

Consolidated Financial Statements (unaudited)

Contents

I		
1. Consolidated income statements		89
2. Consolidated statements of comprehensive income		90
3. Consolidated balance sheets		94
4. Consolidated statements of cash flows		96
5. Consolidated statements of changes in equity		98
II		
1. Basis of presentation		100
2. Acquisitions and divestments		102
3. Investments		103
4. Reserves for insurance contracts and reinsurers' share of reserves for insurance contracts		107
5. Liabilities for investment contracts with and without discretionary participation features (DPF)		110
6. Gross and ceded insurance revenues and expenses		111
7. Deferred policy acquisition costs and deferred origination costs		112
8. Goodwill and other intangible assets		113
9. Income taxes		115
10. Debt		116
11. Earnings per share		120
12. Litigation and regulatory investigations		121
13. Segment information		122

Consolidated income statements (unaudited)

In USD millions, for the period ended September 30					
		2009	2008	2009	2008
	Notes	Three months	Three months	Nine months	Nine months
Revenues					
Gross written premiums and policy fees		13,039	12,399	40,465	39,094
Less premiums ceded to reinsurers		(1,417)	(1,492)	(4,513)	(4,884)
Net written premiums and policy fees		11,622	10,907	35,952	34,210
Net change in reserves for unearned premiums		371	(387)	(1,482)	(1,928)
Net earned premiums and policy fees		11,993	10,520	34,470	32,282
Farmers management fees and other related revenues		726	635	1,973	1,831
Net investment result on Group investments	3	1,927	769	4,325	4,728
Net investment income on Group investments		1,831	2,150	5,569	6,534
Net capital gains/(losses) and impairments on Group investments		97	(1,380)	(1,245)	(1,807)
Net investment result on unit-linked investments	3	9,004	(8,221)	9,927	(17,625)
Net gain/(loss) on divestments of businesses	2	–	12	(4)	16
Other income		446	311	1,237	1,341
Total revenues		24,096	4,026	51,928	22,572
Benefits, losses and expenses					
Insurance benefits and losses, gross of reinsurance ¹	6	10,355	9,758	29,282	19,916
Less ceded insurance benefits and losses ¹	6	(890)	(1,378)	(2,451)	4,725
Insurance benefits and losses, net of reinsurance	6	9,465	8,381	26,831	24,641
Policyholder dividends and participation in profits, net of reinsurance	6	9,041	(8,293)	10,230	(17,008)
Underwriting and policy acquisition costs, net of reinsurance		1,799	2,025	5,835	6,107
Administrative and other operating expense		1,925	1,707	5,149	4,915
Interest expense on debt	10	153	147	428	449
Interest credited to policyholders and other interest		120	178	365	618
Total benefits, losses and expenses		22,503	4,145	48,839	19,724
Net income before income taxes		1,593	(119)	3,089	2,849
Income tax expense	9	(682)	287	(924)	69
attributable to policyholders	9	(467)	362	(298)	966
attributable to shareholders	9	(215)	(75)	(626)	(897)
Net income after taxes		911	168	2,165	2,917
attributable to non-controlling interests		2	14	3	83
attributable to shareholders		909	154	2,163	2,834
in USD					
Basic earnings per share	11	6.28	1.06	15.15	20.30
Diluted earnings per share	11	6.24	1.06	15.04	20.14
in CHF					
Basic earnings per share	11	6.94	1.13	16.75	21.45
Diluted earnings per share	11	6.90	1.12	16.63	21.28

¹ Effective June 30, 2008, the underlying contracts relating to a UK annuity portfolio reinsured in 2007 were transferred to the reinsurer. This transaction had no net impact on the consolidated income statement in 2008, but impacted each of these line items by USD 7.0 billion.

The notes to the consolidated financial statements are an integral part of these consolidated financial statements.

Consolidated statements of comprehensive income (unaudited)

in USD millions, for the nine months ended September 30

	Net income attributable to shareholders	Net unrealized gains/(losses) on available- for-sale investments
2008		
Comprehensive income for the period	2,834	(3,498)
Details of movements during the period		
Change (before reclassification, tax and currency translation effects and after allocation to policyholders)		(5,425)
Reclassification to income statement (before tax and currency translation effects and after allocation to policyholders)		1,241
Deferred income tax (before currency translation effects)		588
Foreign currency translation effects		98
2009		
Comprehensive income for the period	2,163	3,288
Details of movements during the period		
Change (before reclassification, tax and currency translation effects and after allocation to policyholders)		3,366
Reclassification to income statement (before tax and currency translation effects and after allocation to policyholders)		1,008
Deferred income tax (before currency translation effects)		(1,114)
Foreign currency translation effects		28

The notes to the consolidated financial statements are an integral part of these consolidated financial statements.

	Cash flow hedges	Cumulative translation adjustment	Revaluation reserve	Net actuarial gains/(losses) on pension plans	Total other comprehensive income attributable to shareholders	Total comprehensive income attributable to shareholders	Comprehensive income attributable to non-controlling interests	Total comprehensive income
	(7)	(945)	20	(375)	(4,805)	(1,971)	27	(1,944)
	(52)	(923)	20	(562)	(6,942)			
	43	(22)	–	–	1,262			
	4	–	(1)	147	738			
	(1)	–	–	40	137			
	6	1,089	–	80	4,464	6,627	102	6,728
	164	1,089	–	146	4,766			
	(146)	–	–	–	862			
	(13)	–	–	(18)	(1,144)			
	1	–	–	(48)	(20)			

Consolidated statements of comprehensive income (unaudited)

in USD millions, for the three months ended September 30

	Net income attributable to shareholders	Net unrealized gains/(losses) on available- for-sale investments
2008		
Comprehensive income for the period	154	(1,092)
Details of movements during the period		
Change (before reclassification, tax and currency translation effects and after allocation to policyholders)		(2,242)
Reclassification to income statement (before tax and currency translation effects and after allocation to policyholders)		1,041
Deferred income tax (before currency translation effects)		(37)
Foreign currency translation effects		147
2009		
Comprehensive income for the period	909	2,659
Details of movements during the period		
Change (before reclassification, tax and currency translation effects and after allocation to policyholders)		3,146
Reclassification to income statement (before tax and currency translation effects and after allocation to policyholders)		257
Deferred income tax (before currency translation effects)		(828)
Foreign currency translation effects		84

The notes to the consolidated financial statements are an integral part of these consolidated financial statements.

	Cash flow hedges	Cumulative translation adjustment	Revaluation reserve	Net actuarial gains/(losses) on pension plans	Total other comprehensive income attributable to shareholders	Total comprehensive income attributable to shareholders	Comprehensive income attributable to non-controlling interests	Total comprehensive income
	16	(1,288)	1	(323)	(2,687)	(2,533)	(41)	(2,574)
	(124)	(1,308)	(4)	(510)	(4,189)			
	132	20	–	–	1,193			
	(5)	–	4	133	94			
	14	–	–	54	215			
	28	200	1	(491)	2,397	3,306	84	3,390
	128	200	–	(610)	2,864			
	(94)	–	–	–	163			
	(5)	–	1	174	(658)			
	–	–	–	(55)	29			

The notes to the consolidated financial statements are an integral part of these consolidated financial statements.

Consolidated balance sheets (unaudited)

Assets	in USD millions, as of	Notes	09/30/09	12/31/08	12/31/07
Investments					
Total Group investments			200,975	179,570	193,600
Cash and cash equivalents			12,321	12,428	14,111
Equity securities			15,413	14,303	20,496
Debt securities			136,136	118,287	125,535
Real estate held for investment			7,920	7,524	7,563
Mortgage loans			13,060	12,820	12,718
Other loans			15,891	13,988	12,941
Investments in associates			233	220	238
Investments for unit-linked contracts			94,007	78,203	122,092
Total investments		3	294,981	257,773	315,693
Reinsurers' share of reserves for insurance contracts ¹		4	19,261	18,595	26,970
Deposits made under assumed reinsurance contracts			3,473	2,397	1,359
Deferred policy acquisition costs		7	16,085	14,323	14,941
Deferred origination costs		7	817	770	1,003
Accrued investment income			2,550	2,429	2,593
Receivables			14,197	13,229	12,846
Other assets			3,716	4,095	3,405
Mortgage loans given as collateral			1,210	1,233	2,243
Deferred tax assets			2,266	2,901	1,682
Assets held for sale ²			72	–	–
Property and equipment			1,948	1,889	1,972
Goodwill		8	2,262	1,677	1,553
Other intangible assets		8	7,099	6,633	3,083
Total assets			369,938	327,944	389,342

¹ Effective June 30, 2008, the underlying contracts relating to a UK annuity portfolio ceded in 2007 for an amount of USD 7.1 billion were transferred to the reinsurer, resulting in a reduction of reinsurers' share of reserves for insurance contracts.

² As of September 30, 2009, assets held for sale include land and buildings held for own use reclassified as assets held for sale in March 2009.

The notes to the consolidated financial statements are an integral part of these consolidated financial statements.

Liabilities
and equity

in USD millions, as of	Notes	09/30/09	12/31/08	12/31/07
Liabilities				
Reserve for premium refunds		679	620	625
Liabilities for investment contracts	5	43,773	35,979	54,485
Deposits received under ceded reinsurance contracts		1,591	1,619	1,739
Deferred front-end fees		5,468	4,695	5,791
Reserves for insurance contracts ¹	4	242,507	222,179	252,740
Obligations to repurchase securities		4,140	3,608	5,370
Accrued liabilities		2,725	2,820	2,755
Other liabilities		19,702	16,944	20,257
Collateralized loans		1,210	1,233	2,243
Deferred tax liabilities		4,348	3,485	4,057
Debt related to capital markets and banking activities	10	1,892	2,527	1,663
Senior and subordinated debt	10	11,579	8,455	8,300
Total liabilities		339,614	304,163	360,023
Equity				
Share capital		10	10	10
Additional paid-in capital		11,263	10,131	10,289
Net unrealized gains/(losses) on available-for-sale investments		331	(2,957)	202
Cash flow hedges		(9)	(16)	(103)
Cumulative translation adjustment		(252)	(1,341)	1,385
Revaluation reserve		99	99	83
Retained earnings		16,505	15,616	16,406
Common shareholders' equity		27,947	21,542	28,273
Preferred securities		561	561	671
Shareholders' equity		28,508	22,103	28,945
Non-controlling interests		1,815	1,678	374
Total equity		30,323	23,781	29,318
Total liabilities and equity		369,938	327,944	389,342

¹ Effective June 30, 2008, the underlying contracts relating to a UK annuity portfolio ceded in 2007 for an amount of USD 7.1 billion were transferred to the reinsurer, resulting in a reduction of reserves for insurance contracts.

The notes to the consolidated financial statements are an integral part of these consolidated financial statements.

Consolidated statements of cash flows (unaudited)

in USD millions, for the nine months ended September 30	2009	2008
Cash flows from operating activities		
Net income attributable to shareholders	2,163	2,834
Adjustments for:		
Net (gain)/loss on divestments of businesses	4	(16)
Share of equity in income from investments in associates	2	(3)
Depreciation, amortization and impairments of fixed and intangible assets	626	463
Other non-cash items	530	759
Underwriting activities:	10,340	(19,215)
<i>Reserves for insurance contracts, gross¹</i>	8,409	(16,161)
<i>Reinsurers' share of reserves for insurance contracts¹</i>	(84)	7,140
<i>Liabilities for investment contracts</i>	4,392	(8,395)
<i>Deferred policy acquisition costs</i>	(1,257)	(842)
<i>Deferred origination costs</i>	19	(4)
<i>Deposits made under assumed reinsurance contracts</i>	(1,069)	(887)
<i>Deposits received under ceded reinsurance contracts</i>	(70)	(66)
Investments:	(17,814)	25,084
<i>Net capital (gain)/loss on investments and impairments</i>	(7,489)	21,942
<i>Net change in trading securities</i>	96	578
<i>Sales and maturities</i>		
<i>Debt securities</i>	155,880	59,616
<i>Equity securities</i>	34,757	49,658
<i>Other</i>	32,200	23,622
<i>Purchases</i>		
<i>Debt securities</i>	(164,109)	(59,237)
<i>Equity securities</i>	(35,717)	(47,211)
<i>Other</i>	(33,432)	(23,884)
Proceeds from sale and repurchase agreements	181	(377)
Movements in receivables and payables	1,121	(2,194)
Net changes in debt for capital markets and banking activities	(692)	347
Net changes in other operational assets and liabilities	796	(1,128)
Deferred income tax, net	269	(609)
Net cash (used in)/provided by operating activities	(2,475)	5,945

¹ Effective June 30, 2008, the underlying contracts relating to a UK annuity portfolio ceded in 2007 for an amount of USD 7.1 billion were transferred to the reinsurer, resulting in a reduction of both the reinsurer's share of reserves for insurance contracts and gross reserves for insurance contracts.

The notes to the consolidated financial statements are an integral part of these consolidated financial statements.

in USD millions, for the nine months ended September 30	2009	2008
Cash flows from investing activities		
Sales of property and equipment	52	239
Purchase of property and equipment	(176)	(323)
Investments in associates, net	2	11
Acquisitions of companies, net of cash acquired	(303)	(745)
Divestments of companies, net of cash balances	(10)	5
Dividends from associates	–	1
Net cash used in investing activities	(434)	(812)
Cash flows from financing activities		
Dividends paid	(1,422)	(2,005)
Issuance of Share Capital	918	
Net movement in treasury shares	306	(863)
Redemption of preferred securities and repayments to non-controlling interests	–	(125)
Issuance of debt	3,441	1,119
Repayments of debt outstanding	(875)	(691)
Net cash from (used in) financing activities	2,369	(2,565)
Foreign currency translation effects on cash and cash equivalents	896	(843)
Change in cash and cash equivalents excluding change in cash held as collateral for securities lending ¹	356	1,725
Cash and cash equivalents as of January 1, excluding cash held as collateral for securities lending	16,711	15,251
Cash and cash equivalents as of September 30, excluding cash held as collateral for securities lending	17,067	16,976
Change in cash held as collateral for securities lending	632	(852)
Cash and cash equivalents as of January 1, including cash held as collateral for securities lending	16,888	17,128
Cash and cash equivalents as of September 30, including cash held as collateral for securities lending	17,875	18,001
of which:		
– cash and cash equivalents – Group Investments	12,321	13,651
– cash and cash equivalents – unit linked	5,554	4,350
Other supplementary cash flow disclosures		
Other interest income received	5,441	6,753
Dividend income received	1,212	2,477
Other interest expense paid	(742)	(1,060)
Income tax paid	(767)	(1,097)

As of September 30, 2009 and 2008, cash and cash equivalents restricted as to use were USD 1,500 million and USD 1,464 million, respectively. Cash and cash equivalents held for the benefit of policyholders in connection with unit-linked products amounted to USD 5,554 million and USD 4,350 million as of September 30, 2009 and 2008, respectively.

Cash and cash equivalents

in USD millions, as of September 30	2009	2008
Cash and cash equivalents comprise the following:		
Cash at bank and in hand	6,622	6,461
Cash equivalents	10,445	10,515
Cash held as collateral for securities lending	808	1,025
Total	17,875	18,001

Consolidated statements of changes in equity (unaudited)

in USD millions	Share capital	Additional paid-in capital	Net unrealized gains/(losses) on available-for-sale investments
Balance as of December 31, 2007	10	10,289	202
Issuance of share capital	–	1	–
Dividends to shareholders	–	–	–
Redemption of preferred shares	–	(14)	–
Share-based payment transactions	–	3	–
Treasury share transactions	–	(236)	–
Total comprehensive income for the period, net of tax	–	–	(3,498)
<i>Net income</i>	–	–	–
<i>Net unrealized gains/(losses) on available-for-sale investments</i>	–	–	(3,498)
<i>Cash flow hedges</i>	–	–	–
<i>Cumulative translation adjustment</i>	–	–	–
<i>Revaluation reserve</i>	–	–	–
<i>Net actuarial gains/(losses) on pension plans</i>	–	–	–
Net changes in capitalization and non-controlling interests	–	–	–
Balance as of September 30, 2008	10	10,044	(3,296)
Balance as of December 31, 2008	10	10,131	(2,957)
Issuance of share capital ^{1,2}	–	918	–
Dividends to shareholders	–	–	–
Share-based payment transactions	–	(41)	–
Treasury share transactions ³	–	255	–
Total comprehensive income for the period, net of tax	–	–	3,288
<i>Net income</i>	–	–	–
<i>Net unrealized gains/(losses) on available-for-sale investments</i>	–	–	3,288
<i>Cash flow hedges</i>	–	–	–
<i>Cumulative translation adjustment</i>	–	–	–
<i>Revaluation reserve</i>	–	–	–
<i>Net actuarial gains/(losses) on pension plans</i>	–	–	–
Net changes in capitalization and non-controlling interests	–	–	–
Balance as of September 30, 2009	10	11,263	331

¹ Includes all transaction costs amounting to USD 41 million deducted from the proceeds related to the issuance of USD 1.2 billion (CHF 1.3 billion) in capital through the accelerated book building transaction.

² The number of common shares issued as of September 30, 2009 was 147,411,437 (September 30, 2008: 142,121,026, December 31, 2008: 142,122,620, December 31, 2007: 145,546,820).

³ The number of treasury shares deducted from equity amounted to 3,273,736 and 5,219,803 as of September 30, 2009 and December 31, 2008, respectively.

	Cash flow hedges	Cumulative translation adjustment	Revaluation reserve	Retained earnings	Common shareholders' equity	Preferred securities	Shareholders' equity	Non-controlling interests	Total equity
	(103)	1,385	83	16,406	28,273	671	28,945	374	29,318
	-	-	-	-	1	-	1	-	1
	-	-	-	(2,064)	(2,064)	(26)	(2,090)	(13)	(2,103)
	-	-	-	-	(14)	(110)	(124)	-	(124)
	-	-	-	-	3	-	3	-	3
	-	-	-	(627)	(863)	-	(863)	-	(863)
	(7)	(945)	20	2,433	(1,997)	26	(1,971)	27	(1,944)
	-	-	-	2,808	2,808	26	2,834		
	-	-	-	-	(3,498)	-	(3,498)		
	(7)	-	-	-	(7)	-	(7)		
	-	(945)	-	-	(945)	-	(945)		
	-	-	20	-	20	-	20		
	-	-	-	(375)	(375)	-	(375)		
	-	-	-	-	-	-	-	363	363
	(109)	440	103	16,148	23,339	561	23,900	751	24,651
	(16)	(1,341)	99	15,616	21,542	561	22,103	1,678	23,781
	-	-	-	-	918	-	918	-	918
	-	-	-	(1,389)	(1,389)	(16)	(1,405)	(17)	(1,422)
	-	-	-	-	(41)	-	(41)	-	(41)
	-	-	-	51	306	-	306	-	306
	6	1,089	-	2,227	6,611	16	6,627	102	6,728
	-	-	-	2,147	2,147	16	2,163		
	-	-	-	-	3,288	-	3,288		
	6	-	-	-	6	-	6		
	-	1,089	-	-	1,089	-	1,089		
	-	-	-	-	-	-	-		
	-	-	-	80	80	-	80		
	-	-	-	-	-	-	-	52	52
	(9)	(252)	99	16,505	27,947	561	28,508	1,815	30,323

1. Basis of presentation

General information

The unaudited consolidated financial statements for the nine months ended September 30, 2009 of Zurich Financial Services Ltd and its subsidiaries (the Group) have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting". The accounting policies used to prepare the unaudited financial statements comply with International Financial Reporting Standards (IFRS), and are consistent with those set out in the notes to the consolidated financial statements in the Financial Report 2008 of the Group except as outlined below.

The accounting policies applied by the reportable segments are the same as those applied by the Group. The Group accounts for inter-segment revenues and transfers as if the transactions were with third parties at current market prices, with the exception of dividends, realized capital gains as well as gains and losses on transfer of net assets, which are eliminated against equity.

The unaudited consolidated financial statements should be read in conjunction with the Group's Financial Report 2008.

Certain amounts recorded in the unaudited consolidated financial statements reflect estimates and assumptions made by management about insurance liability reserves, investment valuations, interest rates and other factors. Actual results may differ from the estimates and assumptions made. In addition, interim results are not necessarily indicative of full year results.

As part of our process to continue to improve the presentation of the Group's consolidated financial statements, we have made certain changes regarding the presentation of "Other investments" in order to better reflect their nature and measurement basis. These changes in presentation have no effect on the previously reported net income or shareholders' equity. Comparative information has been amended to reflect this change.

"Short-term investments", previously reported under "Other investments" amounting to USD 2,307 million (of which Group Investments represented USD 2,103 million) and USD 2,929 million (of which Group Investments represented USD 1,944 million) as of December 31, 2008 and 2007, respectively, are now presented, depending on their nature and measurement basis, under "Cash equivalents", "Debt securities – Available-for-sale", "Debt securities – Fair value through profit and loss", "Debt securities – Trading" or "Other loans". Similarly, Group investments previously presented under "Other" within "Other investments" amounting to USD 61 million and USD 80 million as of December 31, 2008 and 2007, respectively, are now presented under "Equity securities – Trading". These changes in presentation are reflected in the consolidated balance sheets, consolidated statements of cash flows and notes 3 and 13.

As of December 31, 2008 an amount of USD 618 million previously reported under "Debt securities - Available-for-sale", is now presented under "Other loans" to better reflect the nature of the underlying investments.

USD 169 million and USD 177 million as of December 31, 2008 and 2007, respectively, previously presented under "Goodwill" but in substance comparable to distribution agreement intangible assets is now reported under "Other intangible assets". This is a change in presentation with no effect on the previously reported net income or shareholders' equity as the asset was fair valued as of year end 2008. Comparative amounts have been amended accordingly in the consolidated balance sheets and note 8.

The treatment of the elimination of intersegment transactions has been changed to eliminate gross up effects on certain intercompany clearing accounts. This change results in an increase/(decrease) on the intersegment revenue line for the nine months ended September 30, 2008 as follows: USD 586 million in General Insurance, USD (12) million in Global Life, USD (14) million in Farmers, USD (600) million in Other Operating Businesses and USD 43 million in Non-Core Businesses. The change has no impact on either segmental Business Operating Profit (BOP) or net income of the Group.

All amounts in the unaudited consolidated financial statements are shown in USD millions, rounded to the nearest million unless otherwise stated with the consequence that the rounded amounts may not add to the rounded total in all cases.

Changes related to operating segments are shown in note 13.

The table below summarizes the principal exchange rates that have been used for translation purposes. Net gains (losses) on foreign currency transactions included in the unaudited consolidated income statements were USD (15) million and USD 142 million for the nine months ended September 30, 2009 and 2008, respectively. Foreign currency exchange forward and swap gains and (losses) included in these amounts were USD 81 million and USD (292) million for the nine months ended September 30, 2009 and 2008, respectively.

Principal exchange rates	Table 1 USD per foreign currency unit			
	Balance sheets		Income statements and cash flows	
	09/30/09	12/31/08	09/30/09	09/30/08
Euro	1.4630	1.3924	1.3654	1.5217
Swiss franc	0.9640	0.9371	0.9044	0.9464
British pound sterling	1.6012	1.4620	1.5423	1.9479

Implementation of new accounting standards

The following new accounting standards or amendments to and interpretations of standards relevant to the Group have been implemented for the financial year beginning January 1, 2009 with no material impact on the Group's financial position or performance.

- IFRS 8 "Operating Segments": The segment disclosures reflect the implementation of this standard. Segment information is disclosed in the manner in which the business is managed. As a result, the Group has amended its segment structure and some reporting units have been allocated to a different reportable segment. Additionally, the Group now includes its internal performance measure, Business Operating Profit (BOP), in the segment disclosures. Comparative information has been amended accordingly. Further details on segments are provided in note 13.
- Amendment to IAS 23 "Borrowing Costs"
- Amendment to IAS 32 "Financial Instruments: Presentation" and to IAS 1 "Presentation of Financial Instruments – Puttable Financial Instruments and Obligations Arising on Liquidation"
- Amendment to IFRS 2 "Vesting Conditions and Cancellations"
- IFRIC 13 "Customer Loyalty Programmes"

Standards and amendments effective for annual periods beginning on or after July 1, 2009

The Group has not early adopted the following standards:

- IFRS 3 "Business Combinations" revised
- Amendments to IAS 27 "Consolidated and separate Financial Statements"
- Amendments to IAS 39 "Financial Instruments: Recognition and Measurements - Eligible Hedged Items"
- IFRIC 17 "Distributions of Non-cash Asset to Owners"

2. Acquisitions and divestments

On July 1, 2009, the Group completed the acquisition of 100 percent of the U.S. Personal Auto Group, primarily comprising the direct platform of 21st Century and consequently named "21st Century" going forward from American International Group, Inc. The initial purchase price amounted to USD 1,914 million, of which USD 1,713 million was paid in cash and USD 201 million was met through the issue of Euro denominated Subordinated Capital Notes. As part of the transaction, the Group contemporaneously sold the regulated insurance businesses and certain other related net assets to the Farmers Exchanges, which the Group manages but does not own, for USD 1,393 million in cash, resulting in a net purchase price of USD 521 million for the management services business retained by the Group. Up to September 30, 2009, the Group has incurred transaction costs directly attributable to the business combination of USD 17 million, which are included in the total acquisition costs of USD 538 million. Based on the provisional purchase price allocation, net tangible assets of USD 29 million and capitalized software of USD 114 million were acquired. The residual goodwill of USD 395 million reflects the economic benefit of the retained management services business. The book value of net assets prior to acquisition amounted to USD 162 million. The purchase price and related purchase price allocation are expected to be finalized in 2010.

In the first quarter 2009, the Group completed the provisional purchase price allocation for the acquisition of 87.35 percent of Companhia de Seguros Minas Brasil (CSMB), a general insurer based in Brazil, and of 100 percent of Minas Brasil Seguradora Vida e Previdência S.A. (MBVP), a life insurer based in Brazil. These acquisitions from Banco Mercantil do Brasil S.A. (Banco Mercantil) and two private investors were completed on November 28, 2008. As part of this transaction, the Group entered into an exclusive distribution agreement with Banco Mercantil for both life and general insurance products. Following price adjustments in accordance with the purchase agreement, total acquisition costs for CSMB, MBVP and the distribution agreement amounted to USD 124 million and, based on the provisional purchase price allocation, included net tangible assets acquired of USD 9 million and identifiable intangible assets, net of deferred tax, of USD 19 million, mainly relating to the distribution agreement with Banco Mercantil. The residual goodwill of USD 96 million represents expected synergies and growth opportunities from the bank distribution agreement and the expansion of other sales channels. On September 28, 2009 the Group completed a tender offer for an additional 7.92 percent of the outstanding shares of CSMB for a total consideration of USD 14 million, resulting in total ownership of 95.27 percent of the share capital of CSMB and an increase of goodwill of USD 13 million. As of September 30, 2009, the purchase price allocation for CSMB and MBVP is still provisional.

The Group completed the acquisition of 50 percent of Banco Sabadell S.A.'s (Banco Sabadell) life insurance, pension and general insurance operations on September 18, 2008. In 2009, the Group completed its fair value procedures relating to the determination of the final purchase price. As a result the total acquisition costs have been revised to USD 1,049 million, compared with the initial estimate of USD 976 million. The final total acquisition costs comprised net tangible assets acquired with a fair value of USD 167 million, identifiable intangible assets, net of deferred tax, of USD 1,931 million (USD 2,754 million before tax, mainly relating to distribution agreements with Banco Sabadell) of USD 2,306 million and the present value of acquired insurance contracts of USD 437 million) and non-controlling interests of USD 1,049 million.

In the first quarter 2009, the Group completed the sale of all of its shares in Pafoong Insurance Company (Hong Kong) Limited based in Hong Kong and in Constellation Reinsurance Company based in New York, recording a loss on disposal in aggregate of USD 4 million.

3. Investments

Table 3.1a

Investment result for total investments	in USD millions, for the nine months ended September 30					
	Net investment income		Net capital gains/(losses) on investments and impairments		Investment result	
	2009	2008	2009	2008	2009	2008
Cash and cash equivalents	127	539	111	5	238	544
Equity securities	1,201	2,537	8,495	(19,386)	9,696	(16,849)
Debt securities	4,321	4,855	(101)	(2,360)	4,219	2,495
Real estate held for investment	591	694	(479)	(736)	112	(42)
Mortgage loans	428	499	(180)	(12)	247	487
Other loans	531	497	18	3	549	501
Investments in associates	(2)	3	(2)	(11)	(4)	(8)
Other investments ¹	49	168	(372)	555	(323)	723
Investment result, gross	7,245	9,793	7,489	(21,942)	14,735	(12,149)
Investment expenses	(483)	(749)	–	–	(483)	(749)
Investment result, net	6,762	9,044	7,489	(21,942)	14,251	(12,897)

¹ Including net capital gains/(losses) on derivative financial instruments of USD (341) million and USD 572 million for the nine months ended September 30, 2009 and 2008, respectively, of which net capital gains/(losses) on derivatives attributable to cash flow hedge ineffectiveness amounted to USD 26 million and USD (3) million for the nine months ended September 30, 2009 and 2008, respectively.

Rental operating expenses for real estate held for investment included in investment expenses for total investments amounted to USD 99 million and USD 130 million for the nine months ended September 30, 2009 and 2008, respectively.

Table 3.1b

Investment result for Group investments	in USD millions, for the nine months ended September 30					
	Net investment income		Net capital gains/(losses) on investments and impairments		Investment result	
	2009	2008	2009	2008	2009	2008
Cash and cash equivalents	82	401	6	–	88	401
Equity securities	266	477	(375)	(908)	(109)	(431)
Debt securities	4,087	4,482	(450)	(1,719)	3,637	2,763
Real estate held for investment	342	376	140	234	483	609
Mortgage loans	428	499	(180)	(12)	247	487
Other loans	529	497	18	3	546	501
Investments in associates	(2)	3	(2)	(11)	(4)	(8)
Other investments ¹	5	(10)	(401)	606	(396)	595
Investment result, gross for Group investments	5,738	6,724	(1,245)	(1,807)	4,493	4,917
Investment expenses for Group investments	(168)	(189)	–	–	(168)	(189)
Investment result, net for Group investments	5,569	6,534	(1,245)	(1,807)	4,325	4,728

¹ Including net capital gains/(losses) on derivative financial instruments of USD (399) million and USD 629 million for the nine months ended September 30, 2009 and 2008, respectively, of which net capital gains/(losses) on derivatives attributable to cash flow hedge ineffectiveness amounted to USD 26 million and USD (3) million for the nine months ended September 30, 2009 and 2008, respectively.

For the nine months ended September 30, 2009 and 2008, respectively, impairment charges on Group investments included in net capital losses amounted to USD 1,117 million and USD 1,624 million, of which impairment charges on mortgage loans and other investments comprised USD 180 million and USD 35 million, respectively.

Table 3.1c

Investment result for unit-linked contracts

in USD millions, for the nine months ended September 30		Net investment income		Net capital gains/(losses) on investments		Investment result	
		2009	2008	2009	2008	2009	2008
Cash and cash equivalents		44	138	106	5	150	143
Equity securities		935	2,061	8,870	(18,479)	9,804	(16,418)
Debt securities		234	373	349	(641)	583	(268)
Real estate held for investment		249	318	(619)	(969)	(371)	(651)
Other loans		2	–	–	–	2	–
Other investments ¹		44	178	29	(51)	73	128
Investment result, gross for unit-linked contracts		1,508	3,069	8,734	(20,135)	10,242	(17,066)
Investment expenses for unit-linked contracts		(315)	(559)	–	–	(315)	(559)
Investment result, net unit-linked contracts		1,192	2,510	8,734	(20,135)	9,927	(17,625)

¹ Including net capital gains/(losses) on derivative financial instruments of USD 57 million and USD (57) million for the nine months ended September 30, 2009 and 2008, respectively.

Table 3.2

Net capital gains, losses and impairments on equity and debt securities

in USD millions, for the nine months ended September 30		Equity securities		Debt securities		Total	
		2009	2008	2009	2008	2009	2008
Securities at fair value through profit or loss:		9,212	(18,913)	466	(1,103)	9,678	(20,016)
Net capital gains/(losses) on Group investments							
<i>Trading securities</i>		34	(144)	(2)	(35)	32	(180)
<i>Securities designated at fair value through profit or loss</i>		309	(290)	118	(426)	427	(716)
Net capital gains/(losses) for unit-linked contracts		8,870	(18,479)	349	(641)	9,219	(19,120)
Available-for-sale securities:		(717)	(473)	(505)	(1,193)	(1,222)	(1,666)
Realized capital gains on Group investments		170	396	676	238	846	634
Realized capital losses on Group investments		(396)	(372)	(797)	(404)	(1,193)	(776)
Impairments on Group investments		(491)	(497)	(384)	(1,027)	(875)	(1,524)
Held-to-maturity securities ¹		–	–	(63)	(65)	(63)	(65)
Total net capital gains/(losses) and impairments		8,495	(19,386)	(101)	(2,360)	8,394	(21,746)

¹ Including impairments on held-to-maturity securities of USD (62) million and USD (65) million for the nine months ended September 30, 2009 and 2008.

Details of total investments by category	as of	Total investments			
		09/30/09		12/31/08	
		USD millions	% of total	USD millions	% of total
Cash and cash equivalents		17,875	6.1	16,888	6.6
Equity securities:					
Fair value through profit or loss		80,394	27.3	65,150	25.3
<i>of which: trading</i>		1,117	0.4	1,419	0.6
<i>of which: trading equity portfolios in capital markets and banking activities</i>		668	0.2	786	0.3
Available-for-sale		10,066	3.4	9,307	3.6
Total equity securities		90,460	30.7	74,458	28.9
Debt securities:					
Fair value through profit or loss		17,468	5.9	16,801	6.5
<i>of which: trading</i>		84	0.0	186	0.1
Available-for-sale		123,001	41.7	105,752	41.0
Held-to-maturity		5,400	1.8	5,244	2.0
Total debt securities		145,870	49.5	127,797	49.6
Real estate held for investment		11,590	3.9	11,601	4.5
Mortgage loans		13,060	4.4	12,820	5.0
Other loans		15,893	5.4	13,990	5.4
Investments in associates		233	0.1	220	0.1
Total investments		294,981	100.0	257,773	100.0

Details of Group investments by category	as of	Group investments			
		09/30/09		12/31/08	
		USD millions	% of total	USD millions	% of total
Cash and cash equivalents		12,321	6.1	12,428	6.9
Equity securities:					
Fair value through profit or loss		5,347	2.7	4,996	2.8
<i>of which: trading</i>		1,117	0.6	1,419	0.8
<i>of which: trading equity portfolios in capital markets and banking activities</i>		668	0.3	786	0.4
Available-for-sale		10,066	5.0	9,307	5.2
Total equity securities		15,413	7.7	14,303	8.0
Debt securities:					
Fair value through profit or loss		7,734	3.8	7,291	4.1
<i>of which: trading</i>		84	0.0	186	0.1
Available-for-sale		123,001	61.2	105,752	58.9
Held-to-maturity		5,400	2.7	5,244	2.9
Total debt securities		136,136	67.7	118,287	65.9
Real estate held for investment		7,920	3.9	7,524	4.2
Mortgage loans		13,060	6.5	12,820	7.1
Other loans		15,891	7.9	13,988	7.8
Investments in associates		233	0.1	220	0.1
Total Group investments		200,975	100.0	179,570	100.0

Cash and investments with a carrying value of USD 4,881 million and USD 5,235 million were deposited with regulatory authorities as of September 30, 2009 and December 31, 2008, respectively.

Securities under security lending and short-term sale and repurchase agreements

As of September 30, 2009 and December 31, 2008, investments included USD 4,392 million and USD 2,917 million, respectively, of loaned securities. These loaned securities were mainly debt securities. Cash and cash equivalents included USD 808 million and USD 177 million of cash received as collateral for loaned securities as of September 30, 2009 and December 31, 2008, respectively. Liabilities for cash collateral received for securities lending comprised USD 826 million and USD 182 million as of September 30, 2009 and December 31, 2008, respectively. Non-cash collateral received for loaned securities comprised mainly equity and debt securities and amounted to USD 3,895 million and USD 3,274 million as of September 30, 2009 and December 31, 2008, respectively. The Group can sell or repledge the collateral only in the event of default by a counterparty.

As of September 30, 2009 and December 31, 2008, respectively, debt securities with a carrying value of USD 4,151 million and USD 3,608 million have been sold to financial institutions under short-term sale and repurchase agreements. These securities continue to be recognized as investments in the balance sheets. Obligations to repurchase these securities amounted to USD 4,140 million and USD 3,608 million as of September 30, 2009 and December 31, 2008, respectively. The Group retains the rights to the risks and rewards of ownership of loaned securities and securities under short-term sale and repurchase agreements. These risks and rewards include changes in market values and income earned.

Table 3.3c

Details of investments held for unit-linked contracts

as of	Investments for unit-linked contracts			
	09/30/09		12/31/08	
	USD millions	% of total	USD millions	% of total
Cash and cash equivalents	5,554	5.9	4,460	5.7
Equity securities	75,047	79.8	60,154	76.9
Debt securities	9,734	10.4	9,510	12.2
Real estate held for investment	3,669	3.9	4,077	5.2
Other loans	2	0.0	2	0.0
Total investments for unit-linked contracts	94,007	100.0	78,203	100.0

Investments held under unit-linked investments contracts are classified as designated at fair value through profit or loss.

Table 3.4

Net unrealized gains/(losses) on investments included in shareholders' equity

in USD millions, as of	Total	
	09/30/09	12/31/08
Equity securities: available-for-sale	(105)	(1,490)
Debt securities: available-for-sale	1,708	(2,791)
Other	(27)	(2)
Less: amount of net unrealized gains/(losses) on investments attributable to:		
Life policyholder dividends and other policyholder liabilities	(846)	236
Life deferred acquisition costs	(92)	256
Deferred income taxes	(300)	837
Non-controlling interests	(18)	(18)
Total¹	322	(2,973)

¹ Net unrealized gains/(losses) include net losses arising on cash flow hedges of USD (9) million and USD (16) million as of September 30, 2009 and December 31, 2008, respectively.

4. Reserves for insurance contracts and reinsurers' share of reserves for insurance contracts

Reserves for insurance contracts	in USD millions, as of		09/30/09	12/31/08
	Gross			
Reserves for losses and loss adjustment expenses			68,438	65,218
Reserves for unearned premiums			18,787	16,399
Future life policyholders' benefits			80,713	76,218
Policyholders' contract deposits and other funds			19,048	17,047
Reserves for unit-linked contracts			55,520	47,297
Total reserves for insurance contracts, gross			242,507	222,179
Ceded				
Reserves for losses and loss adjustment expenses			(12,577)	(12,232)
Reserves for unearned premiums			(2,255)	(1,889)
Future life policyholders' benefits			(2,034)	(1,873)
Policyholders' contract deposits and other funds			(2,493)	(2,690)
Reinsurers' share of reserves for insurance contracts, ceded ¹			(19,358)	(18,684)
Net				
Reserves for losses and loss adjustment expenses			55,862	52,986
Reserves for unearned premiums			16,532	14,510
Future life policyholders' benefits			78,679	74,345
Policyholders' contract deposits and other funds			16,555	14,357
Reserves for unit-linked contracts			55,520	47,297
Total reserves for insurance contracts, net			223,149	203,495

¹ Gross of allowance for uncollectible amounts of USD 97 million and USD 89 million as of September 30, 2009 and December 31, 2008, respectively.

Development of reserves for losses and loss adjustment expenses	in USD millions		Gross		Ceded		Net	
	2009	2008	2009	2008	2009	2008		
As of January 1	65,218	67,890	(12,232)	(13,179)	52,986	54,712		
Losses and loss adjustment expenses incurred:								
Current year	20,855	21,577	(1,956)	(2,157)	18,899	19,420		
Prior years	(421)	(958)	(112)	32	(533)	(925)		
Total	20,434	20,619	(2,068)	(2,125)	18,366	18,495		
Losses and loss adjustment expenses paid:								
Current year	(6,972)	(6,533)	245	303	(6,727)	(6,229)		
Prior years	(12,577)	(12,023)	1,798	1,785	(10,779)	(10,238)		
Total	(19,549)	(18,556)	2,043	2,089	(17,506)	(16,467)		
Acquisitions/(divestments) of companies and businesses	103	106	1	(30)	104	76		
Foreign currency translation effects	2,232	(2,186)	(321)	370	1,912	(1,816)		
As of September 30	68,438	67,874	(12,577)	(12,875)	55,862	54,999		

The Group establishes loss reserves, which are estimates of future payments of reported and unreported claims for losses and related expenses, with respect to insured events that have occurred. Reserving is a complex process dealing with uncertainty, requiring the use of informed estimates and judgments. Any changes in estimates or judgments are reflected in the results of operations in the period in which estimates and judgments are changed.

Significant delays may occur in the notification and settlement of claims, and a substantial measure of experience and judgment is involved in assessing outstanding liabilities, the ultimate cost of which cannot be known with certainty as of the balance sheet date. The reserves for losses and loss adjustment expenses are determined on the basis of information currently available; however, it is inherent in the nature of the business written that the ultimate liabilities may vary as a result of subsequent developments.

Table 4.2 shows the development of reserves for losses and loss adjustment expenses during the first nine months of each year. As of September 30, 2009, net reserves for loss and loss adjustment expenses increased by USD 2.9 billion to USD 55.9 billion compared with December 31, 2008. Of this increase, USD 1.9 billion is due to the effects of foreign currency translation. The development of reserves established in prior years was positive at USD 533 million emerging from a variety of regions and lines of business after absorbing a strengthening of reserves for UK asbestos.

Table 4.3

Development of future life policyholders' benefits	in USD millions					
	Gross		Ceded		Net	
	2009	2008	2009	2008	2009	2008
As of January 1	76,218	80,147	(1,873)	(9,258)	74,345	70,889
Premiums and claims ¹	(1,538)	(10,257)	24	7,391	(1,514)	(2,866)
Interest and bonuses credited to policyholders	2,007	2,305	(52)	(247)	1,955	2,059
Change in assumptions	317	(664)	(5)	391	312	(272)
Acquisitions/transfers	–	2,273	–	(281)	–	1,991
(Decrease)/increase recorded in shareholders' equity	115	(76)	–	(10)	115	(86)
Foreign currency translation effects	3,594	(2,289)	(127)	200	3,467	(2,089)
As of September 30	80,713	71,439	(2,034)	(1,814)	78,679	69,625

¹ Effective June 30, 2008, the underlying contracts relating to a UK annuity portfolio ceded in 2007 for an amount of USD 7.1 billion were transferred to the reinsurer, resulting in a reduction of gross and ceded future life policyholders' benefits.

Table 4.4

Policyholders' contract deposits and other funds gross	in USD millions, as of	
	09/30/09	12/31/08
Annuities	2,633	2,393
Universal life and other contracts	10,830	10,365
Policyholder dividends	5,585	4,289
Total	19,048	17,047

Table 4.5

Development of policyholders' contract deposits and other funds	in USD millions					
	Gross		Ceded		Net	
	2009	2008	2009	2008	2009	2008
As of January 1	17,047	18,687	(2,690)	(2,976)	14,357	15,711
Premiums and claims	(535)	(548)	275	225	(260)	(323)
Interest and bonuses credited to policyholders	651	95	(68)	(79)	583	15
Change in assumptions	–	(2)	–	1	–	–
Acquisitions/transfers	92	12	–	(9)	92	3
(Decrease)/increase recorded in shareholders' equity	948	(1,236)	–	(2)	948	(1,239)
Foreign currency translation effects	846	(241)	(9)	5	837	(236)
As of September 30	19,048	16,766	(2,493)	(2,836)	16,555	13,930

Development of reserves for unit-linked contracts	in USD millions	Gross		Ceded		Net	
		2009	2008	2009	2008	2009	2008
		As of January 1	47,297	70,075	–	–	47,297
Premiums and claims	(40)	(1,375)	–	–	(40)	(1,375)	
Interest and bonuses credited/(charged) to policyholders	5,169	(9,703)	–	–	5,169	(9,703)	
Acquisitions/transfers	–	58	–	–	–	58	
Foreign currency translation effects	3,094	(3,873)	–	–	3,094	(3,873)	
As of September 30	55,520	55,182	–	–	55,520	55,182	

Guarantees arising from minimum death benefits (GMDB) and retirement income benefits (GRIB)

Certain products for which policyholders bear in full the credit and market risks associated with the underlying invested funds selected by them contain guarantees for which liabilities have been recorded for additional benefits and minimum guarantees. These arise primarily in the subsidiary Kemper Investors Life Insurance Company which has written variable annuity contracts that provide policyholders with certain guarantees related to minimum death and income benefits. The determination of these liabilities is based on models that involve a range of scenarios and assumptions, including those regarding expected market rates of return and volatility, contract surrender rates, annuitization elections and mortality experience. After 2001 the Group no longer issued new variable annuity contracts that provide policyholders with minimum death and retirement income benefit guarantees.

Information on guaranteed liabilities	in USD millions (except average attained age), as of	09/30/09	12/31/08
		Account balance for products with guarantee features	
Gross	1,801	1,966	
Ceded	(188)	(187)	
Net	1,612	1,778	
Amount at risk from minimum death benefits (GMDB)			
Gross	1,306	1,744	
Ceded	(239)	(290)	
Net	1,067	1,453	
Average attained age of policyholders (in years)	64	64	

The net amount at risk is the present value of payouts exceeding the current policyholder account balance assuming the payout criteria in all policies would have been collectively triggered as of the balance sheet date. The net amount at risk is not the same as the fair value of these benefits, as it does not fully take into account the option value accruing to the policyholder. In determining the excess benefit reserve, the Group follows the guidance in the U.S. Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") related to insurance companies and contracts. Under this guidance the new reserve level is determined from expected policyholder benefits net of assessments, coupled with a loss adequacy test on the result taking into account policyholder behavior experience and current market conditions. Policyholder behavior assumptions are updated when statistically relevant changes in behavior have been observed. The liability for future life policyholder benefits net of reinsurance includes an excess benefit reserve of USD 728 million and USD 513 million as of September 30, 2009 and December 31, 2008, respectively, with a large part of the increase since December 31, 2008 addressing policyholders' behavior experienced in current market conditions.

5. Liabilities for investment contracts with and without discretionary participation features (DPF)

Table 5.1

Liabilities for investment contracts	in USD millions, as of	
	09/30/09	12/31/08
Liabilities related to unit-linked investment contracts	37,620	30,397
Liabilities related to investment contracts (amortized cost)	195	122
Liabilities related to investment contracts with DPF	5,958	5,461
Total	43,773	35,979

Unit-linked investment contracts issued by the Group are recorded at a value reflecting the returns on investment funds which include selected equities, debt securities and derivatives. Policyholders bear the full risk of the returns on these investments.

The value of financial liabilities at amortized cost is based on a discounted cash flow valuation technique. The discount rate is determined by the current market assessment of the time value of money and risk specific to the liability.

Table 5.2

Development of liabilities for investment contracts	in USD millions	
	2009	2008
As of January 1	35,979	54,485
Premiums and claims	(278)	(924)
Interest and bonuses charged/(credited) to policyholders	4,642	(7,465)
Acquisitions/transfers	–	789
Increase/(decrease) recorded in shareholders' equity	23	–
Foreign currency translation effects	3,406	(4,078)
As of September 30	43,773	42,807

6. Gross and ceded insurance revenues and expenses

Table 6.1

Insurance benefits and losses	in USD millions, for the nine months ended September 30					
	Gross		Ceded		Net	
	2009	2008	2009	2008	2009	2008
Losses and loss adjustment expenses	20,434	20,619	(2,068)	(2,125)	18,366	18,495
Life insurance death and other benefits	8,069	7,859	(350)	(685)	7,719	7,174
Change in future life policyholders' benefits	780	(8,562)	(33)	7,534	747	(1,028)
Total insurance benefits and losses¹	29,282	19,916	(2,451)	4,725	26,831	24,641

¹ Effective June 30, 2008, the underlying contracts relating to a UK annuity portfolio reinsured in 2007 were transferred to the reinsurer. This transaction had no net impact on the consolidated income statement in 2008, but impacted both gross and ceded change in the future life policyholders' benefits in 2008.

Table 6.2

Policyholder dividends and participation in profits	in USD millions, for the nine months ended September 30					
	Gross		Ceded		Net	
	2009	2008	2009	2008	2009	2008
Change in policyholders' contract deposits and other funds	430	(131)	(2)	42	428	(88)
Change in reserves for unit-linked products	5,446	(10,539)	–	–	5,446	(10,539)
Change in liabilities for investment contracts – unit-linked	4,542	(6,988)	–	–	4,542	(6,988)
Change in liabilities for investment contracts – other	129	101	–	–	129	101
Change in unit-linked liabilities related to UK capital gains tax	(314)	508	–	–	(314)	508
Total policyholder dividends and participation in profits	10,232	(17,050)	(2)	42	10,230	(17,008)

7. Deferred policy acquisition costs and deferred origination costs

Table 7.1

Development of deferred policy acquisition costs	in USD millions							
	General Insurance		Global Life		Other segments ¹		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
As of January 1	3,247	3,306	10,768	11,571	308	65	14,323	14,941
Acquisition costs deferred and transfers	2,251	2,200	1,240	1,235	1,054	351	4,545	3,787
Amortization	(2,162)	(2,076)	(318)	(749)	(811)	(119)	(3,291)	(2,944)
Amortization charged/(credited) to shareholders' equity	–	–	(286)	225	1	(1)	(284)	224
Acquisitions/Divestments	–	(1)	–	–	–	–	–	(1)
Foreign currency translation effects	97	(83)	698	(734)	(2)	3	792	(814)
As of September 30	3,433	3,347	12,101	11,548	552	300	16,085	15,194

¹ Net of eliminations from intersegment transactions.

Table 7.2

Development of deferred origination costs	in USD millions	
	2009	2008
As of January 1	770	1,003
Origination costs deferred	61	99
Amortization	(82)	(93)
Foreign currency translation effects	67	(93)
As of September 30	817	916

8. Goodwill and other intangible assets

Table 8.1

Intangible assets – current period	in USD millions				
	Goodwill	Present value of profits of acquired insurance contracts	Other intangible assets	Attorney-in-fact relationships	Total
Gross carrying value as of January 1, 2009	1,696	2,617	6,235	1,025	11,573
Less: accumulated amortization/impairments	(20)	(1,364)	(1,880)	–	(3,264)
Net carrying value as of January 1, 2009	1,677	1,252	4,355	1,025	8,310
Additions and transfers	503	(8)	706	–	1,202
Divestments and transfers	–	–	(1)	–	(1)
Amortization	–	(23)	(355)	–	(378)
Amortization charged to shareholders' equity	–	(63)	–	–	(63)
Impairments	(10)	(30)	(48)	–	(87)
Foreign currency translation effects	92	50	236	–	378
Net carrying value as of September 30, 2009	2,262	1,179	4,894 ¹	1,025	9,361
Plus: accumulated amortization/impairments	31	1,581	2,300	–	3,912
Gross carrying value as of September 30, 2009	2,294	2,760	7,194	1,025	13,273

¹ Other intangible assets include software of USD 1,462 million and distribution agreements of USD 3,305 million.

In 2008, the Group acquired 50 percent stakes in several insurance companies in Spain. The Group has management control of these entities which are therefore fully consolidated. As of September 30, 2009, USD 234 million of the present value of profits of acquired insurance contracts (PVFP) and USD 1,536 million of other intangible assets related to non-controlling interests. The increase compared with year-end is related to the finalization of the purchase price allocation for Banco Sabadell. In comparison, as of December 31, 2008, USD 267 million of the present value of profits of acquired insurance contracts and USD 1,387 million of other intangible assets related to non-controlling interests.

Impairment charges of USD 87 million were recorded in income comprising impairments on PVFP of USD 30 million in the Spanish Life operations, a goodwill impairment of USD 10 million related to the Spanish General Insurance operations and USD 48 million of impairments of other intangible assets primarily related to other intangible assets with definite life in the Italian Life operations as well as software in the Banking operations.

Table 8.2

Intangible assets by segment – current period	in USD millions, as of September 30, 2009				
	Goodwill	Present value of profits of acquired insurance contracts	Other intangible assets	Attorney-in-fact relationships	Total
General Insurance	1,033	–	1,419	–	2,453
Global Life	448	1,179	2,921	–	4,549
Farmers	776	–	329	1,025	2,131
Other Operating Businesses	5	–	214	–	219
Non Core Businesses	–	–	9	–	9
Net carrying value as of September 30, 2009	2,262	1,179	4,894	1,025	9,361

Table 8.3

Intangible assets –
prior period

	Goodwill	Present value of profits of acquired insurance contracts	Other intangible assets	Attorney-in-fact relationships	Total
Gross carrying value as of January 1, 2008	1,560	2,392	2,961	1,025	7,939
Less: accumulated amortization/impairments	(7)	(1,612)	(1,683)	–	(3,302)
Net carrying value as of January 1, 2008	1,553	780	1,278	1,025	4,636
Additions and transfers	312	191	1,364	–	1,867
Divestments and transfers	–	–	(21)	–	(21)
Amortization	–	(42)	(182)	–	(224)
Amortization charged to shareholders' equity	–	17	–	–	17
Impairments	–	(71)	–	–	(71)
Foreign currency translation effects	(46)	(43)	(109)	–	(198)
Net carrying value as of September 30, 2008	1,818	833	2,330 ¹	1,025	6,006
Plus: accumulated amortization/impairments	6	1,580	1,009	–	2,595
Gross carrying value as of September 30, 2008	1,824	2,413	3,339	1,025	8,601

¹ Other intangible assets include software of USD 1,038 million and distribution agreements of USD 1,130 million.

Table 8.4

Intangible assets
by segment –
prior period

in USD millions, as of December 31, 2008

	Goodwill	Present value of profits of acquired insurance contracts	Other intangible assets	Attorney-in-fact relationships	Total
General Insurance	895	–	1,303	–	2,199
Global Life	395	1,252	2,672	–	4,320
Farmers	382	–	182	1,025	1,589
Other Operating Businesses	5	–	185	–	190
Non Core Businesses	–	–	13	–	13
Net carrying value as of December 31, 2008	1,677	1,252	4,355	1,025	8,310

9. Income taxes

Table 9.1			
in USD millions, for the nine months ended September 30		2009	2008
Income tax expense – current/deferred split	Current	726	412
	Deferred	198	(481)
	Total income tax expense/(benefit)	924	(69)

Table 9.2			
in USD millions, for the nine months ended September 30		2009	2008
Income tax expense – policyholder/shareholder attribution	Total income tax expense/(benefit) attributable to policyholders	298	(966)
	Total income tax expense/(benefit) attributable to shareholders	626	897
	Total income tax expense/(benefit)	924	(69)

The Group is required to record taxes on policyholder earnings for life insurance policyholders in certain jurisdictions. Accordingly, the income tax expense or benefit attributable to these life insurance policyholder earnings is included in income tax expense. In certain jurisdictions an accrual for future policy fees that will cover the tax charge is included in insurance benefits and losses.

Table 9.3					
in USD millions, for the nine months ended September 30		Rate	2009	Rate	2008
Expected and actual income tax expense	Net income before income taxes		3,089		2,849
	Less: income tax (expense)/benefit attributable to policyholders		(298)		966
	Net income before income taxes attributable to shareholders		2,792		3,815
	Expected income tax expense attributable to shareholders computed at the Swiss statutory tax rate	22.0%	614	22.0%	839
	Increase/(reduction) in taxes resulting from:				
	<i>Tax rate differential in foreign jurisdictions</i>		82		58
	<i>Tax exempt and lower taxed income</i>		(33)		(80)
	<i>Non-deductible expenses</i>		57		61
	<i>Tax losses previously unrecognized or no longer recognized</i>		23		(80)
	<i>Prior year adjustments and other</i>		(117)		99
	Actual income tax expense attributable to shareholders	22.4%	626	23.5%	897
	Plus: income tax expense/(benefit) attributable to policyholders		298		(966)
	Actual income tax expense/(benefit)	29.9%	924	(2.4%)	(69)

The table above sets out the factors that cause the actual income tax expense to differ from the expected expense computed by applying the Swiss Statutory tax rate of 22.0 percent, which is the rate applicable in the jurisdiction where the ultimate parent company is resident.

10. Debt

Table 10.1

in USD millions, as of		09/30/09	12/31/08
Debt			
Debt related to capital markets and banking activities			
Zurich Capital Markets	Various debt instruments payable within 1 year	1,000	2,079
Zurich Financial Services Ltd			
EUB Holdings Limited	Various debt instruments payable within 1 year	891	447
	Various debt instruments payable in more than 1 year	1	1
Debt related to capital markets and banking activities		1,892	2,527
Senior debt			
Zurich Finance (USA), Inc.	3.50% CHF 300 bond, due November 2011 ^{1,6}	291	283
	4.50% EUR 1,000 bond, due September 2014 ^{2,6}	1,474	1,395
	4.875% EUR 800 bond, due April 2012 ⁶	1,166	–
	6.50% EUR 600 bond, due October 2015 ^{3,6}	874	–
Zurich Finance (Luxembourg) S.A.	3.25% USD 750 bond, due September 2013 ^{3,6}	747	–
Kemper Corporation	Various debt instruments, due within 1 year	22	23
Zurich Insurance Company Ltd	3.875% CHF 1,000 bond, due July 2011	965	938
	3.75% CHF 500 bond, due September 2013 ⁶	477	463
	Various debt instruments payable within 1 year	200	100
Other	Various debt instruments payable within 1 year	2	1
	Various debt instruments payable in more than 1 year	154	156
Senior debt		6,372	3,358
Subordinated debt			
Zurich Insurance Company Ltd	12.0% EUR 143.1 capital notes, undated ⁶	207	–
Zurich Insurance Company Ltd	7.5% EUR 425 bond, due July 2039 ⁶	615	–
Zurich Finance (UK) plc	6.625% GBP 450 bond, undated notes ^{4,6}	710	648
Zurich Finance (USA), Inc.	5.75% EUR 500 bond, due October 2023 ⁶	722	687
	4.5% EUR 500 bond, due June 2025 ^{5,6}	748	691
ZFS Finance (USA) Trust I	Series I 6.15% USD 600 ECAPS, due December 2065	566	569
ZFS Finance (USA) Trust II	Series II 6.45% USD 700 ECAPS, due December 2065	672	672
ZFS Finance (USA) Trust III	Series III Floating Rate USD 400 ECAPS, due December 2065	200	318
ZFS Finance (USA) Trust IV	Series IV 5.875% USD 500 Trust Preferred Securities, due May 2062	249	498
ZFS Finance (USA) Trust V	Series V 6.5% USD 1,000 Trust Preferred Securities, due May 2067	496	994
Other	Various debt instruments payable in more than 1 year	22	21
Subordinated debt		5,207	5,096
Total senior and subordinated debt		11,579	8,455
Total debt		13,471	10,981

¹ The bond is economically hedged, but hedge accounting treatment has not been applied.

² The bond is part of a qualifying cash flow hedge (80% of the total) and fair value hedge (20% of the total).

³ The bond is part of a qualifying cash flow hedge.

⁴ The holders of these notes benefit from the Replacement Capital Covenant which states that if Series IV and V Fixed/Floating Trust Preferred Securities, issued by ZFS Finance (USA) Trusts IV and V, are called before 2042 and 2047 respectively, the Group will issue a replacement debt instrument with terms and provisions that are as or more equity-like than the replaced notes.

⁵ This bond is part of a qualifying fair value hedge.

⁶ Issued under the Group's Euro Medium Term Note Programme (EMTN Programme).

None of the debt instruments listed above were in default as of September 30, 2009 and December 31, 2008.

Debt related to capital markets and banking activities

Debt related to capital markets and banking activities decreased from USD 2,527 million as of December 31, 2008 to USD 1,892 million as of September 30, 2009. This is due to a reduction of ZCM Holdings' debt by USD 1,079 million, largely due to their commercial paper repayments and a partially offsetting increase of USD 444 million in the level of corporate and institutional deposits held by our banking operations.

In October 2009 the Group made a scheduled repayment of USD 450 million against the outstanding commercial paper.

Senior and subordinated debt

The Group's Euro Medium Term Note Programme (EMTN Programme) allows for the issuance of senior, subordinated and deeply subordinated notes up to a maximum of USD 10 billion. All issuances are either issued or guaranteed by Zurich Insurance Company Ltd.

i) Senior debt

Senior debt increased from USD 3.4 billion to USD 6.4 billion during the first nine months of the year mainly as a result of issuances under the EMTN programme.

Zurich Finance (USA), Inc., Zurich Finance (Luxembourg) S.A. and Zurich Insurance Company Ltd, are issuing entities under the EMTN Programme and together have debt equivalent to USD 5.0 billion and USD 2.1 billion outstanding as of September 30, 2009 and December 31, 2008, respectively, of which EUR 1.4 billion (USD 2.0 billion) was issued in April 2009 and USD 750 million was issued in September 2009.

ii) Subordinated debt

Subordinated debt securities are obligations of the Group which, in case of liquidation, rank junior to all present and future senior indebtedness and certain other obligations of the Group. Subordinated debt increased from USD 5.1 billion as of December 31, 2008, to USD 5.2 billion as of September 30, 2009.

Zurich Finance (USA), Inc., Zurich Finance (UK) plc and Zurich Insurance Company Ltd, are issuing entities under the EMTN Programme and together have debt equivalent to USD 3.0 billion and USD 2.0 billion outstanding as of September 30, 2009 and December 31, 2008, respectively.

On July 1, 2009 Zurich Insurance Company Ltd issued EUR 143.1 million of subordinated capital notes under its EMTN Programme. The notes carry a fixed annual coupon of 12.0% and are callable in 2014.

On July 24, 2009 Zurich Insurance Company Ltd issued EUR 425 million of subordinated notes under the EMTN Programme. The notes carry a fixed coupon of 7.5% and are first callable in 2019 and mature in 2039.

On March 31, 2009 and on May 20, 2009, Zurich Holding Company of America (ZHCA), a subsidiary of the Group, repurchased USD 93 million and USD 50 million respectively of ECAPS and Trust Preferred Securities. These repurchases resulted in a total pre-tax gain of USD 74 million.

On August 11, 2009, Zurich Insurance Company Ltd, Bermuda Branch, purchased the following principal amounts of securities from investors, which resulted in a total pre-tax gain of USD 136 million:

- USD 64 million of Series III Floating Rate Enhanced Capital Advantaged Preferred Securities (ECAPS) issued by ZFS Finance (USA) Trust III;
- USD 206 million of Series IV Fixed/Floating Rate Trust Preferred Securities issued by ZFS Finance (USA) Trust IV;
- USD 458 million of Series V Fixed/Floating Rate Trust Preferred Securities issued by ZFS Finance (USA) Trust V.

Table 10.2

Description and features of significant subordinated debt

in USD millions		Call/ redemption date	Redemption conditions
Description	Coupon conditions		
12.0% EUR 143.1 bond, undated notes	12.0% payable annually up to July 15, 2014 and then reset quarterly to 3-month EURIBOR plus 10.33%.	Quarterly on or after July 15, 2014	Redeemable in whole quarterly at par plus any accrued interest.
7.5% EUR 425 bond, due July 2039	7.5% payable annually up to July 24, 2019 and then reset quarterly to 3-month EURIBOR plus 5.85%.	Quarterly on or after July 24, 2019	Redeemable in whole or in part quarterly at par plus any accrued interest.
6.625% GBP 450 bond, undated notes	6.625% payable annually up to October 2, 2022 and then reset every 5 years to the reset rate of interest. ¹	Every five years on or after October 2, 2022	Redeemable in whole every five years at par plus any accrued interest.
5.75% EUR 500 bond, due October 2023	5.75% payable annually up to October 2, 2013 and then reset quarterly to 3-month EURIBOR plus 2.67%.	Quarterly on or after October 2, 2013	Redeemable in whole quarterly at par plus any accrued interest.
4.5% EUR 500 bond, due June 2025	4.5% payable annually up to June 15, 2015 and then reset quarterly to 3-month EURIBOR plus 2.20%.	Quarterly on or after June 15, 2015	Redeemable in whole quarterly at par plus any accrued interest.
Series I 6.15% Fixed/Adjustable Rate USD 600 ECAPS, due December 2065	6.15% payable semi-annually until December 15, 2010 and then reset quarterly to the adjustable rate plus 1.75%. ²	Quarterly on or after December 15, 2010	Redeemable in whole or in part at par plus any accumulated and unpaid distributions.
Series II 6.45% Fixed/Adjustable Rate USD 700 ECAPS, due December 2065	6.45% payable semi-annually until June 15, 2016 and then reset quarterly to the adjustable rate plus 2.00%. ²	Quarterly on or after June 15, 2016	Redeemable in whole or in part at par plus any accumulated and unpaid distributions.
Series III Floating Rate USD 400 ECAPS, due December 2065	3-month LIBOR plus 1.15% reset quarterly until December 15, 2010 and then 3-month LIBOR plus 2.15%.	Quarterly on or after December 15, 2010	Redeemable in whole or in part at par plus any accumulated and unpaid distributions.
Series IV 5.875% USD 500 Fixed/Floating Trust Preferred Securities, due May 2062	5.875% payable semi-annually until May 9, 2012 and then reset quarterly to 3-month LIBOR plus 1.815%.	Quarterly on or after May 9, 2012	Redeemable in whole or in part at par plus any accumulated and unpaid distributions.
Series V 6.5% USD 1,000 Fixed/Floating Trust Preferred Securities, due May 2067	6.5% payable semi-annually until May 9, 2017 and then reset quarterly to 3-month LIBOR plus 2.285%.	Quarterly on or after May 9, 2017	Redeemable in whole or in part at par plus any accumulated and unpaid distributions.

¹ Reset rate of interest is equal to the gross redemption yield on the benchmark five-year Gilt as determined by the Calculation Bank, plus 2.85% per annum.

² Adjustable Rate is equal to the greatest of (i) the 3-month LIBOR rate; (ii) the 10-year Treasury CMT (Constant Maturity Treasury) Rate; and (iii) the 30-year Treasury CMT Rate, subject to a maximum under (ii) and (iii) of 13.25% Series I and 13% for Series II.

Maturity schedule of outstanding debt	in USD millions, as of	09/30/09		12/31/08	
		Carrying value	Undiscounted cash flow	Carrying value	Undiscounted cash flow
< 1 year		2,116	2,695	2,650	3,139
1 to 2 years		987	1,613	11	446
2 to 3 years		1,457	2,024	1,237	1,659
3 to 4 years		1,235	1,729	13	392
4 to 5 years		1,478	1,916	463	835
5 to 10 years		992	2,522	1,513	2,857
> 10 years		5,207	7,248	5,096	7,123
Total		13,471	19,747	10,981	16,451

Debt maturities shown in table 10.3 reflect original contractual dates without taking early redemption options into account. For call/redemption dates, refer to table 10.2. The total notional amount of debt due in each period is not materially different from the total carrying amount disclosed in table 10.3. Undiscounted cash flows include interest and principal cash flows on debt outstanding as of September 30, 2009 and December 31, 2008, respectively. All debt is assumed to mature within 20 years of the balance sheet date without refinancing and where the Group has the option to repay the debt, the option is assumed to expire. Floating rates of interest are assumed to remain constant as of September 30, 2009 and December 31, 2008, respectively going forward. The aggregated cash flows are translated into U.S. dollars at end-of-period rates.

Interest expense on debt	in USD millions, for the nine months ended September 30	2009	2008
		Debt related to capital markets and banking activities	57
Senior debt	147	104	
Subordinated debt	225	253	
Total	428	449	

Interest expense on debt

Interest expense on debt decreased from USD 449 million to USD 428 million, primarily as a result of lower interest rates and foreign exchange fluctuations.

Credit facilities

The Group has access to a syndicated revolving credit facility of USD 3 billion that terminates in 2012. Zurich Group Holding, together with Zurich Insurance Company Ltd and Farmers Group, Inc. are guarantors of the facility and can draw up to USD 1.25 billion, USD 1.5 billion and USD 250 million, respectively. No borrowings were outstanding under this facility as of September 30, 2009 and December 31, 2008.

Dunbar Bank and Zurich Bank have access to various committed credit facilities totaling GBP 320 million and GBP 205 million, respectively. As of September 30, 2009 and December 31, 2008, GBP 75 million and GBP 50 million, respectively, were drawn under these credit facilities.

In addition, Zurich Insurance Company Ltd has access to a USD 300 million credit facility expiring in 2010 for the sole purpose of financing surplus notes issued by the Leschi Life Assurance Company (Leschi), a special purpose reinsurer owned by Farmers New World Life (FNWL) and to which FNWL cedes business subject to U.S. Regulation Reserve Requirements XXX (Triple X). As of September 30, 2009 and December 31, 2008, USD 200 million and USD 100 million, respectively, were drawn under this credit facility.

Financial debt

Financial debt consists of all debt items that are included in financial leverage calculations of rating agencies. As of September 30, 2009 and December 31, 2008 financial debt consisted of the following components.

Table 10.5

Financial debt	in USD millions, as of	09/30/09	09/30/09	09/30/09	12/31/08
		Reported	Adjustments	Financial Debt	Financial Debt
Debt related to capital markets and banking activities		1,892	(892)	1,000	1,379
Senior debt		6,372	(1,047)	5,325	3,158
Subordinated debt		5,207	–	5,207	5,096
Total		13,471	(1,939)	11,532	9,633

The USD 892 million capital markets and banking activities adjustment relates to Zurich Financial Services EUB Holdings Limited notes and loans payable. The USD 1,047 million adjustment to senior debt contains the newly issued USD 750 million notes by Zurich Finance (Luxembourg) S.A. lent to our banking operations, an adjustment of USD 100 million for non-recourse debt and the USD 200 million drawn under the Leschi credit facility.

11. Earnings per share

Table 11

Earnings per share	for the nine months ended September 30	Net income attributable to common shareholders (in USD millions)	Weighted average number of shares	Per share (USD)	Per share (CHF) ¹
		2009			
Basic earnings per share		2,147	141,710,463	15.15	16.75
Effect of potentially dilutive shares related to share-based compensation plans			993,731	(0.11)	(0.12)
Diluted earnings per share		2,147	142,704,194	15.04	16.63
2008					
Basic earnings per share		2,808	138,334,768	20.30	21.45
Effect of potentially dilutive shares related to share-based compensation plans			1,108,783	(0.16)	(0.17)
Diluted earnings per share		2,808	139,443,551	20.14	21.28

¹ The translation from USD to CHF is shown for information purposes only and has been calculated at the Group's average exchange rates for the nine months ended September 30, 2009 and 2008, respectively.

Dividends

A gross dividend of CHF 11.00 per share was paid in April 2009 and recognized through shareholders' equity in the second quarter of 2009.

12. Litigation and regulatory investigations

The Group and its subsidiaries are continuously involved in legal proceedings, claims and litigation arising, for the most part, in the ordinary course of their business operations.

In 2006, the Group settled with various U.S. state attorneys general and state insurance regulators in connection with investigations in the U.S. concerning certain business practices involving insurance brokers and insurance companies. In July 2006, the Group also entered into a settlement agreement to resolve consolidated class-action litigation concerning those matters. Final judgment has been entered approving the settlement, and the appellate court has upheld the settlement approval. A number of individual claims not covered by the class-action settlement remain pending against the Group.

Zurich Financial Services (now Zurich Financial Services Ltd) was a defendant in putative class-action securities lawsuits relating to its divestiture of its interest in Converium (now Scor Holding (Switzerland) AG). On July 25, 2008, Zurich Financial Services and the class-action plaintiffs entered into an amended stipulation of settlement that called for a payment of USD 28 million to settle the case in two parts on behalf of all persons and entities who purchased Converium securities between January 7, 2002 and September 2, 2004: one settlement in the U.S. court, covering all U.S. persons and entities, and all other persons who purchased Converium securities on U.S. markets, and another settlement in the Amsterdam Court of Appeal, in the Netherlands, covering all non-U.S. persons and entities who purchased Converium securities on non-U.S. markets. The U.S. and Dutch settlements are both subject to court approval and are independent of each other. The U.S. court approved the U.S. settlement on December 12, 2008, but a notice of appeal was filed. The appeal, however, was dismissed by stipulation of the parties on June 25, 2009 and the U.S. settlement is now considered final. The proposed Dutch settlement has not yet been presented to the Dutch court.

The Group believes that it is not a party to, nor are any of its subsidiaries the subject of, any unresolved current legal proceedings, claims, litigation and investigations that would have a material adverse effect on the Group's consolidated financial condition. However, it is possible that the outcome of any proceedings could have a material impact on results of operations in the particular reporting period in which it is resolved.

13. Segment information

The Group is managed on a matrix basis, reflecting both businesses and geography. The Group's operating segments have been identified on the basis of the businesses operated by the Group and how these are strategically managed to offer different products and services to specific customer groups. Segment information is presented accordingly. The Group's reportable segments are as follows:

General Insurance serves the property-casualty insurance needs of a wide range of customers, from individuals to small and medium-size businesses, commercial enterprises and major multinational corporations.

Global Life pursues a customer-focused strategy with market-leading propositions in unit-linked and protection products through global distribution and proposition pillars to develop leadership positions in its chosen segments.

Farmers provides through Farmers Group, Inc. and its subsidiaries (FGI) non-claims related management services to the Farmers Exchanges. FGI receives fee income for the provision of services to the Farmers Exchanges, which the Group manages, but does not own, and to their customers. This segment also includes the Farmers Re business, which includes all reinsurance assumed from the Farmers Exchanges by the Group. Farmers Exchanges are prominent writers of personal lines and small commercial lines business in the U.S.

For the purpose of discussing our financial performance we consider General Insurance, Global Life and Farmers to be our core operating segments.

Other Operating Businesses predominantly consist of the Group's Headquarter and Holding & Financing activities. In addition, certain alternative investment positions not allocated to core operating segments are carried in this segment.

Non-Core Businesses include insurance businesses that the Group does not consider core to its operations and that are therefore mostly managed to achieve a beneficial run-off.

In addition, Non-Core Businesses now also include the Group's banking activities that, following a strategic review, are no longer seen to support the core insurance business, but as a useful adjunct to it. As a result management responsibility over banking activities has been transferred as of September 30, 2009 and to reflect this transfer the segment analysis has been aligned by moving them from Other Operating Businesses to Non-Core Businesses.

Throughout 2009, the structured alignment of the Group's segment information compared with 2008 necessitated the following major transfers between the old 2008 and the new 2009 segments:

- Farmers Re from the previously reported Other Businesses to Farmers
- Universal Underwriters Life Insurance Company from the previously reported Other Businesses to Global Life
- Centre from the previously reported Other Businesses to Non-Core Businesses
- Centrally Managed Businesses from the previously reported Other Businesses to Non-Core Businesses

The Group also manages its business on a geographic structure. As a result of the realignment of the previous International Businesses region into a new regional structure, as of January 1, 2009, Southern Africa is part of an expanded Europe & Africa region, Latin America is part of an expanded Americas region and Asia-Pacific & Middle East forms a new stand-alone region. The Group's identified regions are as follows:

Americas

Europe & Africa

Asia-Pacific & Middle East

Central Region

To be consistent with the Group's geographic structure, the following major transfers between regions have been made for 2009 financial reporting:

- Reporting Units in Southern Africa from the previous International Businesses to Europe & Africa
- Reporting Units in Latin America from the previous International Businesses to Americas
- Universal Underwriters Life Insurance Company from Central Region to Americas

The 2008 segmental results have been restated to reflect all these changes, with no impact on the Group's financial position or performance.

Business operating profit by business segment

Table 13.1

in USD millions, for the nine months ended September 30

	General Insurance		Global Life	
	2009	2008	2009	2008
Revenues				
Direct written premiums and policy fees	25,064	27,885	8,671	7,129
Assumed written premiums	1,257	1,322	78	79
Gross written premiums and policy fees	26,321	29,207	8,750	7,208
Less premiums ceded to reinsurers	(4,077)	(4,466)	(553)	(556)
Net written premiums and policy fees	22,243	24,742	8,197	6,652
Net change in reserves for unearned premiums	(557)	(893)	35	29
Net earned premiums and policy fees	21,686	23,849	8,232	6,681
Farmers management fees and other related revenues	–	–	–	–
Net investment result on Group investments	2,377	2,804	3,007	2,848
Net investment income on Group investments	2,297	2,847	3,013	3,319
Net capital gains/(losses) and impairments on Group investments	80	(44)	(6)	(471)
Net investment result on unit-linked investments	–	–	9,240	(15,707)
Other income	499	540	547	893
Total BOP revenues	24,563	27,192	21,026	(5,285)
<i>of which: intersegment revenues</i>	<i>(257)</i>	<i>(370)</i>	<i>(166)</i>	<i>(112)</i>
Benefits, losses and expenses				
Insurance benefits and losses, net	15,489	17,506	7,521	5,675
Losses and loss adjustment expenses, net	15,462	17,463	50	25
Life insurance death and other benefits, net	27	42	7,152	6,758
(Decrease)/increase in future life policyholders' benefits, net	–	1	320	(1,107)
Policyholder dividends and participation in profits, net	9	12	9,510	(15,193)
Income tax expense/(benefit) attributable to policyholders	–	–	298	(966)
Underwriting and policy acquisition costs, net	3,943	4,312	678	1,441
Administrative and other operating expense (excl. depreciation/amortization)	2,361	2,447	1,279	1,351
Interest credited to policyholders and other interest	24	167	304	402
Restructuring provisions and other items not included in BOP	(95)	(150)	(78)	539
Total BOP benefits, losses and expenses (before interest, depreciation and amortization)	21,731	24,294	19,512	(6,750)
Business operating profit (before interest, depreciation and amortization)	2,833	2,898	1,514	1,465
Depreciation and impairments of property and equipment	48	45	25	32
Amortization and impairments of intangible assets	130	76	257	161
Interest expense on debt	152	178	71	21
Business operating profit before non-controlling interests	2,502	2,598	1,161	1,250
Non-controlling interests	(6)	20	4	19
Business operating profit	2,508	2,578	1,157	1,232
Supplementary information				
Additions and capital improvements to property, equipment and intangible assets	319	1,031	321	972

	Farmers		Other Operating Businesses		Non-Core Businesses		Eliminations		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	-	-	-	(6)	395	278	(3)	-	34,128	35,287
	4,964	2,346	105	136	114	138	(181)	(214)	6,338	3,807
	4,964	2,346	105	131	509	416	(183)	(214)	40,465	39,094
	-	-	(41)	(45)	(25)	(31)	183	214	(4,513)	(4,884)
	4,964	2,346	64	86	485	385	-	-	35,952	34,210
	(970)	(1,091)	3	4	7	23	-	-	(1,482)	(1,928)
	3,993	1,255	68	90	491	408	-	-	34,470	32,282
	1,973	1,831	-	-	-	-	-	-	1,973	1,831
	130	121	271	411	335	246	(650)	(766)	5,471	5,664
	130	121	331	415	448	599	(650)	(766)	5,569	6,534
	-	-	(60)	(3)	(113)	(353)	-	-	(99)	(871)
	-	-	-	-	686	(1,918)	-	-	9,927	(17,625)
	63	13	880	780	128	66	(879)	(950)	1,237	1,341
	6,160	3,220	1,218	1,281	1,641	(1,199)	(1,529)	(1,716)	53,078	23,493
	(69)	(74)	(978)	(1,071)	(60)	(89)	1,529	1,716	-	-
	2,759	898	5	73	1,057	488	-	-	26,831	24,641
	2,759	898	4	-	86	104	5	5	18,366	18,495
	-	-	64	79	475	295	1	-	7,719	7,174
	-	-	(63)	(6)	496	90	(6)	(6)	747	(1,028)
	-	-	-	-	711	(1,827)	-	-	10,230	(17,008)
	-	-	-	-	-	-	-	-	298	(966)
	1,211	349	-	-	6	8	(3)	(2)	5,835	6,107
	980	881	617	765	129	(56)	(842)	(919)	4,524	4,469
	-	-	1	8	45	56	(10)	(16)	365	618
	(36)	-	85	70	1	55	-	-	(123)	514
	4,915	2,128	709	917	1,950	(1,276)	(856)	(937)	47,960	18,376
	1,245	1,093	509	363	(309)	77	(673)	(779)	5,118	5,117
	52	48	25	24	9	2	-	-	160	152
	53	42	23	13	2	2	-	-	465	294
	7	7	760	870	112	152	(673)	(779)	428	449
	1,132	996	(298)	(544)	(433)	(79)	-	-	4,065	4,221
	-	-	-	(2)	-	-	-	-	(1)	36
	1,132	996	(298)	(542)	(433)	(79)	-	-	4,066	4,185
	731	131	57	59	(1)	9	-	-	1,427	2,201

Reconciliation of
BOP to net income
after income taxes

Table 13.2

in USD millions, for the nine months ended September 30

	General Insurance		Global Life	
	2009	2008	2009	2008
Business operating profit	2,508	2,578	1,157	1,232
Revenues/(expenses) not included in BOP:				
Net capital gains/(losses) on investments and impairments, net of policyholder allocation	(647)	(695)	(403)	(247)
Net gain/(loss) on divestments of businesses	(2)	14	–	4
Restructuring provisions and other	(95)	(150)	(78)	539
Add back:				
Business operating profit attributable to non-controlling interests	(6)	20	4	19
Net income before shareholders' taxes	1,759	1,766	680	1,545
Income tax expense attributable to policyholders	–	–	298	(966)
Net income before income taxes	1,759	1,766	977	579
Income tax expense (attributable to policyholders and shareholders)				
Net income after taxes				

	Farmers		Other Operating Businesses		Non-Core Businesses		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
	1,132	996	(298)	(542)	(433)	(79)	4,066	4,185
	(32)	(8)	(85)	35	21	(21)	(1,146)	(936)
	-	-	-	-	(3)	(2)	(4)	16
	(36)	-	85	70	1	55	(123)	514
	-	-	-	(2)	-	-	(1)	36
	1,064	988	(297)	(438)	(414)	(47)	2,792	3,815
	-	-	-	-	-	-	298	(966)
	1,064	988	(297)	(438)	(414)	(47)	3,089	2,849
							(924)	69
							2,165	2,917

Assets and liabilities by business segment

Table 13.3

in USD millions, as of

	General Insurance		Global Life	
	09/30/09	12/31/08	09/30/09	12/31/08
Assets				
Total Group Investments	85,910	77,328	104,179	94,626
Cash and cash equivalents	10,151	9,703	4,350	5,130
Equity securities	6,787	5,966	5,433	4,816
Debt securities	61,148	53,578	64,619	56,256
Real estate held for investment	3,076	2,922	4,459	4,228
Mortgage loans	1,614	1,794	9,179	8,953
Other loans	3,107	3,340	16,017	15,131
Investments in associates	27	26	122	113
Investments for unit-linked contracts	–	–	82,281	65,977
Total investments	85,910	77,328	186,460	160,604
Reinsurers' share of reserves for insurance contracts	13,536	12,749	2,177	2,008
Deposits made under assumed reinsurance contracts	67	68	2	–
Deferred policy acquisition costs	3,433	3,247	12,101	10,768
Deferred origination costs	–	–	817	770
Goodwill	1,033	895	448	395
Other intangible assets	1,419	1,303	4,101	3,925
Other assets ¹	15,985	16,119	6,998	6,835
Total assets (after cons. of investments in subsidiaries)	121,382	111,710	213,104	185,304
Liabilities				
Liabilities for investment contracts	–	–	44,023	36,230
Reserves for insurance contracts, gross	81,727	77,468	135,717	120,706
Reserves for losses and loss adjustment expenses, gross	64,173	61,396	44	18
Reserves for unearned premiums, gross	16,318	14,874	214	226
Future life policyholders' benefits, gross	99	95	76,824	72,782
Policyholders' contract deposits and other funds, gross	1,137	1,102	14,839	12,611
Reserves for unit-linked contracts, gross	–	–	43,797	35,069
Debt related to capital markets and banking activities	–	–	–	–
Senior debt	4,003	3,031	651	694
Subordinated debt	2,056	2,189	713	412
Other liabilities	16,679	14,680	18,120	15,399
Total liabilities	104,464	97,368	199,224	173,441
Equity				
Common shareholders' equity				
Preferred securities				
Shareholders' equity				
Non-controlling interests				
Total equity				
Total liabilities and equity				

¹ As of September 30, 2009, for the General Insurance segment, other assets include USD 72 million related to land and buildings held for own use reclassified as assets held for sale in March 2009.

	Farmers		Other Operating Businesses		Non-Core Businesses		Eliminations		Total	
	09/30/09	12/31/08	09/30/09	12/31/08	09/30/09	12/31/08	09/30/09	12/31/08	09/30/09	12/31/08
	4,469	3,607	18,923	15,193	17,162	15,415	(29,669)	(26,600)	200,975	179,570
	1,172	714	7,041	6,682	3,252	2,935	(13,644)	(12,736)	12,321	12,428
	-	224	1,934	2,277	1,259	1,021	-	-	15,413	14,303
	1,157	696	2,947	1,478	6,629	6,644	(365)	(365)	136,136	118,287
	160	156	46	44	180	175	-	-	7,920	7,524
	-	-	-	-	2,300	2,104	(33)	(32)	13,060	12,820
	1,980	1,817	6,952	4,708	3,462	2,459	(15,627)	(13,468)	15,891	13,988
	-	-	3	3	81	78	-	-	233	220
	-	-	-	-	11,726	12,226	-	-	94,007	78,203
	4,469	3,607	18,923	15,193	28,888	27,641	(29,669)	(26,600)	294,981	257,773
	210	209	-	-	4,780	5,477	(1,442)	(1,849)	19,261	18,595
	2,764	1,685	-	-	674	677	(33)	(32)	3,473	2,397
	550	307	-	-	2	2	-	-	16,085	14,323
	-	-	-	-	-	-	-	-	817	770
	776	382	5	5	-	-	-	-	2,262	1,677
	1,355	1,207	214	185	9	13	-	-	7,099	6,633
	1,803	1,500	2,039	1,907	1,326	1,704	(2,192)	(2,289)	25,959	25,776
	11,927	8,897	21,181	17,290	35,679	35,514	(33,335)	(30,771)	369,938	327,944
	-	-	-	-	-	-	(250)	(251)	43,773	35,979
	3,774	2,095	386	415	22,327	23,325	(1,424)	(1,831)	242,507	222,179
	1,544	835	49	44	3,457	4,147	(827)	(1,223)	68,438	65,218
	2,231	1,260	2	5	31	43	(9)	(10)	18,787	16,399
	-	-	336	366	4,043	3,573	(589)	(598)	80,713	76,218
	-	-	-	-	3,072	3,334	1	-	19,048	17,047
	-	-	-	-	11,723	12,228	-	-	55,520	47,297
	-	-	553	-	3,114	3,632	(1,776)	(1,106)	1,892	2,527
	-	-	23,159	19,893	1,083	1,054	(22,524)	(21,314)	6,372	3,358
	180	180	5,283	5,169	274	73	(3,299)	(2,926)	5,207	5,096
	1,790	1,582	1,682	2,707	5,655	3,999	(4,062)	(3,344)	39,864	35,024
	5,745	3,858	31,064	28,184	32,452	32,083	(33,335)	(30,771)	339,614	304,163
									27,947	21,542
									561	561
									28,508	22,103
									1,815	1,678
									30,323	23,781
									369,938	327,944

**General Insurance –
Customer segment
overview**

Table 13.4

in USD millions, for the nine months ended September 30

	Global Corporate		North America Commercial	
	2009	2008	2009	2008
Gross written premiums and policy fees	5,999	6,293	7,553	8,456
Net earned premiums and policy fees	3,589	3,852	6,286	6,909
Insurance benefits and losses, net	2,773	3,471	4,360	5,026
Policyholder dividends and participation in profits, net	1	4	7	9
Total net technical expenses	701	755	1,740	1,873
Net underwriting result	115	(378)	180	2
Net investment income	455	528	864	933
Net capital gains/(losses) and impairments on investments	25	(16)	38	(16)
Net non-technical result (excl. items not included in BOP)	(82)	(12)	(165)	(180)
Business operating profit before non-controlling interests	512	122	917	738
Non-controlling interests	–	–	–	–
Business operating profit	512	122	917	738
Ratios, as % of net earned premiums and policy fees				
Loss ratio	77.2%	90.1%	69.3%	72.7%
Expense ratio	19.6%	19.7%	27.8%	27.2%
Combined ratio	96.8%	109.8%	97.1%	100.0%

	Europe General Insurance		International Markets		GI Global Functions including Group Reinsurance		Eliminations		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	11,214	12,857	1,992	2,094	361	388	(800)	(881)	26,321	29,207
	10,290	11,502	1,489	1,539	32	46	–	–	21,686	23,849
	7,506	8,169	916	942	(65)	(102)	–	–	15,489	17,506
	–	–	–	–	–	–	–	–	9	12
	2,538	2,833	532	549	8	18	(12)	–	5,508	6,028
	245	501	40	48	89	130	12	–	681	302
	829	1,188	111	130	45	117	(6)	(48)	2,297	2,847
	17	(12)	–	–	–	–	–	–	80	(44)
	(251)	(293)	(37)	(50)	(15)	(21)	(6)	48	(556)	(508)
	840	1,384	114	129	119	225	–	–	2,502	2,598
	(7)	19	1	1	–	–	–	–	(6)	20
	846	1,365	113	127	119	225	–	–	2,508	2,578
	72.9%	71.0%	61.5%	61.2%	nm	nm	n/a	n/a	71.4%	73.4%
	24.7%	24.6%	35.8%	35.7%	nm	nm	n/a	n/a	25.4%	25.3%
	97.6%	95.6%	97.3%	96.9%	nm	nm	n/a	n/a	96.9%	98.7%

Table 13.5

General Insurance –
Revenues by region

in USD millions, for the nine months ended September 30

	Gross written premiums and policy fees from external customers	
	2009	2008
Global Corporate		
North America	2,141	2,357
Europe	3,414	3,630
Rest of Global Corporate	264	83
Subtotal	5,819	6,070
Europe & Africa		
United Kingdom	2,319	3,153
Germany	2,394	2,671
Switzerland	1,977	2,145
Italy	1,506	1,567
Spain	994	1,165
Southern Africa	496	524
Rest of Europe & Africa	1,446	1,561
Subtotal	11,132	12,785
Americas		
United States	7,063	7,885
Rest of North America	326	403
Latin America	1,012	923
Subtotal	8,401	9,210
Asia-Pacific & Middle East		
Asia-Pacific Mature Markets	783	895
China & South East Asia	169	231
Subtotal	951	1,125
Central Region		
Europe	1	1
Subtotal	1	1
Total	26,304	29,191

General Insurance –
Assets by region

Table 13.6

in USD millions, as of

	Property / equipment and intangible assets	
	09/30/09	12/31/08
Europe & Africa		
United Kingdom	223	211
Germany	265	259
Switzerland	126	109
Italy	75	128
Spain	758	764
Southern Africa	21	10
Rest of Europe & Africa	1,433	1,341
Subtotal	2,901	2,822
Americas		
United States	240	244
Rest of North America	5	3
Latin America	157	46
Subtotal	401	293
Asia-Pacific & Middle East		
Asia-Pacific Mature Markets	88	68
China & South East Asia	27	23
Subtotal	114	90
Total	3,416	3,206

Global Life –
Overview

Table 13.7

in USD millions, for the nine months ended September 30

	Americas		United Kingdom		Germany	
	2009	2008	2009	2008	2009	2008
Revenues						
Life insurance deposits	466	423	2,557	2,833	1,463	1,335
Gross written premiums and policy fees	884	819	724	1,039	2,323	2,785
Net earned premiums and policy fees	693	641	595	901	2,245	2,705
Net investment income on Group investments	324	328	247	494	1,270	1,429
Net capital gains/(losses) and impairments on Group investments	7	(13)	104	(294)	(106)	(88)
Net investment result on Group investments	331	314	351	201	1,164	1,341
Net investment income on unit-linked investments	(10)	28	1,146	1,854	14	19
Net capital gains/(losses) and impairments on unit-linked investments	137	(204)	4,094	(11,757)	1,318	(2,075)
Net investment result on unit-linked investments	127	(176)	5,240	(9,902)	1,332	(2,056)
Other income	86	91	119	353	131	247
Total BOP revenues	1,237	871	6,304	(8,447)	4,872	2,237
Benefits, losses and expenses						
Insurance benefits and losses, net	462	435	281	470	2,463	2,675
Policyholder dividends and participation in profits, net	121	(166)	5,130	(9,467)	1,501	(2,178)
Income tax expense/(benefit) attributable to policyholders	–	–	244	(1,083)	31	178
Underwriting and policy acquisition costs, net	(35)	73	136	711	239	297
Administrative and other operating expense (excl. depreciation/amortization)	164	153	296	348	251	263
Interest credited to policyholders and other interest	127	128	9	53	116	170
Restructuring provisions and other items not included in BOP	1	(1)	(46)	50	–	496
Total BOP benefits, losses and expenses	839	621	6,049	(8,918)	4,601	1,901
Business operating profit (before interest, depreciation and amortization)	398	249	256	471	271	336
Depreciation and impairments of property and equipment	1	2	7	10	9	11
Amortization and impairments of intangible assets	(14)	11	9	107	29	30
Interest expense on debt	2	2	9	2	–	–
Business operating profit before non-controlling interests	409	236	231	352	233	294
Non-controlling interests	3	1	–	–	7	17
Business operating profit	406	234	231	352	227	277
Supplementary information						
Gross written premiums and policy fees from external customers	884	819	719	1,036	2,282	2,740
Property, equipment and intangible assets ¹	297	244	453	403	1,013	996

¹ As of September 30, 2009 and December 31, 2008, respectively.

	Switzerland		Ireland		Spain		Emerging Markets in Asia		Rest of the world		Eliminations		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	34	50	1,036	949	1,704	309	907	1,376	491	577	-	-	8,656	7,852
	1,202	1,344	270	259	2,578	239	176	195	616	537	(23)	(10)	8,750	7,208
	1,197	1,340	199	189	2,558	228	148	176	596	501	-	-	8,232	6,681
	447	488	66	81	359	141	32	41	269	316	-	-	3,013	3,319
	15	(70)	(50)	(10)	3	-	28	28	(7)	(23)	-	-	(6)	(471)
	462	418	16	71	362	141	60	69	262	293	-	-	3,007	2,848
	1	6	135	181	46	24	3	11	56	238	-	-	1,391	2,361
	44	(88)	772	(1,437)	215	(190)	824	(1,202)	446	(1,116)	-	-	7,849	(18,068)
	45	(82)	907	(1,256)	261	(165)	827	(1,191)	502	(878)	-	-	9,240	(15,707)
	35	53	2	-	29	6	47	37	100	107	(1)	(2)	547	893
	1,739	1,728	1,122	(996)	3,210	210	1,083	(909)	1,460	23	(1)	(2)	21,026	(5,285)
	1,111	1,251	33	66	2,654	289	79	58	438	431	-	-	7,521	5,675
	178	(1)	912	(1,217)	269	(166)	823	(1,198)	576	(798)	-	-	9,510	(15,193)
	-	-	15	(1)	-	-	-	-	8	(61)	-	-	298	(966)
	110	117	73	53	53	5	6	89	96	97	-	-	678	1,441
	151	175	53	45	55	34	88	69	221	266	(1)	(2)	1,279	1,351
	13	18	-	-	9	2	21	21	9	10	-	-	304	402
	2	-	-	-	(38)	(2)	10	-	(7)	(4)	-	-	(78)	539
	1,565	1,560	1,087	(1,055)	3,003	162	1,029	(960)	1,342	(59)	(1)	(2)	19,512	(6,750)
	174	168	36	59	207	48	54	51	119	82	-	-	1,514	1,465
	3	5	1	1	-	-	3	3	1	1	-	-	25	32
	-	-	1	-	163	6	3	2	67	5	-	-	257	161
	2	5	-	-	52	7	-	1	7	5	-	-	71	21
	169	158	34	58	(8)	35	48	46	44	72	-	-	1,161	1,250
	-	-	-	-	(6)	-	-	-	-	-	-	-	4	19
	169	158	34	58	(2)	34	48	46	44	72	-	-	1,157	1,232
	1,202	1,344	270	259	2,578	239	148	188	608	535	-	-	8,691	7,160
	199	159	9	6	2,953	2,742	14	14	173	270	-	-	5,113	4,835

Farmers –
Overview

Table 13.8

in USD millions, for the nine months ended September 30

	2009	Total 2008
Farmers Management Services		
Management fees and other related revenues	1,973	1,831
Management and other related expenses	(1,023)	(956)
Gross management result	950	875
Other net income (excl. items not included in BOP)	41	44
Business operating profit before non-controlling interest	992	919
Business operating profit	992	919
Farmers Re		
Gross written premiums and policy fees	4,964	2,346
Net earned premiums and policy fees	3,993	1,255
Insurance benefits and losses, net	(2,759)	(898)
Total net technical expenses	(1,212)	(349)
Net underwriting result	23	8
Net investment result income	70	56
Net non-technical result (excl. items not relevant for BOP)	48	13
Business operating profit before non-controlling interests	141	77
Business operating profit	141	77
Farmers business operating profit	1,132	996
Ratios, as % of net earned premiums and policy fees		
Farmers Re Combined ratio	99.4%	99.4%
Supplementary information		
Property, equipment and intangible assets ¹	2,419	1,811

¹ As of September 30, 2009 and December 31, 2008, respectively.

**Other Operating
Businesses –
Overview**

Table 13.9

in USD millions, for the nine months ended September 30

	Alternative Investments	
	2009	2008
Gross written premiums and policy fees	–	–
Net earned premiums and policy fees	–	–
Net investment income	6	11
Net capital gains/(losses) and impairments on investments	–	–
Other income	7	7
Total BOP revenues	14	17
Insurance benefits and losses, incl. PH dividends, net	–	–
Administrative and other operating expense (excl. depreciation/amortization)	18	1
Other expenses (excl. items not included in BOP)	–	–
Depreciation, amortization and impairments of property, equipment and intangible assets	–	–
Interest expense on debt	18	32
Business operating profit before non-controlling interests	(23)	(15)
Non-controlling interests	–	(2)
Business operating profit	(23)	(13)

	Holding & Financing		Headquarters		Eliminations		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
	103	128	3	3	–	–	105	131
	62	83	6	6	–	–	68	90
	327	428	3	7	(6)	(31)	331	415
	(60)	(3)	–	–	–	–	(60)	(3)
	125	(87)	800	909	(53)	(49)	880	780
	454	421	810	923	(60)	(80)	1,218	1,281
	1	70	4	3	–	–	5	73
	(125)	(76)	777	889	(54)	(49)	617	765
	86	79	–	–	–	–	86	79
	–	–	48	37	–	–	48	37
	747	864	–	6	(6)	(31)	760	870
	(255)	(516)	(20)	(12)	–	–	(298)	(544)
	–	–	–	–	–	–	–	(2)
	(255)	(516)	(20)	(12)	–	–	(298)	(542)

**Non-Core
Businesses –
Overview**

Table 13.10

in USD millions, for the nine months ended September 30

		Total
	2009	2008
Gross written premiums and policy fees	509	416
Net earned premiums and policy fees	491	408
Insurance benefits and losses, net	1,057	488
Policyholder dividends and participation in profits, net	711	(1,827)
Total net technical expenses	1	52
Net underwriting result	(1,278)	1,695
Net investment income	249	747
Net capital gains/(losses) and impairments on investments	772	(2,419)
Net non-technical result (excl. items not included in BOP)	(176)	(103)
Business operating profit before non-controlling interests	(433)	(79)
Business operating profit	(433)	(79)

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