

# Half Year Results Reporting 2005

## Analysts' presentation

Zurich, August 18, 2005

# Disclaimer and cautionary statement



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.

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James J. Schiro

Patrick O'Sullivan

# 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.

# 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%
<b>Total</b>	<b>2,305</b>	<b>1,978</b>	<b>17%</b>

# General Insurance key performance indicators



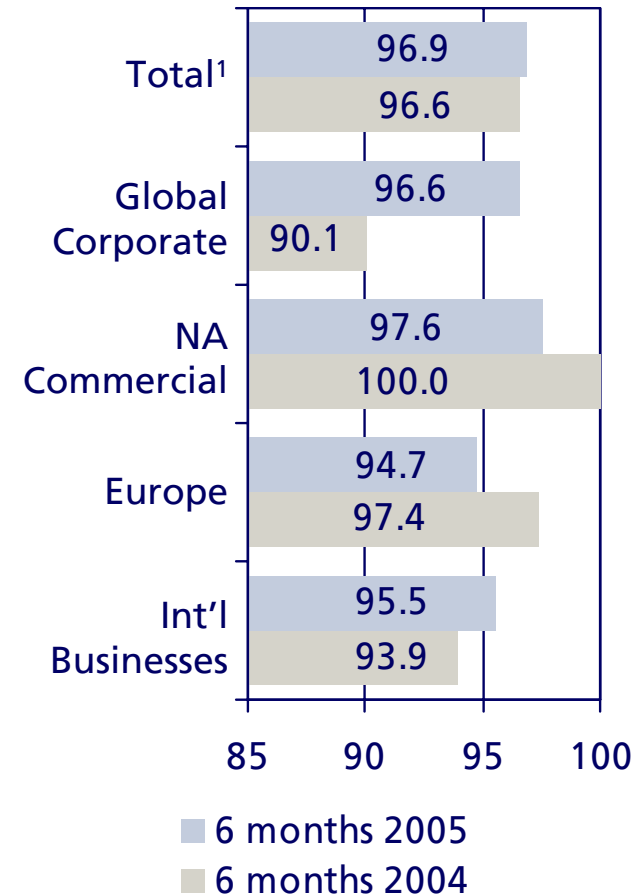
## Business operating profit

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



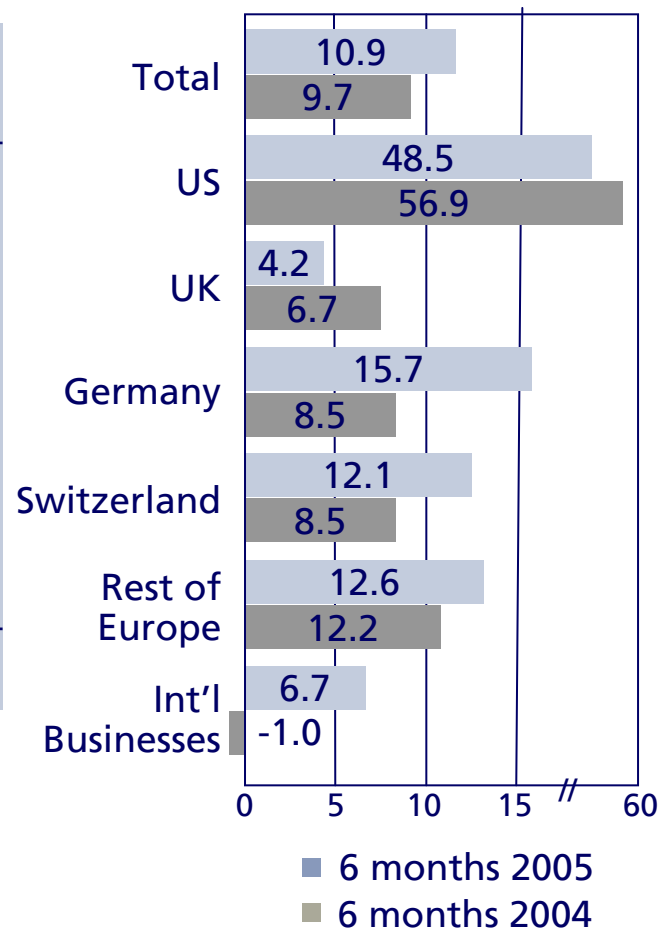
# Life Insurance key new business indicators

## 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

# Q&A

# Appendix

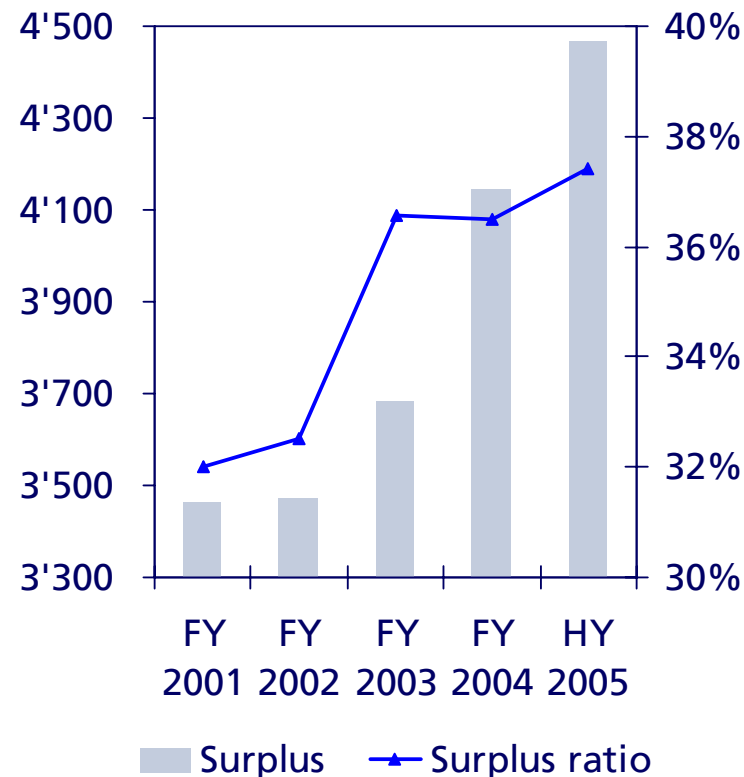
# Farmers Exchanges<sup>1</sup> financial highlights



in USD millions

for the six months ended June 30

	2005	2004
Gross written premiums	7,277	7,083
Net underwriting result	296	68
Net surplus change (YTD)	320	231
Ending Surplus	4,466	3,916
Surplus Ratio	37.4%	37.0%



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

# Farmers Exchanges – combined ratio by line of business



for the six months ended June 30

	2005	2004	Change
Auto	97.8%	100.8%	3.0pts
Homeowners	80.1%	84.8%	4.7pts
Commercial P&C <sup>1</sup>	99.1%	100.1%	1.0pts
Workers' Compensation	96.6%	102.3%	5.7pts
Specialty	87.2%	90.2%	3.0pts
Total	94.4%	97.7%	3.3pts
Adjusted combined ratio <sup>2</sup>	87.7%	90.7%	3.0pts

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

<sup>2</sup> Adjusted for profit portion of management fees