

Transcript "Zurich CFO Q3-12" (121114_Zurich_CFO_Q3-12_v2.WMV)

((Title))

Pierre Wauthier, Chief Financial Officer

About the results for the nine months to September 30, 2012

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Highlights of the results

((CFO))

Well I think our nine months results show the strong underlying profitability really driven by our discipline in pricing and portfolio management. As we announced of course we had financial adjustments in Germany. But if you exclude that, we really have been doing really well in terms of improving our underlying loss ratio in General Insurance, which improved by 2.8 percentage points. If you look at Life we improved also our business operating profit to 305 million and then with regards to Farmers we had an increase in the profit of our Farmers Management Services and in the 3rd quarter we also improved the underwriting results of Farmers Re. So overall I'd say, we're seeing that our strategy is working and delivering results.

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Market environment and its impact on Zurich

((CFO))

So what does the challenging market environment mean for Zurich? I think it means two things. One, we've got low growth in many areas, particularly in Europe. And second, we got a low interest rate environment. Thanks however to the global diversification of the group we've been able to grow in areas where there is growth, for example Latin America, where we have been growing quite strongly. And with regard to the low interest rate environment we have adapted our pricing as well as our product mix to address that as well.

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About the financial adjustments in the German General Insurance business

((CFO))

Well as you may recall we announced in October, that we made financial adjustments to Germany. And we had been working on it for some times and therefore have taken remediation actions. As a result of taking these we feel comfortable that we have addressed the bulk of the issues in Germany. In addition to that we also looked outside Germany to check if there were potentially similar issues. And following that review we also feel comfortable that Germany is an isolated issue.

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Market outlook

((CFO))

So what's the outlook for 2012 and 2013? I think it will continue to be an uncertain and challenging market environment. But I believe that Zurich is very well positioned to address that, thanks to the fact that we are a globally diversified group and we can take advantage of growth opportunities wherever they are. In addition to that we can count on a very strong capital base and financial strength to successfully grow in the future.