

Half Year Results Reporting 2008

Analysts and Media Presentation

Zurich, August 13, 2008



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Certain statements in this document are forward-looking statements, including, but not limited to, statements that are predicated on 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.

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Agenda



- Introduction

James J. Schiro

- Half Year Results 2008

Dieter Wemmer

- Q&A

Introduction

James J. Schiro

Chief Executive Officer

Zurich, August 13, 2008



Financial highlights



in USD millions
for the six months to June 30

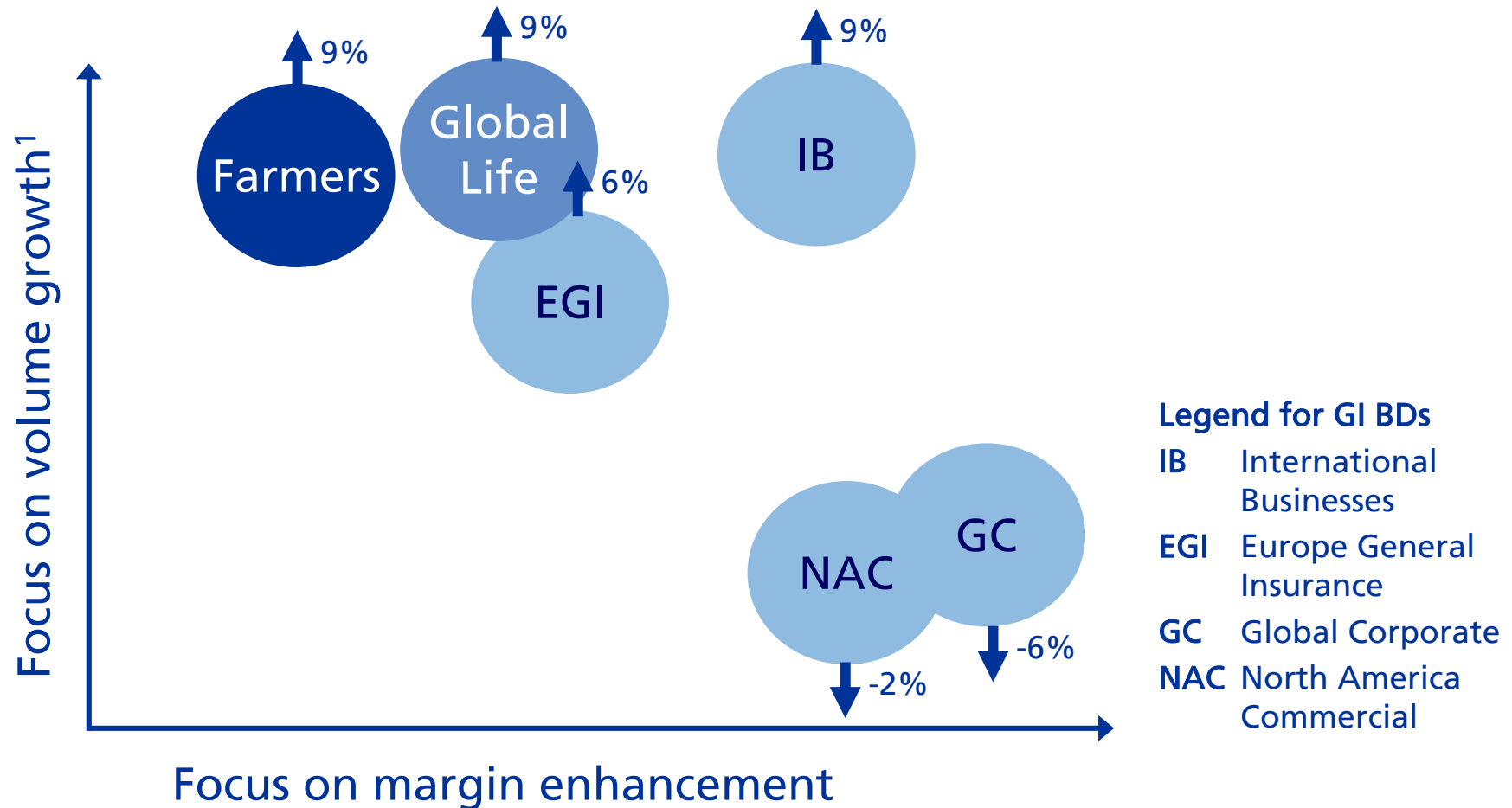
	2008	2007 ¹	Change
Business operating profit	3,549	3,284	8%
Net income attributable to shareholders	2,681	2,676	0%
General Insurance combined ratio	96.2%	96.5%	0.3pts
Global Life new business margin ²	22.4%	24.1%	-1.7pts
Farmers Mgmt Services managed GEP margin ³	7.1%	7.2%	-0.1pts
	2008	2007 ¹	Change
Return on common shareholders' equity (ROE)	19.5%	21.1%	-1.6pts
Business operating profit (after tax) ROE	19.9%	19.1%	0.8pts

¹ Throughout this document, certain comparatives have been restated. Please refer to our Financial Review for further details.

² After tax, as % of APE (Annual Premium Equivalent)

³ Margin on gross earned premiums of the Farmers Exchanges. 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 fees for its services.

Zurich is poised for profitable growth



¹ Volume growth measured as growth in fee income for FMS, growth in APE in local currency for Global Life and GWP growth in local currency for General Insurance

Half Year Results 2008

Dieter Wemmer

Chief Financial Officer

Zurich, August 13, 2008



Business operating profit by segment



in USD millions for the six months to June 30	2008	2007 ¹	Change
General Insurance	2,236	1,838	22%
Global Life	766	721	6%
Farmers Management Services	617	672	-8%
Corporate Functions	-261	-417	37%
Total Core Business operating profit	3,359	2,814	19%
Other Businesses	190	471	-60%
Total Business operating profit	3,549	3,284	8%

¹ Throughout this document, certain comparatives have been restated. Please refer to our Financial Review for further details.

Top line development by segment



in USD millions for the six months to June 30	2008	2007	Change	Change in LC ¹
Gross written premiums and policy fees				
General Insurance	20,593	19,026	8%	1%
Global Life (incl. insurance deposits) ²	10,395	10,427	0%	-8%
Other Businesses	1,078	1,210	-11%	-11%
Annual Premium Equivalent (APE)³				
Global Life	1,528	1,323	15%	9%
Farmers management fees				
Farmers Management Services	1,196	1,093	9%	9%

¹ Local Currency

² Global Life numbers include gross written premiums, policy fees and insurance deposits

³ Gross new business annual premium equivalent (APE)

Rate Change Monitor¹ for personal and commercial lines



	EGI by country								by division			
	UK	Germany	Switzerland	Italy	Spain	Ireland	Rest of Europe	EGI Total	IB	NAC	GC	Farmers Exchanges ²
Half year												
Personal Lines	8%	1%	0%	0%	5%	-12%	1%	1%	1%	n/a	n/a	5%
Commercial Lines	-3%	1%	0%	0%	4%	-14%	1%	-1%	4%	-5%	-8%	n/a

1 The Zurich Rate Change Monitor expresses the Gross Written Premium development due to premium rate change as a percentage of the renewed portfolio against a comparable prior period. In this slide, half year 2007 is compared to half year 2008.

2 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 fees for its services.

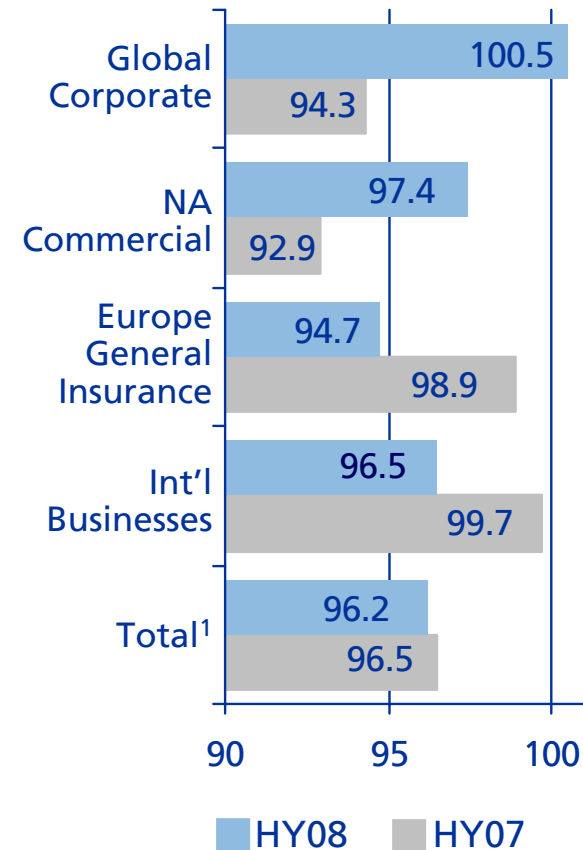
General Insurance – key performance indicators



Business Operating Profit

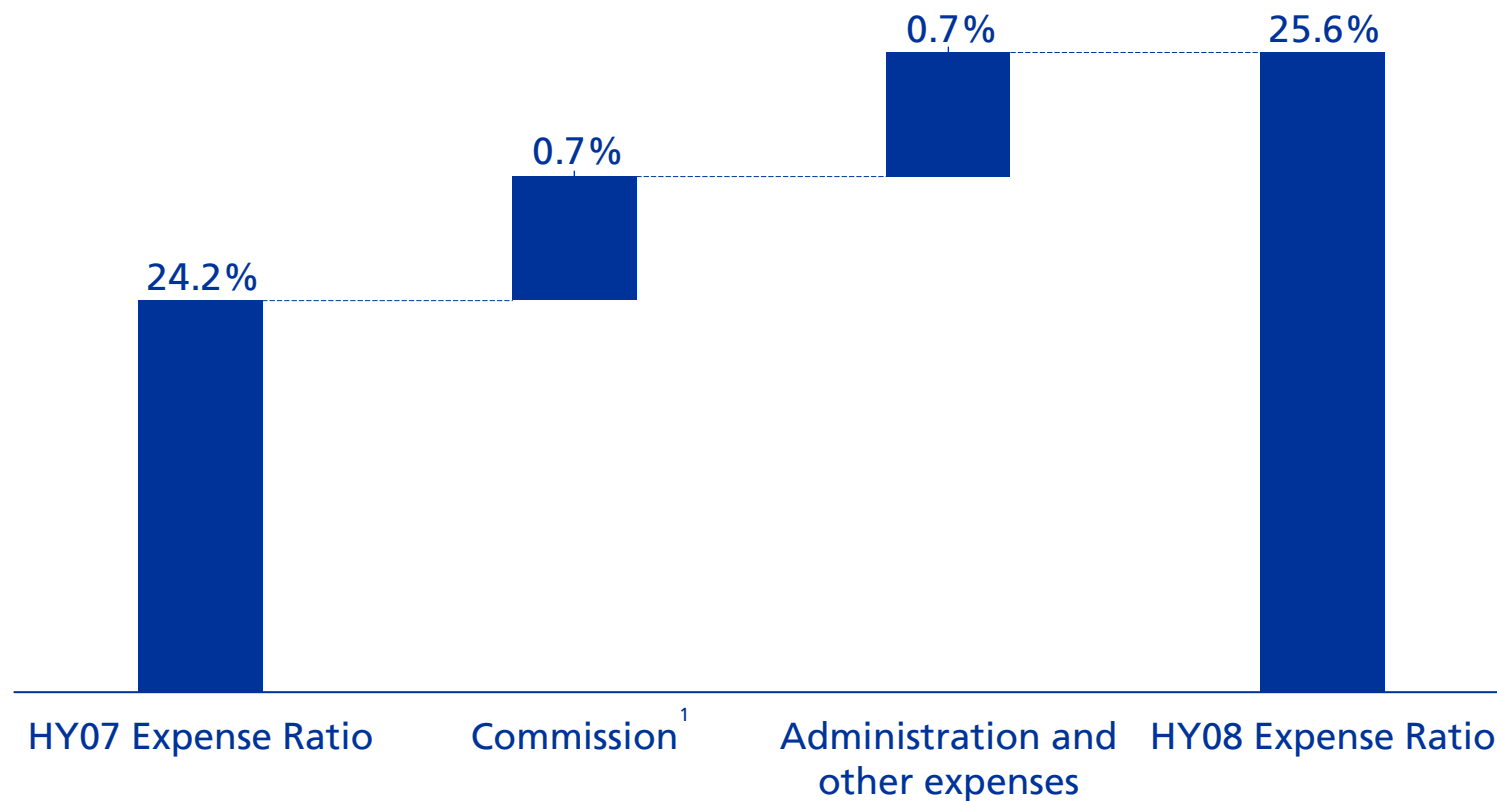
in USD millions for the six months to June 30	2008	2007	Change
Global Corporate	347	389	-11%
North America Commercial	628	767	-18%
Europe General Insurance	1,017	612	66%
International Businesses	107	72	49%
Group Reinsurance	137	-1	nm
Total	2,236	1,838	22%

Combined ratio (%)



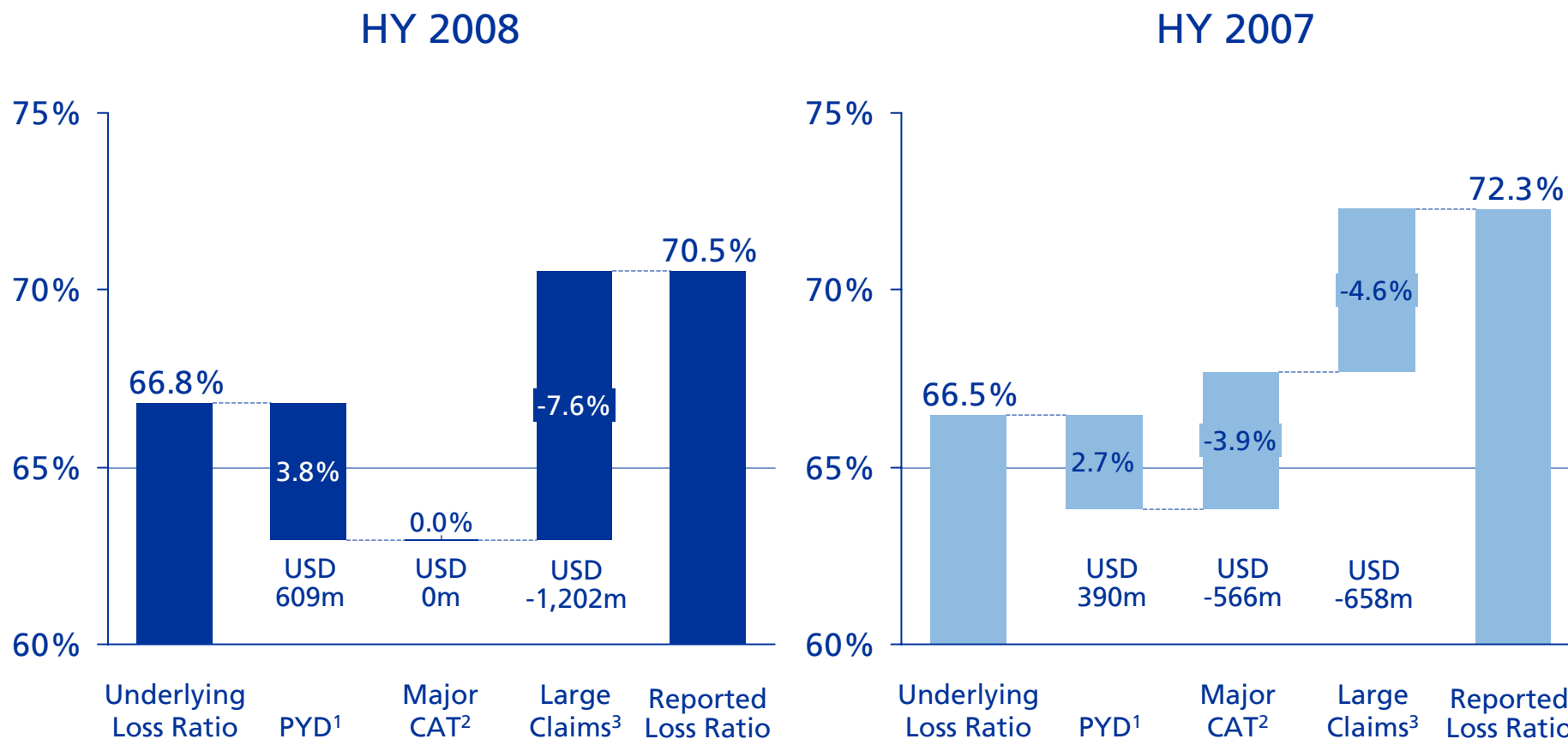
¹ Including Group Reinsurance and inter-segment eliminations

General Insurance net expense ratio walk from HY 2007 to HY 2008



¹ Commission has increased mainly due to the effect of writing greater amounts of higher commission, lower loss ratio business

Comparison of General Insurance loss ratio allowing for major CAT and PYD



¹ Prior Year Development

² Major CAT (potential USD 100m or greater for Zurich) includes the impact of Kyrill and UK Floods in HY07

³ Large claims are claims with a potential severity of USD 10m or greater for Zurich and exclude Major CATs

Development of Reserves for Losses and Loss Adjustment Expenses (LAE)



in USD millions

	2008	2007
Net reserves for losses and LAE, as of January 1	54,712	50,814
Net losses and LAE paid	-11,119	-9,482
Net losses and LAE incurred		
- Current year	12,408	11,457
- Prior years ¹	-586	-465
Currency translation effects and other	1,448	718
Net reserves for losses and LAE, as of June 30	56,863	53,043

¹ Of which within General Insurance: USD 609m in HY08 and USD 390m in HY07

Global Life – key performance indicators



in USD millions
for the six months to June 30

	2008	2007	Change	Change in LC ¹
Annual Premium Equivalent (APE)	1,528	1,323	15%	9%
New business value, after tax	342	319	7%	0%
New business margin, after tax ²	22.4%	24.1%	-1.7pts	
Embedded value operating profit	891	1,001	-11%	
Embedded value operating return ³	10.8%	12.3%	-1.5pts	
Business operating profit	766	721 ⁴	6% ⁴	

¹ Local Currency

² As % of APE

³ After tax and before foreign currency translation effects

⁴ Including the effect of DAC unlocking in the US of USD 106 million in 2007

Global Life – emerging markets are growing strongly and profitably



in USD millions for the six months to June 30	APE 2008	APE 2007	Growth	NBM ¹ 2008	NBM ¹ 2007
ZIS ²	252	213	18%	20.9%	20.5%
Hong Kong	45	51	-11%	28.6%	45.2%
Latin America	43	35	23%	28.0%	18.8%
Total Emerging markets	340	299	14%	22.8%	24.5%
Share of emerging markets in total Global Life APE	22%	23%			

¹ New business margin, after tax, based on Annual Premium Equivalent

² Zurich International Solutions domiciled in the Isle of Man

Global Life Embedded Value result



for the six months to June 30

	2008 USD m	2008 Return ⁴	2007 USD m	2007 Return ⁴
Opening Embedded Value	15,935		14,092	
Expected operating profit ^{1,2}	522		428	
New business value ²	342		319	
Operating variance ²	27		254 ³	
Total operating profit²	891	10.8%	1,001	12.3%
Economic variance	-1,150		154	
Embedded value loss/profit²	-258	3.7%⁴	1,155	13.4%
Dividends and capital movements	93		35	
Closing Embedded Value before fx	15,769		15,282	
Foreign currency translation effects (fx)	620		274	
Closing Embedded Value after fx	16,389		15,556	

¹ Operating profit expected from in-force and net assets

² After tax

³ USD 176m is due to the reinsurance of the closed UK annuity book, for which an agreement to transfer to Swiss Re was signed on June 4, 2007. Subsequent to the approval from the UK courts on June 30, 2008, the underlying contracts have been transferred to the reinsurer.

⁴ Annualized on a linear basis assuming no further variances in the 2nd half of 2008.

Farmers Management Services – key performance indicators



in USD millions
for the six months to June 30

	2008	2007	Change
Management fees and other related revenues	1,196	1,093	9%
Management and other related expenses	-622	-552	-13%
Gross management result	574	542	6%
Managed gross earned premium margin ¹	7.1%	7.2%	-0.1pts
Business operating profit	617	672	-8%

¹ Margin on gross earned premiums of the Farmers Exchanges. 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 fees for its services.

Farmers Exchanges¹ – key performance indicators



in USD millions

for the six months ended June 30

	2008	2007	Change
Gross written premiums (statutory) ²	8,710	7,780	12%
Gross written premiums (excl. SB transfer) ³	8,225	7,780	5.7%
Net underwriting result ⁴	-527	72	nm
Combined ratio	104.2%	97.7%	-6.5pts
Adjusted combined ratio ⁵	97.0%	90.4%	-6.6pts
Surplus ratio ⁴	36.8%	41.0%	-4.2pts

1 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 fees for its services.

2 As mandated by NAIC requirements, including USD 425m portfolio transfer of Zurich Small Business unearned premiums.

3 Excluding USD 425m portfolio transfer of Zurich Small Business unearned premiums, and USD 60m of earned premiums.

4 The USD 425m portfolio transfer of Zurich Small Business unearned premiums reduced the net underwriting result by USD 120m and the surplus by USD 78m or 1.6pts as mandated by NAIC requirements.

5 Adjusted for profit portion of management fees.

Other Businesses and Corporate Functions – Business operating profit contribution



in USD millions

for the six months to June 30

	2008	2007	Change
Other Businesses:			
- Farmers Re	54	88	-38%
- Centre	4	116	-97%
- Other	131	267	-51%
Total Other Businesses	190	471	-60%
Corporate Functions	-261	-417	37%

Investment performance of Group investments



in USD millions for the six months to June 30	2008	2007	Change
Net investment income	4,402	4,282	3%
Net capital losses/gains on investments and impairments	-426	503	nm
<i>of which attributable to shareholders</i>	9	440	-98%
Net investment result	3,975	4,785	-17%
Net investment return ¹	2.1%	2.5%	-0.4pts
Movements in net unrealized losses on investments included in total equity ²	-4,648	-2,689	-73%
Total net investment result	-0.3%	1.1%	-1.4pts

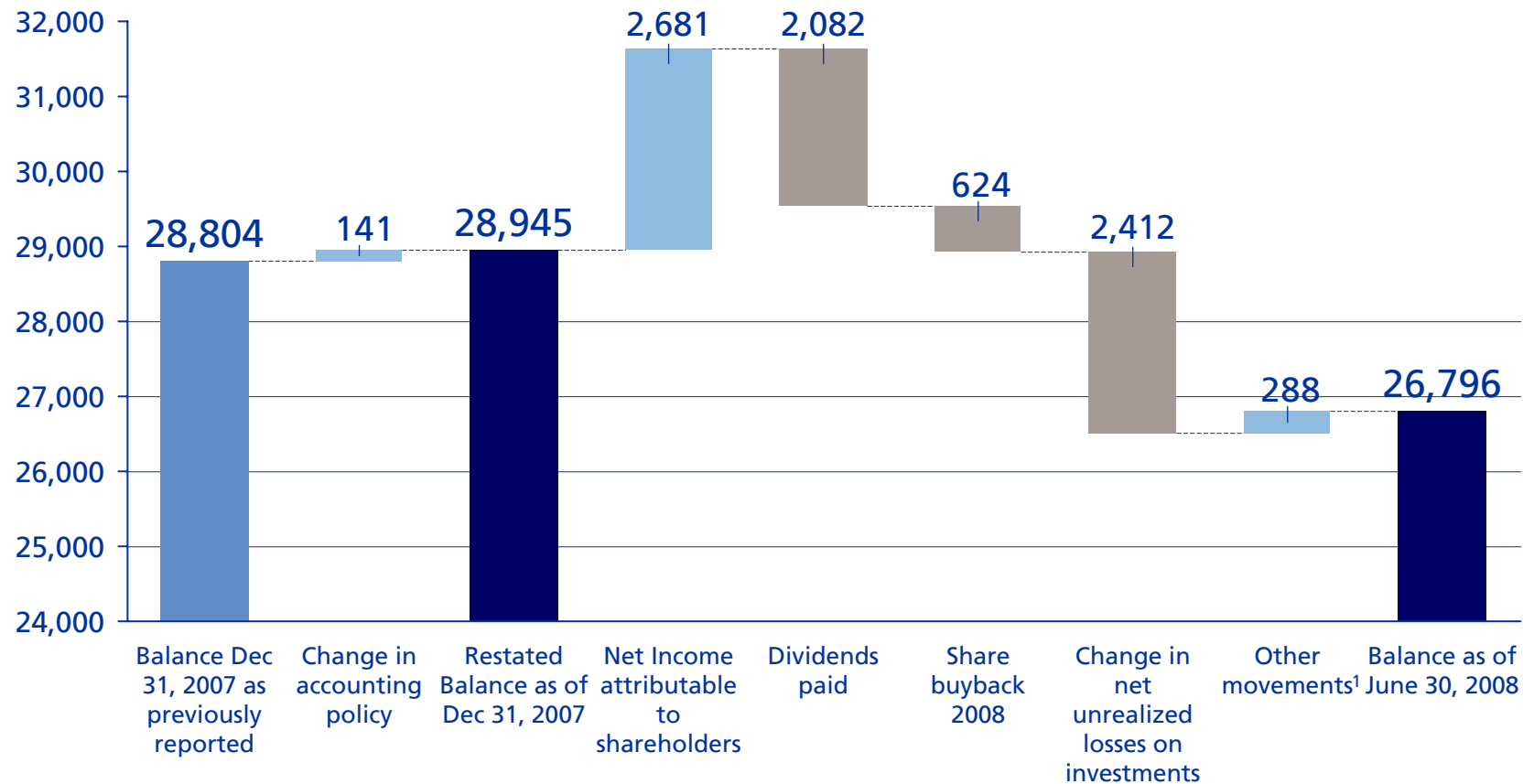
¹ Net investment result in % of average investments, not annualized

² Before attribution to policyholders and other

Development of shareholders' equity



in USD millions



¹ Includes redemption of preferred securities of USD 110m, net other recognized income and expense, change in cumulative translation adjustment, changes in cash flow hedges, share-based payment transaction and other

Financial highlights



in USD millions
for the six months to June 30

	2008	2007 ¹	Change
Business operating profit	3,549	3,284	8%
Net income attributable to shareholders	2,681	2,676	0%
General Insurance combined ratio	96.2%	96.5%	0.3pts
Global Life new business margin ²	22.4%	24.1%	-1.7pts
Farmers Mgmt Services managed GEP margin ³	7.1%	7.2%	-0.1pts
	2008	2007 ¹	Change
Return on common shareholders' equity (ROE)	19.5%	21.1%	-1.6pts
Business operating profit (after tax) ROE	19.9%	19.1%	0.8pts

¹ Throughout this document, certain comparatives have been restated. Please refer to our Financial Review for further details.

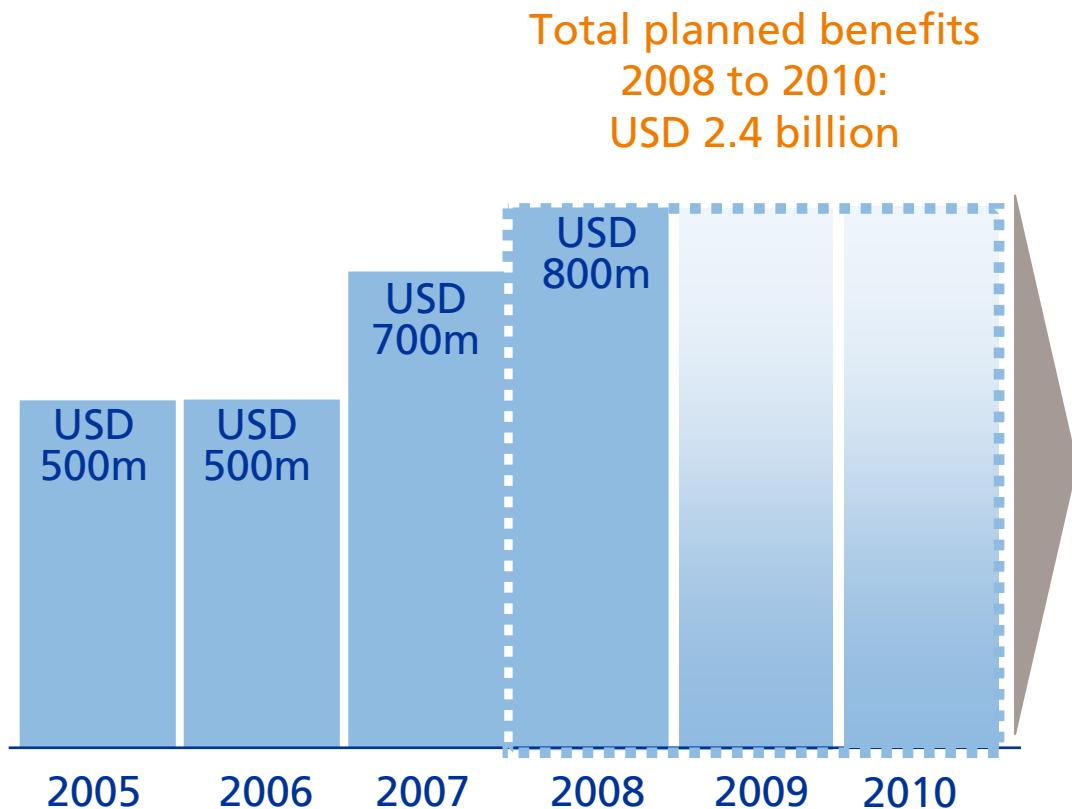
² After tax, as % of APE (Annual Premium Equivalent)

³ Margin on gross earned premiums of the Farmers Exchanges. 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 fees for its services.

Q&A

Appendix

The Zurich Way – Target of USD 2.4 billion for 2008 to 2010



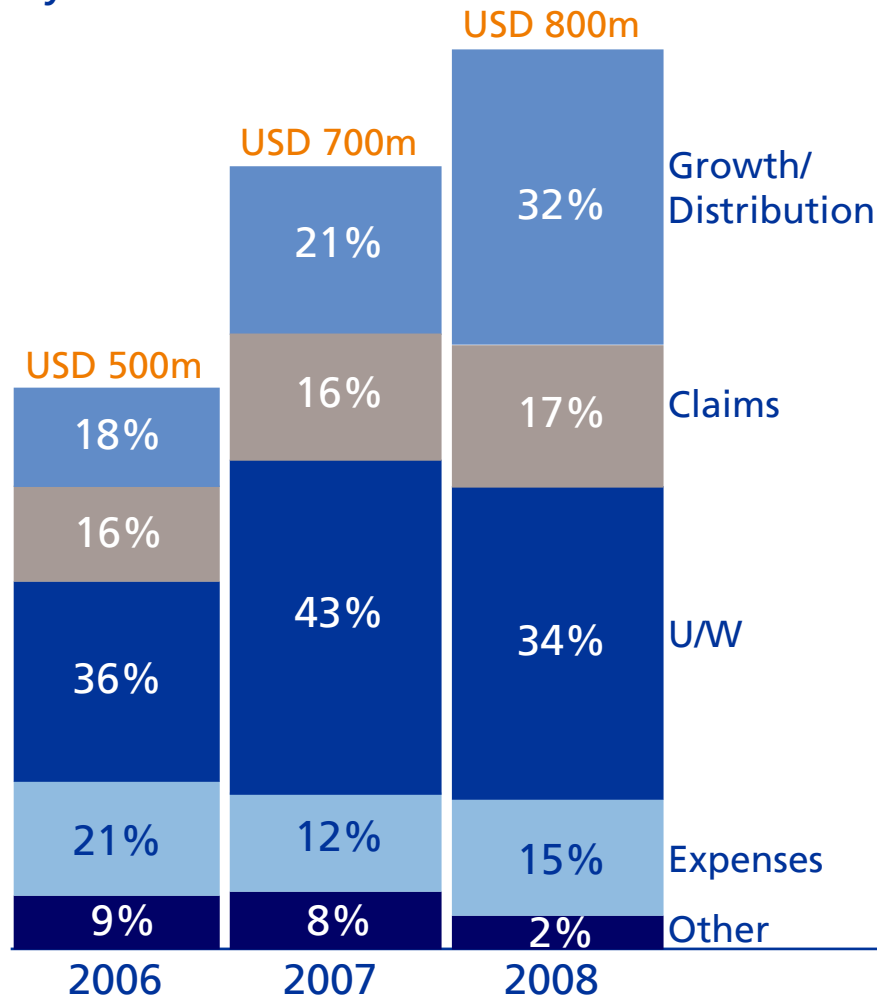
- We have comfortably achieved our 2007 target.
- We expect benefits of USD 2.4 billion from 2008 to 2010
- 14 TZW workstreams with over 400 initiatives, with increasing focus on Profitable Growth and Operational Transformation initiatives
- **Expected contributions to key performance indicators for 2008-10**
General Insurance:
 Combined ratio: 2.0pts p.a.
Global Life:
 APE¹: half of targeted double digit growth to come from TZW

¹ Gross new business Annual Premium Equivalent (APE)

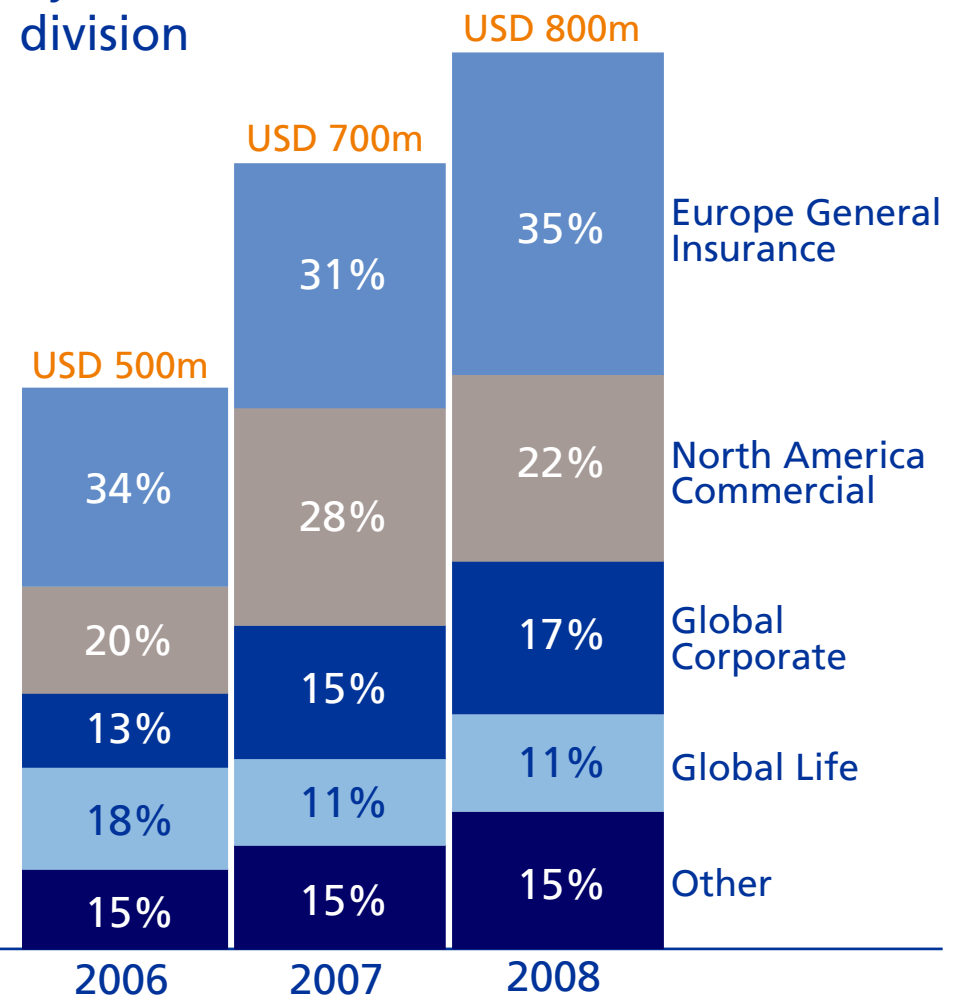
The Zurich Way initiatives – 2008 target



by function



by business division



Business division BOP-ROE¹ based on RBC-allocated IFRS equity



for the six months to June 30

	2008	2007
General Insurance	28.9%	28.5%
- <i>Global Corporate</i>	19.7%	25.1%
- <i>North America Commercial</i>	22.0%	31.5%
- <i>Europe General Insurance</i>	41.0%	28.5%
- <i>International Businesses</i>	21.5%	17.1%
- <i>Group Reinsurance</i>	79.8%	36.4%
Global Life	22.9%	19.2%
Farmers Management Services	56.3%	62.4%
Other Businesses and Corporate Functions	2.5%	8.0%
Total Group	25.9%	25.9%
Total Group BOP (after tax) ROE ²	19.9%	19.1%

¹ Adjusted BOP-ROE based on average IFRS Group equity allocated to the segment based on its share of Zurich risk based capital (RBC)

² Business operating profit (after tax) return on common shareholders' equity

Global Life – new business indicators



in USD millions for the six months to June 30	APE 2008	APE 2007	Change	Change in LC ¹	NBV ² 2008	NBV ² 2007	Change
United States	51	59	-14%	-14%	47	57	-18%
United Kingdom	472	440	7%	7%	49	56	-11%
Germany	333	218	53%	33%	104	64	63%
Switzerland	62	52	20%	2%	21	19	13%
Ireland	144	142	2%	-12%	28	31	-10%
Emerging markets	340	299	14%	13%	78	73	6%
<i>of which: ZIS³</i>	252	213	18%	20%	53	44	20%
Rest of the world	125	114	10%	-5%	15	19	-21%
Total	1,528	1,323	15%	9%	342	319	7%

¹ Local Currency

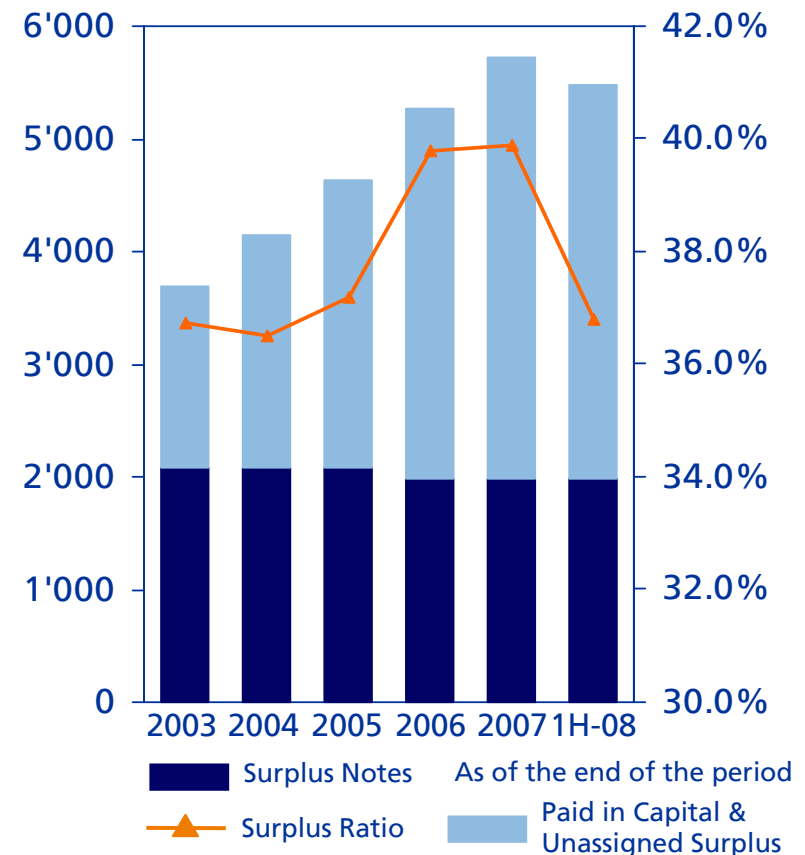
² New business value, after tax

³ Zurich International Solutions domiciled in the Isle of Man

Farmers Exchanges¹ – financial highlights: strong premium growth



in USD millions for the six months to June 30	2008	2007
Gross written premiums ²	8,285	7,780
Net underwriting result ³	-527	72
Net surplus growth ³	-239	284
Ending surplus ³	5,479	5,558
Surplus ratio ³	36.8%	41.0%



- 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 fees for its services.
- Excluding USD 425m portfolio transfer of Zurich Small Business unearned premiums.
- The USD 425m portfolio transfer of Zurich Small Business unearned premiums reduced the net underwriting result by USD 120m and the surplus by USD 78m or 1.6pts as mandated by NAIC requirements.

Farmers Exchanges – gross written premiums by line of business



in USD millions for the six months ended June 30	2008	2007	Change
Auto	4,326	3,971	8.9%
Homeowners	2,180	2,078	4.9%
Commercial P&C	637	629	1.3%
Zurich Small Business	60 ¹	0	N/A
Workers' Compensation	174	186	-6.5% ²
Specialty	843	839	0.5%
Other	65	77	-15.6%
Total	8,285¹	7,780	6.5%

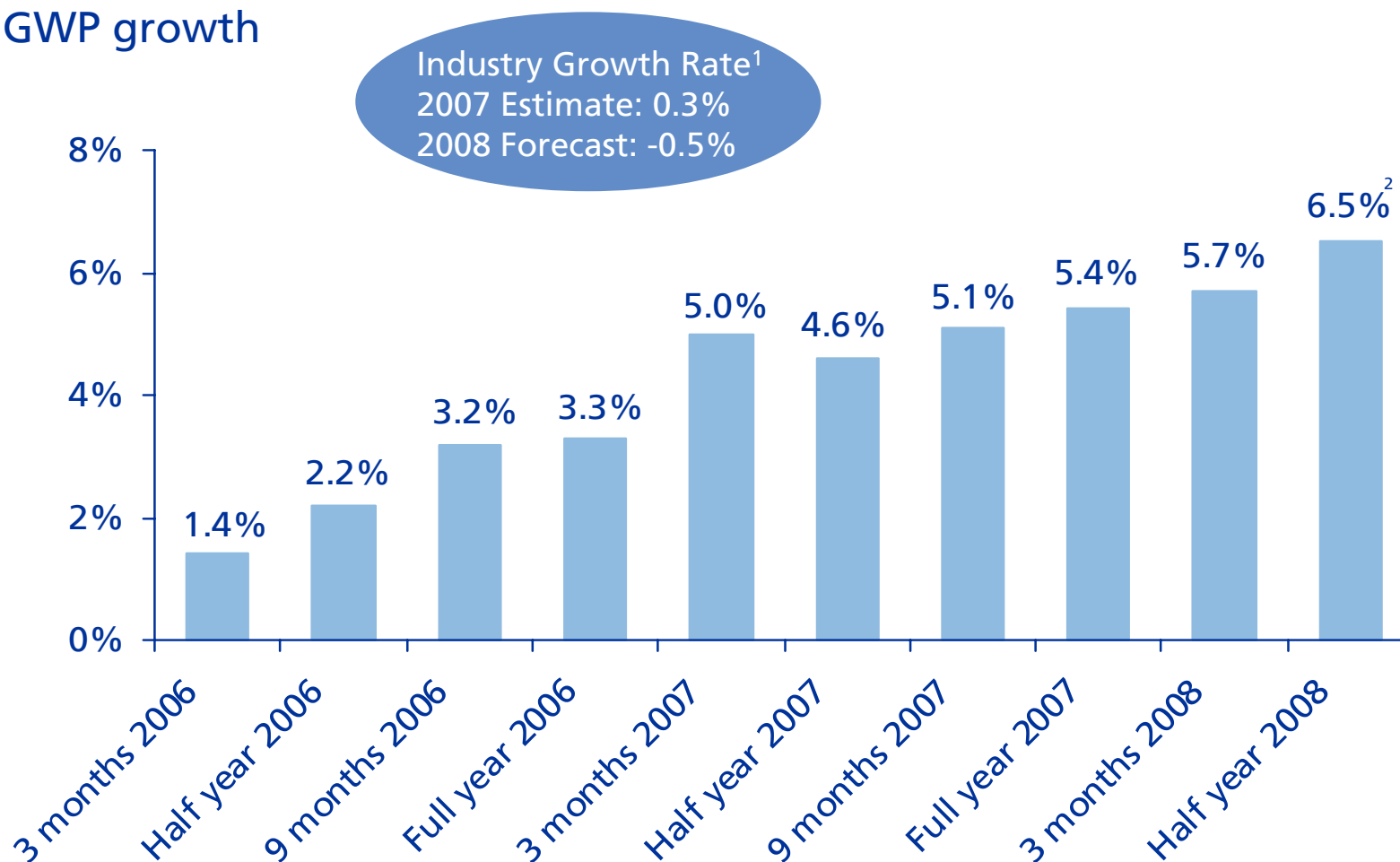
¹ Excluding USD 425m portfolio transfer of Zurich Small Business unearned premiums.

² The decline in workers' compensation premiums was driven by the effect of California statutory reforms.

Farmers Exchanges – premium growth outperforming industry



GWP growth



¹ Source of 2008 Forecast: Conning Property-Casualty Forecast & Analysis By Line Of Insurance Q208 (weighted for Farmers' LOBs).

² Excluding USD 425m portfolio transfer of Zurich Small Business unearned premiums.

Farmers Exchanges – combined ratio



for the six months to June 30	2008 ¹	2007 ¹	Change
Auto	101.7%	99.7%	-2.0pts
Homeowners	114.5%	93.8%	-20.7pts
Commercial P&C	93.1%	96.0%	2.9pts
Zurich Small Business	101.9%	n/a	n/a
Workers' Compensation	95.9%	94.3%	-1.6pts
Specialty	101.9%	92.3%	-9.6pts
Total	104.2%	97.7%	-6.5pts
Adjusted combined ratio ²	97.0%	90.4%	-6.6pts

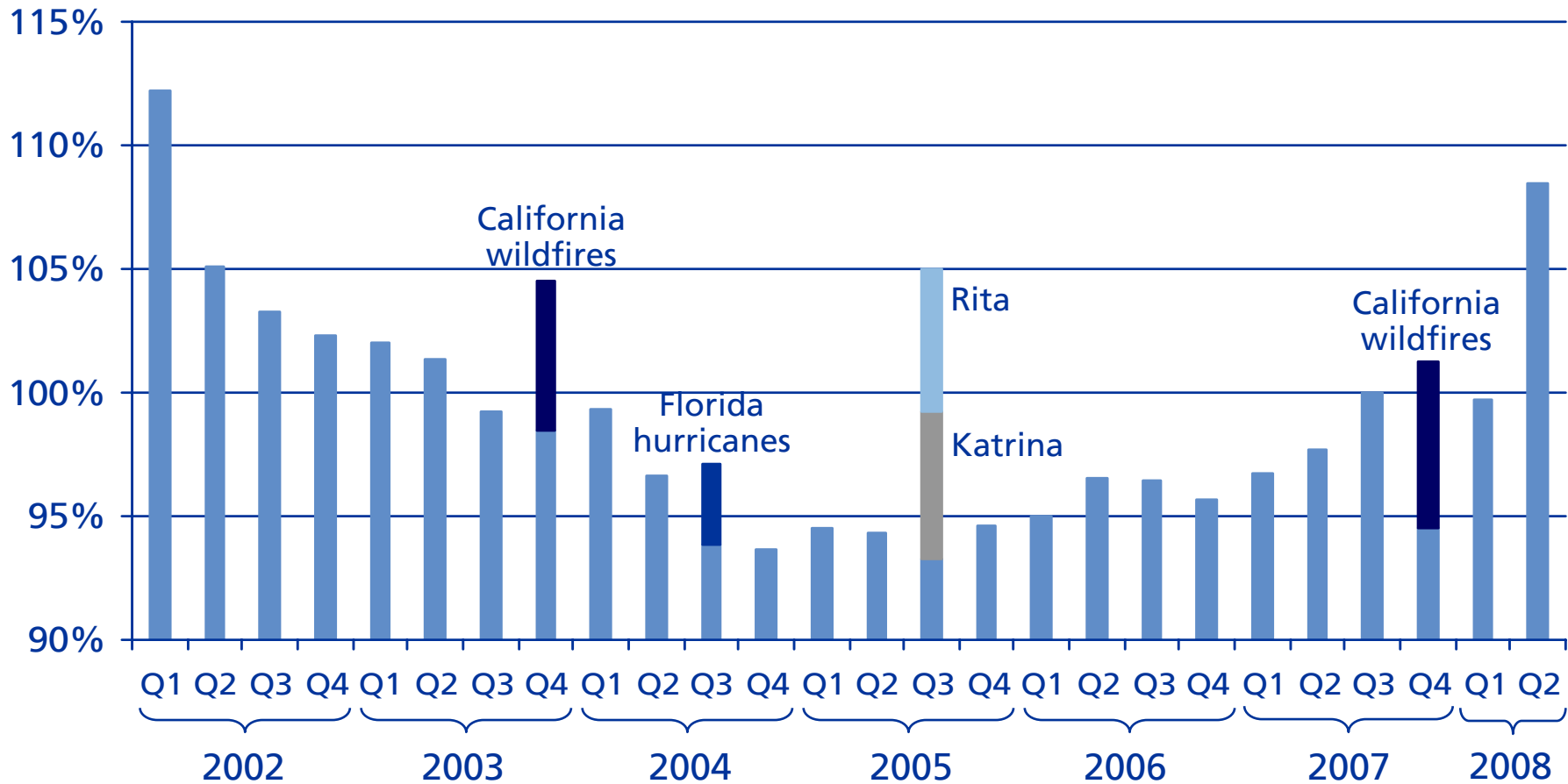
¹ Before quota share treaties with Farmers Re

² Adjusted for profit portion of management fees

Farmers Exchanges – development of the combined ratio



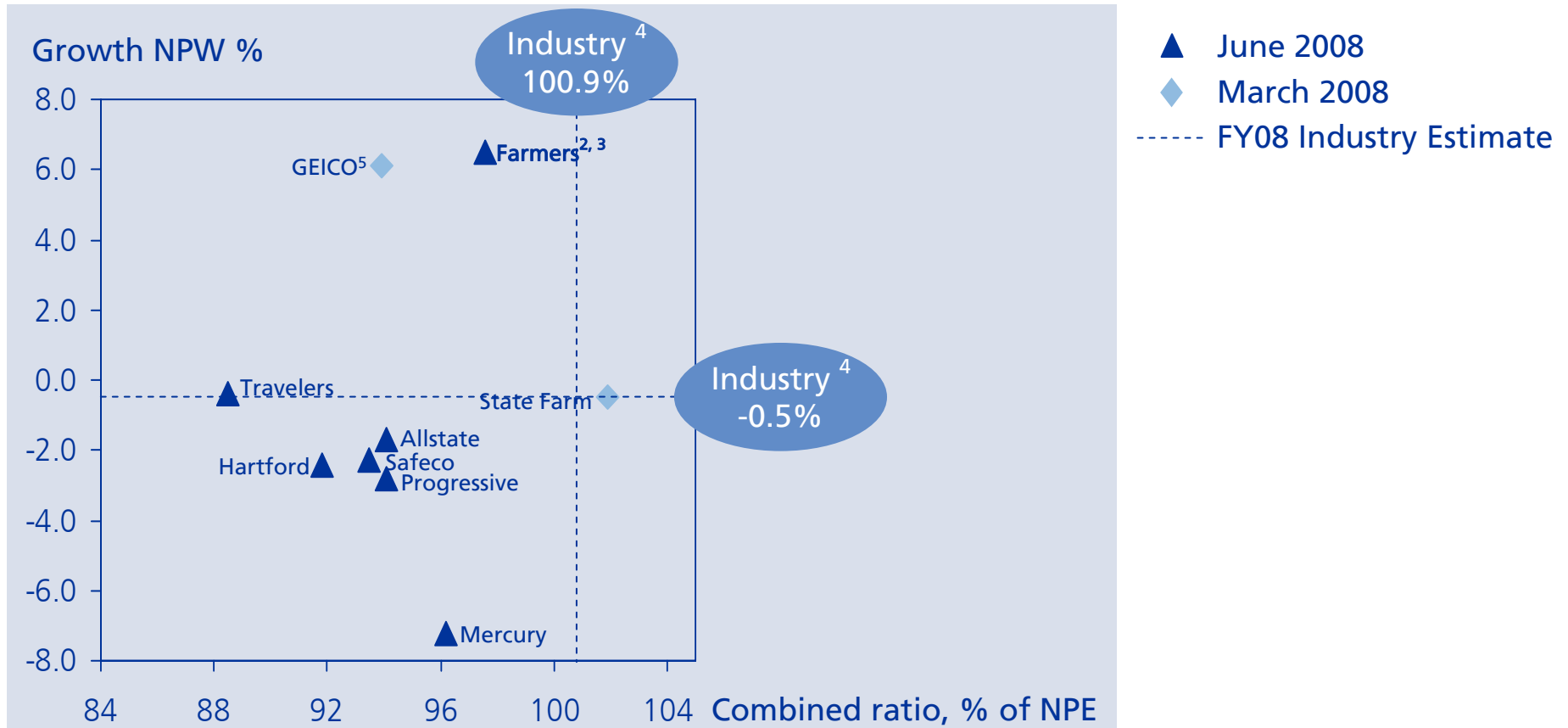
Quarterly combined ratio



Competitor Analysis - Overall



Growth vs. GAAP Combined Ratio¹



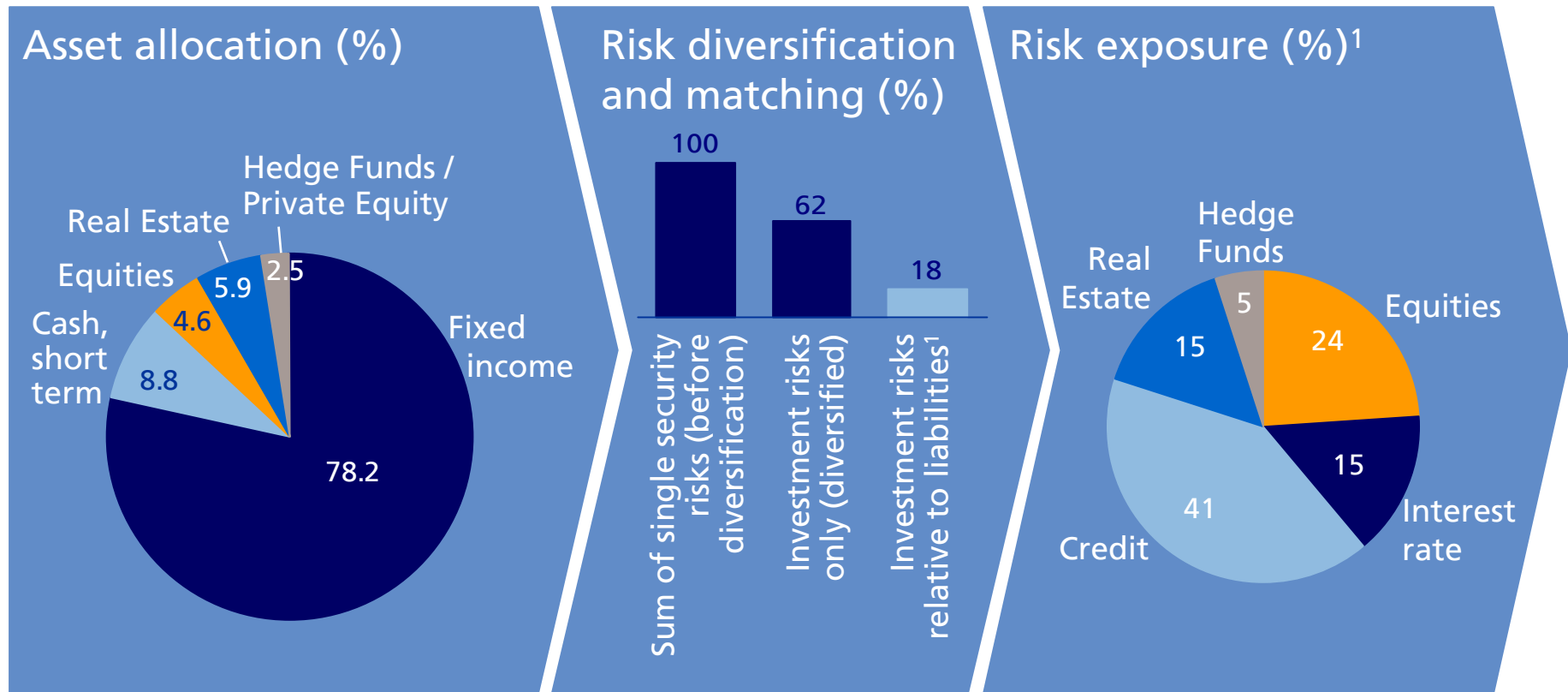
¹ Source: Media releases and investor supplements, except for Farmers and State Farm.
² Reflects GWP before APD and Quota Share treaties. Combined ratio excludes Quota Share and APD treaties and was adjusted for Farmers Management Services' profit portion of management fees.
³ Farmers excludes USD 425m portfolio transfer of Zurich Small Business unearned premiums.
⁴ Source of FY08 estimate: Conning Property-Casualty Forecast & Analysis By Line Of Insurance Q2 08 released 07/03/08 (weighted for Farmers' LOBs). CR on STAT basis.
⁵ Based on NPE. NPW is not available on quarterly basis.

Zurich's investment portfolio profits greatly from diversification and is balanced in terms of risk



Risk Allocation of Zurich's investment portfolio

as of June 30, 2008

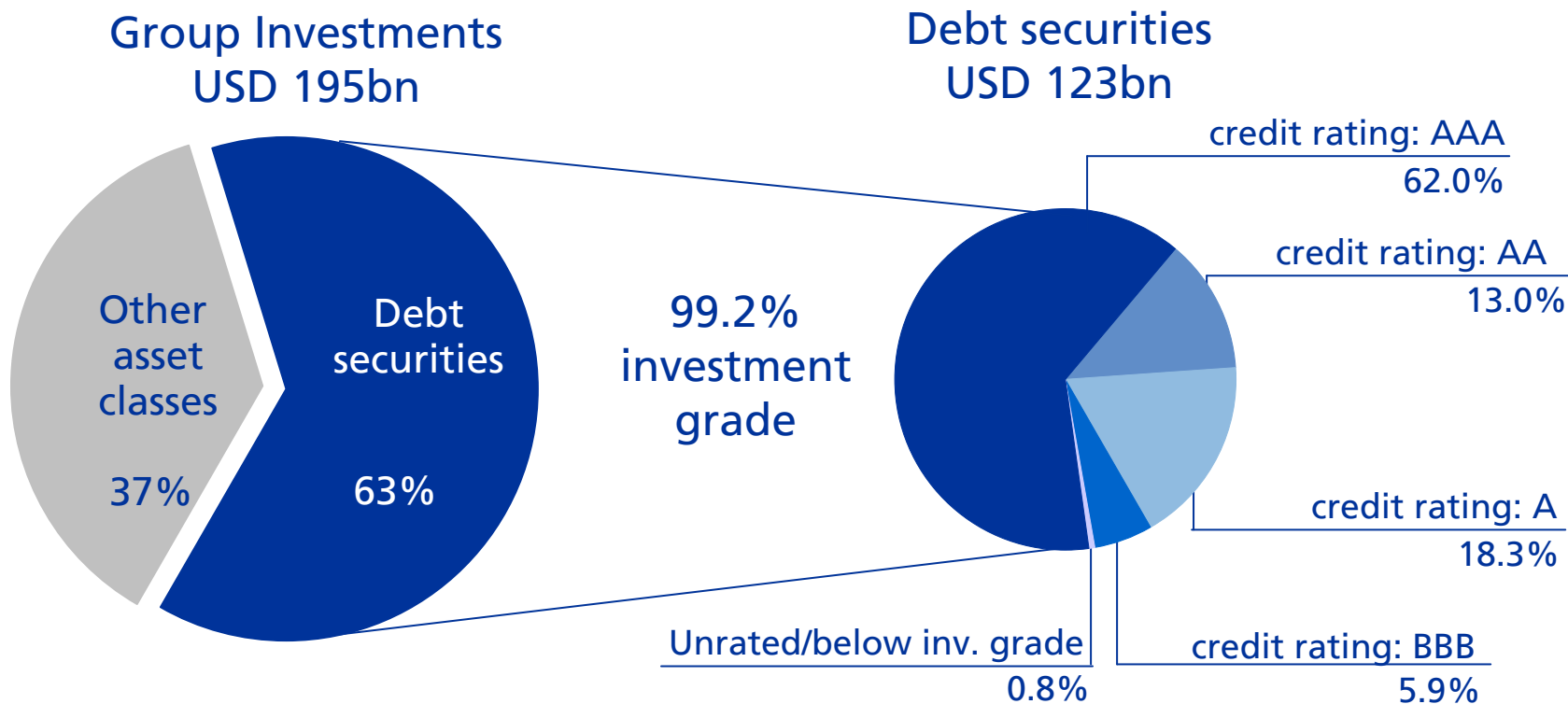


¹ Risks to Zurich's economic surplus measured as 12 months value at risk with 99.95% confidence interval

Group Investments – Zurich’s debt securities are of a very high quality (99.2% investment grade)



As of June 30, 2008



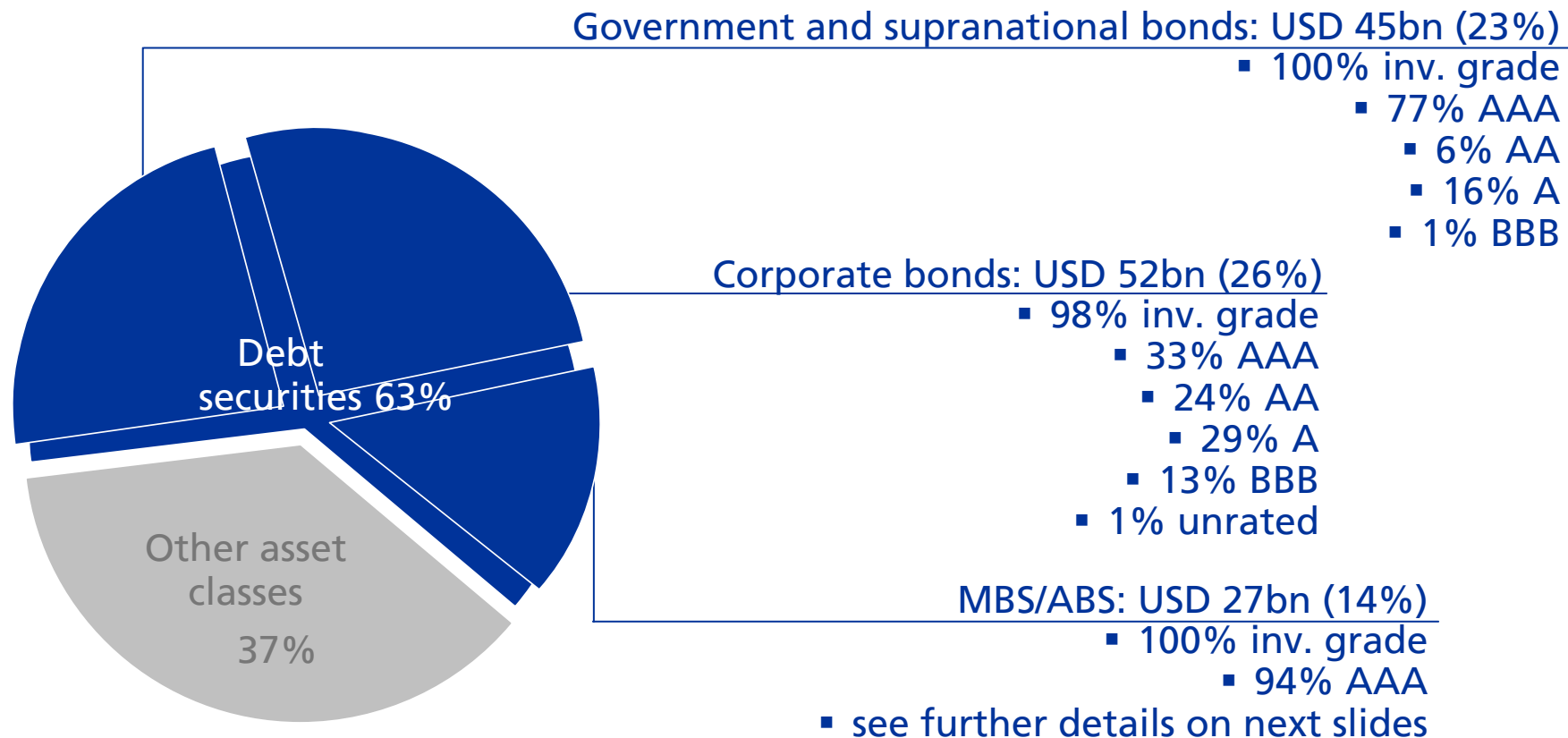
Monolines: Approx. USD 1.1bn of our debt securities are wrapped by monolines. Average credit rating of these excluding wraps is between A and AA.

Group Investments – Zurich’s debt securities are well balanced

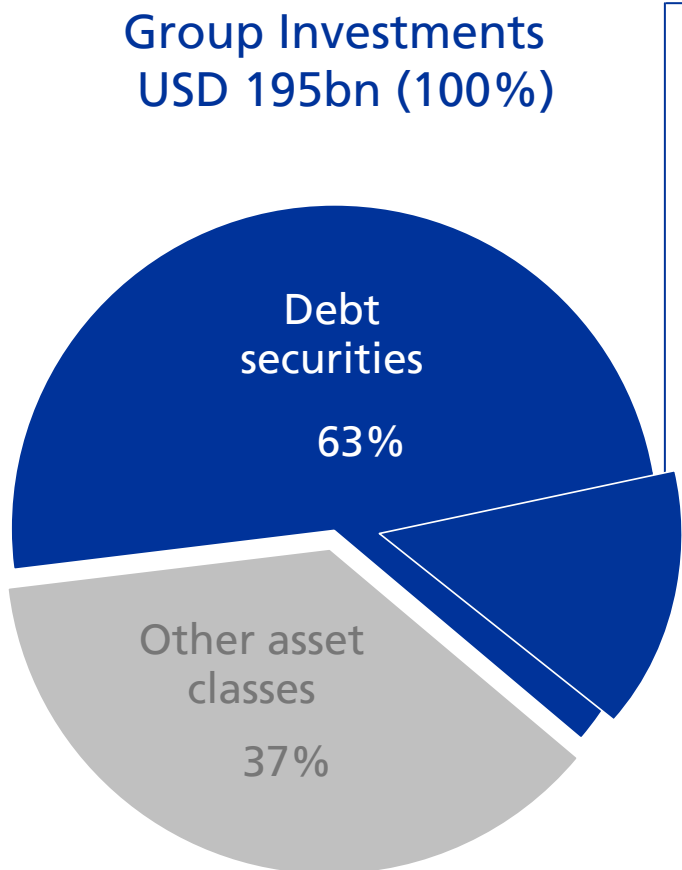


Group Investments - USD 195bn (100%)

As of June 30, 2008



Group Investments – Split of total MBS/ABS of USD 27bn (14%)



MBS/ABS: USD 27bn (14%)

<i>includes:</i>	<ul style="list-style-type: none"> ▪ 100% inv. grade ▪ 94% AAA
	<p><i>US MBS: USD 17.2bn (8.8%)</i></p> <ul style="list-style-type: none"> ▪ 100% inv. grade ▪ 99% AAA ▪ see further details on next slide
	<p><i>US ABS¹: USD 3.3bn (1.7%)</i></p> <ul style="list-style-type: none"> ▪ 99% inv. grade ▪ 84% AAA ▪ e.g. Automobile and Credit Card ABS
	<p><i>UK MBS/ABS: USD 4.2bn (2.2%)</i></p> <ul style="list-style-type: none"> ▪ 100% inv. grade ▪ 86% AAA ▪ "Whole Loan" Residential MBS of USD 2.3bn (92% AAA) ▪ Commercial MBS of USD 1.2bn (87% AAA)
	<p><i>German ABS: USD 0.5bn (0.3%)</i></p> <ul style="list-style-type: none"> ▪ 100% inv. grade ▪ 79% AAA and AA ▪ mostly German MBS ("Pfandbriefe")
	<p><i>Swiss ABS: USD 0.6bn (0.3%)</i></p> <ul style="list-style-type: none"> ▪ 100% AAA ▪ 100% Swiss MBS ("Pfandbriefe")

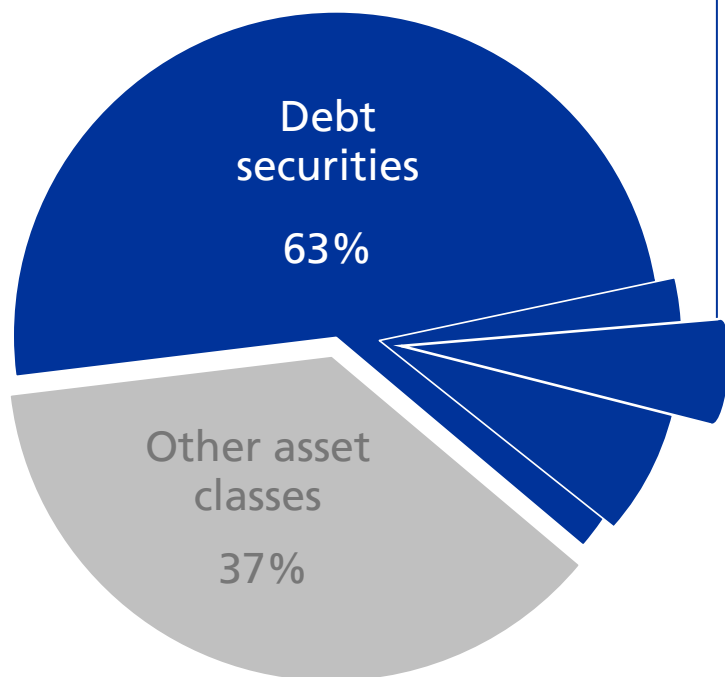
As of June 30, 2008

¹ US ABS in addition to the US MBS mentioned above

Group Investments – Split of US MBS of USD 17.2bn (8.8%)



Group Investments
USD 195bn (100%)



US-MBS: USD 17.2bn (8.8%)

- 100% inv. grade
- 99% AAA

of which:

US "Agency" MBS: USD 9.6bn (4.9%)

- 100% AAA
- USD 1.1bn backed by GNMA
- USD 8.5bn backed by FNMA and FHLMC

US Commercial MBS: USD 5.2bn (2.7%)

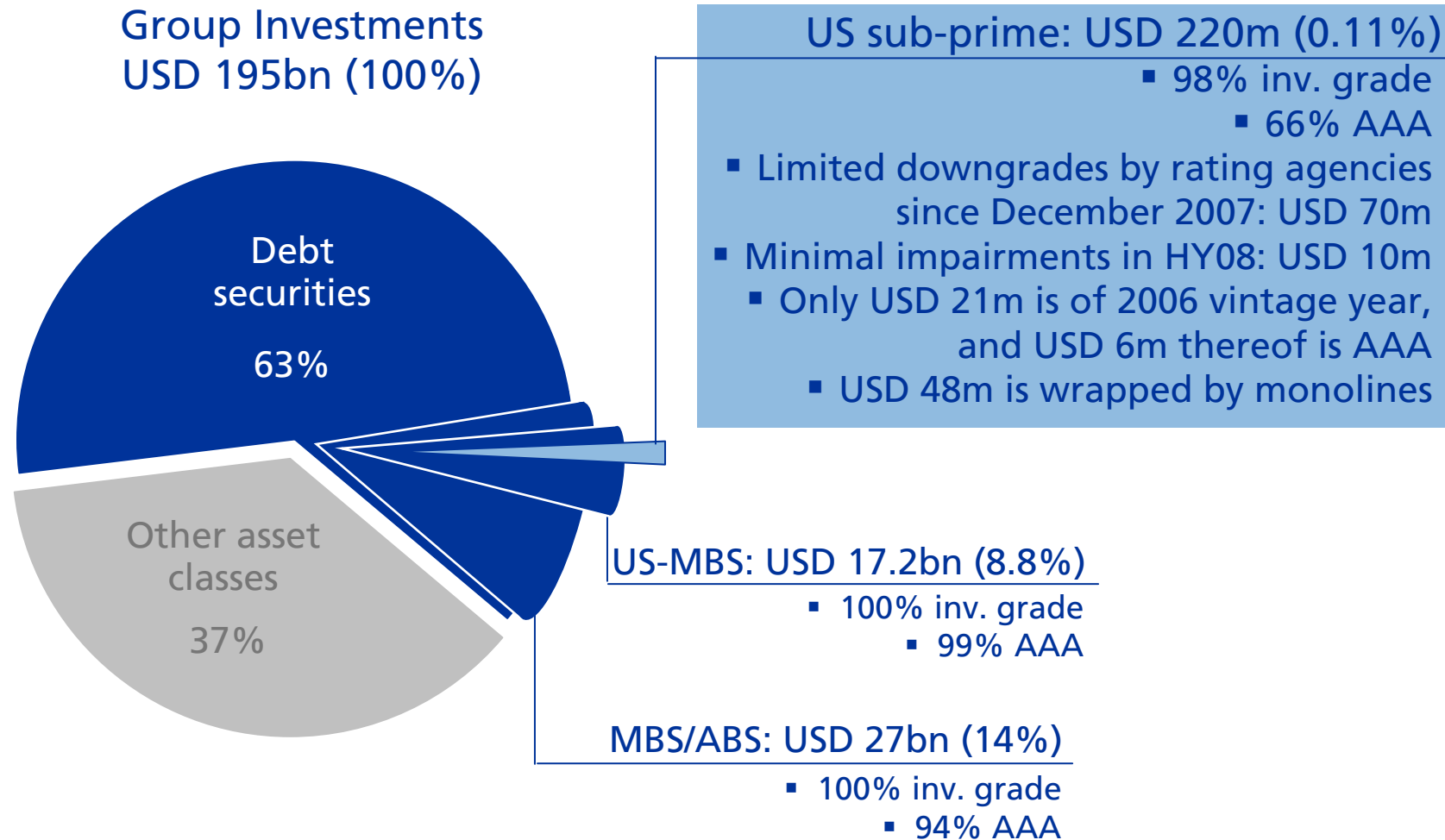
- 100% inv. grade
- 97% AAA

US "Whole Loan" Residential MBS: USD 2.4bn (1.2%)

- 100% inv. grade
- 98% AAA

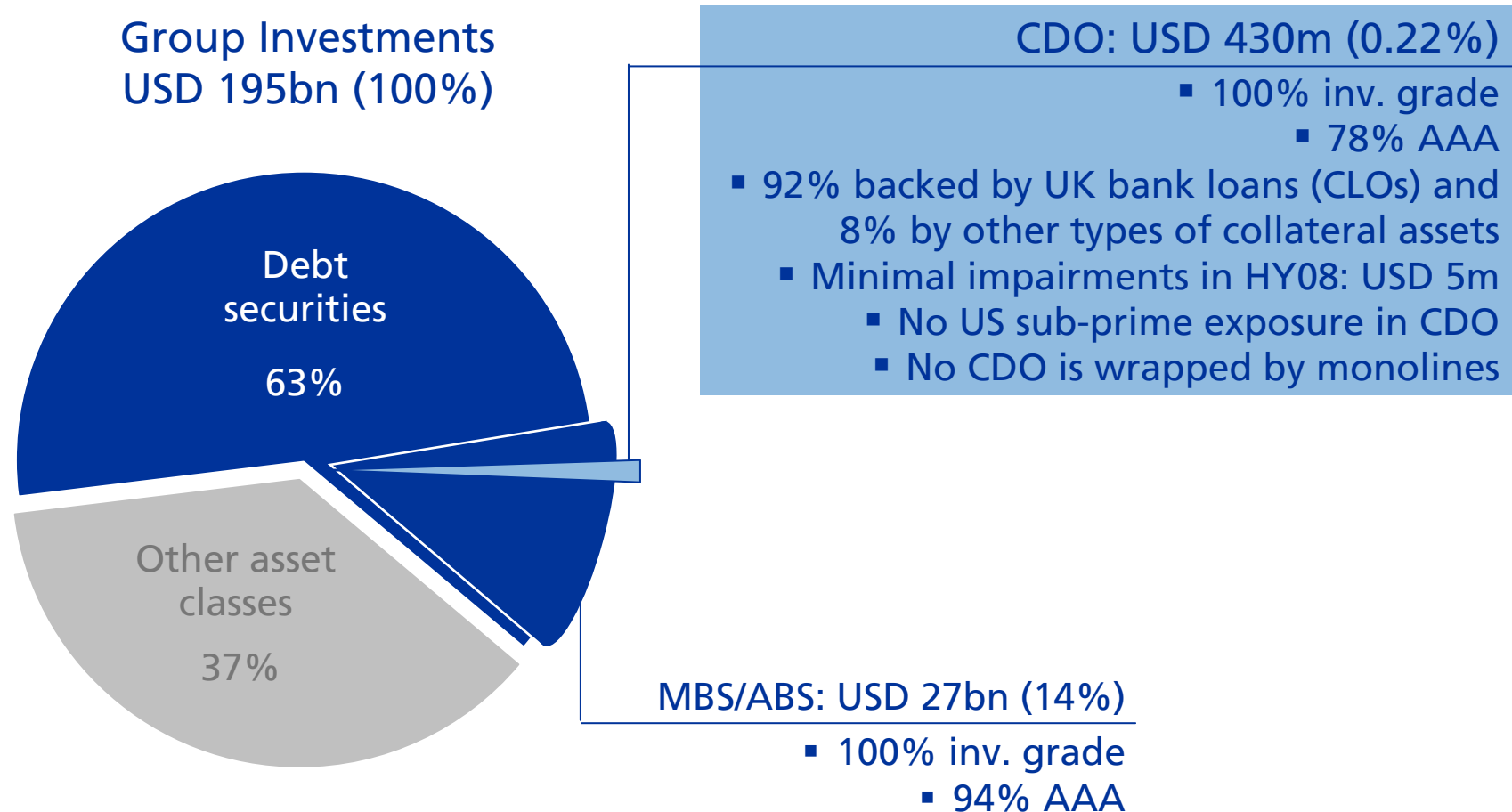
As of June 30, 2008

Group Investments – Exposure to US sub-prime remains very small (0.11%) and of high quality



As of June 30, 2008

Group Investments – Exposure to CDO remains very small (0.22%) and of high quality



As of June 30, 2008