836	1,943	1,834
Other	165	0.1%	149	0.1%	–	–	165	149
Total other investments	35,465	18.6%	28,947	16.5%	6,065	4,475	41,530	33,422
Cash and cash equivalents	13,753	7.2%	13,536	7.6%	3,206	2,141	16,959	15,677
Total	191,100	100.0%	175,967	100%	60,059	49,780	251,159	225,747

Short-term investments include investments that have an original maturity of less than one year.

Equity securities (including trading equity portfolios in capital markets and banking activities) as of December 31	Group investments				Investments for unit-linked products		Total investments	
	2004 USD millions	% of total Group investments	2003 USD millions	% of total Group investments	2004 USD millions	2003 USD millions	2004 USD millions	2003 USD millions
Common stocks, including equity unit trusts	9,424	4.9%	11,319	6.4%	41,972	35,116	51,396	46,435
Unit-trusts (debt securities, real estate, short-term investments)	2,710	1.4%	2,270	1.4%	2,560	1,922	5,270	4,192
Common stock portfolios backing the participating with-profit policyholder contracts	2,032	1.0%	1,599	0.9%	42	96	2,074	1,695
Trading equity portfolios in capital markets and banking activities	2,773	1.5%	4,303	2.4%	–	–	2,773	4,303
Total	16,939	8.8%	19,491	11.1%	44,574	37,134	61,513	56,625

## Summary of quarterly consolidated financial information (unaudited)

in USD millions, for the three months ended	12/31/04	12/31/03	09/30/04	09/30/03	06/30/04	06/30/03	03/31/04	03/31/03
Gross written premiums and policy fees	<b>11,720</b>	11,895	<b>11,172</b>	10,939	<b>12,140</b>	12,585	<b>14,272</b>	13,386
Net earned premiums and policy fees	<b>10,968</b>	10,630	<b>10,189</b>	9,166	<b>10,118</b>	10,223	<b>10,529</b>	9,578
Net investment income and net capital gains/(losses) on investments and impairments	<b>5,442</b>	4,743	<b>3,073</b>	3,377	<b>2,524</b>	6,182	<b>3,009</b>	(727)
Other income	<b>1,205</b>	955	<b>881</b>	1,264	<b>907</b>	932	<b>833</b>	885
Total revenues	<b>17,615</b>	16,328	<b>14,143</b>	13,807	<b>13,549</b>	17,337	<b>14,371</b>	9,736
Insurance benefits and losses, net of reinsurance	<b>9,614</b>	8,573	<b>8,611</b>	8,065	<b>7,973</b>	8,764	<b>8,302</b>	7,857
Other expenses	<b>7,070</b>	6,636	<b>4,918</b>	4,761	<b>4,414</b>	7,369	<b>4,990</b>	1,572
Total benefits, losses and expenses	<b>16,684</b>	15,209	<b>13,529</b>	12,826	<b>12,387</b>	16,133	<b>13,292</b>	9,429
Net income before income taxes and minority interests	<b>931</b>	1,119	<b>614</b>	981	<b>1,162</b>	1,204	<b>1,079</b>	307
Net income	<b>685</b>	599	<b>454</b>	658	<b>718</b>	634	<b>730</b>	118

## Effect of new accounting standard and adjustments implemented in 2004

As discussed in note 3 of the Annual Report 2004 and the Half Year Report 2004, a new accounting standard, SOP 03-01, was implemented in 2004. Net income for 2003 was restated as summarized in the table below.

### Adjustments to net income as published for 2003

in USD millions

Net income, as published for 2003	2,120
Implementation of new accounting standard in 2004 (SOP 03-01) <sup>1</sup>	(111)
<b>Net income, restated</b>	<b>2,009</b>

<sup>1</sup> As discussed in note 3 of the Annual Report 2004 and the Half Year Report 2004.

Business operating profit, as disclosed in 2003, was restated by USD (53) million recognizing the impact on net income of SOP 03-01 implemented in 2004. In addition, the policyholder allocation of net capital gains on investments was adjusted by USD 104 million. These changes have resulted in an increase of USD 51 million in business operating profit to USD 2,316 million compared with the previously published USD 2,265 million. From January 1, 2004, the method for calculating the return on business operating profit was changed so that an effective tax rate is used whereas in prior periods an assumed tax rate of 30% has been applied.

### Adjustments to business operating profit as published for 2003

in USD millions

Business operating profit, as published for 2003	2,265
Implementation of new accounting standard in 2004 (SOP 03-01) <sup>1</sup>	(53)
Policyholder allocations	104
<b>Business operating profit, restated</b>	<b>2,316</b>

<sup>1</sup> As discussed in note 3 of the Annual Report 2004 and the Half Year Report 2004.

## General Insurance: Customer segments pro-forma reporting for the year ended December 31, 2004 – year-to-date (unaudited)

Following the announcements on the Analysts' Day on April 2, 2004, Zurich Financial Services will supplement its reporting in line with its new organizational structure. As of 2005, certain figures of the General Insurance business segment will be disclosed by the customer segments Global Corporate, Commercial and Personal.

The purpose of the figures presented below is to give an indication of what the split of Zurich Financial Service's General Insurance business segment may look like. The figures represent pro-forma supplementary information only, as no full-scale consolidation has been performed. As a consequence, these numbers may be different if a full-scale consolidation had been performed and therefore cannot be used as a basis for comparison in the future. No audit or review by external auditors has taken place.

### North America Corporate – highlights

in USD millions, for the year ended December 31, 2004

	Commercial	Global Corporate	Eliminations	Total
Gross written premiums and policy fees	12,776	2,974	(41)	15,709
Net earned premiums and policy fees	8,521	2,040	–	10,561
Net underwriting result	(1,825)	(7)	–	(1,832)
Business operating profit	(1,274)	109	–	(1,165)
<b>Ratios, as % of net earned premiums and policy fees</b>				
Loss ratio	100.2%	88.0%	n/a	97.8%
Expense ratio	21.2%	12.3%	n/a	19.5%
Combined ratio	121.4%	100.3%	n/a	117.3%

### Continental Europe – highlights

in USD millions, for the year ended December 31, 2004

	Personal	Commercial	Global Corporate	Eliminations	Total
Gross written premiums and policy fees	5,238	2,417	3,111	(54)	10,712
Net earned premiums and policy fees	5,083	2,114	1,956	–	9,153
Net underwriting result	388	(31)	193	–	550
Business operating profit	634	89	281	–	1,004
<b>Ratios, as % of net earned premiums and policy fees</b>					
Loss ratio	69.3%	78.0%	68.4%	n/a	71.1%
Expense ratio	23.1%	23.4%	21.8%	n/a	22.9%
Combined ratio	92.4%	101.4%	90.2%	n/a	94.0%

### UKISA – highlights

in USD millions, for the year ended December 31, 2004

	Personal	Commercial	Global Corporate	Eliminations	Total
Gross written premiums and policy fees	1,845	3,364	1,300	–	6,509
Net earned premiums and policy fees	1,779	3,207	688	–	5,674
Net underwriting result	183	425	83	–	691
Business operating profit	297	653	162	–	1,112
<b>Ratios, as % of net earned premiums and policy fees</b>					
Loss ratio	61.5%	65.6%	72.8%	n/a	65.2%
Expense ratio	28.2%	21.1%	15.2%	n/a	22.6%
Combined ratio	89.7%	86.7%	88.0%	n/a	87.8%

**Rest of the World – highlights**

in USD millions, for the year ended December 31, 2004

	Personal	Commercial	Eliminations	Total
Gross written premiums and policy fees	1,045	1,160	(4)	2,201
Net earned premiums and policy fees	721	744	–	1,465
Net underwriting result	26	69	–	95
Business operating profit	52	128	–	180
<b>Ratios, as % of net earned premiums and policy fees</b>				
Loss ratio	59.6%	55.4%	n/a	57.4%
Expense ratio	36.8%	35.3%	n/a	36.1%
Combined ratio	96.4%	90.7%	n/a	93.5%