

# Financial highlights (unaudited) 2013

Zurich Insurance Group  
Half Year Report 2013

## Financial highlights (unaudited)

The following table presents the summarized consolidated results of the Group for the six months ended June 30, 2013 and 2012, and the financial position as of June 30, 2013 and December 31, 2012, respectively. Interim results are not necessarily indicative of full year results. All amounts are shown in USD millions and 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. All ratios and variances are calculated using the underlying amounts rather than the rounded amounts. This document should be read in conjunction with the Annual Report 2012 for the Zurich Insurance Group and with its unaudited Consolidated financial statements as of June 30, 2013. Certain comparatives have been restated as set out in note 1 of the unaudited Consolidated financial statements as of June 30, 2013.

In addition to the figures stated in accordance with International Financial Reporting Standards (IFRS), the Group uses business operating profit (BOP), new business measures and other performance indicators to enhance the understanding of its results. Details of these additional measures are set out in the separately published Glossary. These should be viewed as complementary to, and not as substitutes for the IFRS figures. For a reconciliation of BOP to net income attributable to shareholders see note 16 of the unaudited Consolidated financial statements.

### Financial highlights

in USD millions, for the six months ended June 30, unless otherwise stated	2013	2012 <sup>1</sup>	Change <sup>2</sup>
Business operating profit	<b>2,288</b>	2,512	(9%)
Net income attributable to shareholders	<b>1,851</b>	2,227	(17%)
General Insurance gross written premiums and policy fees	<b>19,770</b>	19,153	3%
Global Life gross written premiums, policy fees and insurance deposits	<b>13,029</b>	14,718	(11%)
Farmers Management Services management fees and other related revenues	<b>1,408</b>	1,420	(1%)
Farmers Re gross written premiums and policy fees	<b>2,034</b>	2,211	(8%)
General Insurance business operating profit	<b>1,369</b>	1,636	(16%)
General Insurance combined ratio	<b>95.6%</b>	94.8%	(0.7 pts)
Global Life business operating profit	<b>659</b>	659	–
Global Life new business annual premium equivalent (APE) <sup>3</sup>	<b>2,081</b>	1,793	16%
Global Life new business margin, after tax (as % of APE) <sup>3</sup>	<b>31.1%</b>	23.6%	7.5 pts
Global Life new business value, after tax <sup>3</sup>	<b>647</b>	424	53%
Farmers business operating profit	<b>696</b>	597	17%
Farmers Management Services gross management result	<b>670</b>	684	(2%)
Farmers Management Services managed gross earned premium margin	<b>7.1%</b>	7.4%	(0.2 pts)
Average Group investments	<b>205,726</b>	199,267	3%
Net investment result on Group investments	<b>3,323</b>	4,134	(20%)
Net investment return on Group investments <sup>4</sup>	<b>1.6%</b>	2.1%	(0.5 pts)
Total return on Group investments <sup>4</sup>	<b>(0.5%)</b>	3.1%	(3.6 pts)
Shareholders' equity <sup>5</sup>	<b>30,923</b>	34,505	(10%)
Swiss Solvency Test capitalization ratio <sup>6</sup>	<b>185%</b>	178%	7 pts
Diluted earnings per share (in CHF)	<b>11.70</b>	14.05	(17%)
Book value per share (in CHF) <sup>5</sup>	<b>198.24</b>	214.86	(8%)
Return on common shareholders' equity (ROE)	<b>11.3%</b>	14.0%	(2.7 pts)
Business operating profit (after tax) return on common shareholders' equity (BOPAT ROE)	<b>10.8%</b>	12.2%	(1.4 pts)

<sup>1</sup> June 30, 2012 and December 31, 2012 have been restated as set out in note 1 of the unaudited Consolidated financial statements.

<sup>2</sup> Parentheses around numbers represent an adverse variance.

<sup>3</sup> New business amounts are calculated before the effect of non-controlling interests. June 30, 2012 does not include any contribution from the insurance businesses acquired from Banco Santander S.A. (Zurich Santander) or from the acquisition of Zurich Insurance Malaysia Berhad (ZIMB).

<sup>4</sup> Not annualized and calculated on average Group investments.

<sup>5</sup> As of June 30, 2013 and December 31, 2012, respectively.

<sup>6</sup> Ratios as of January 1, 2013 and July 1, 2012, respectively, are calculated based on the Group's internal model which is subject to the review and approval of the Group's regulator, the Swiss Financial Market Supervisory Authority (FINMA).

## Disclaimer & Cautionary Statement

Certain statements in this document are forward-looking statements, including, but not limited to, statements that are predictions of or indicate future events, trends, plans or objectives of Zurich Insurance Group Ltd or the Zurich Insurance Group (the Group). Forward-looking statements include statements regarding the Group's targeted profit, return on equity targets, expenses, pricing conditions, dividend policy and underwriting and claims results, as well as statements regarding the Group's understanding of general economic, financial and insurance market conditions and expected developments. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and plans and objectives of Zurich Insurance Group Ltd or the Group to differ materially from those expressed or implied in the forward-looking statements (or from past results). Factors such as (i) general economic conditions and competitive factors, particularly in key markets; (ii) the risk of a global economic downturn; (iii) performance of financial markets; (iv) levels of interest rates and currency exchange rates; (v) frequency, severity and development of insured claims events; (vi) mortality and morbidity experience; (vii) policy renewal and lapse rates; and (viii) changes in laws and regulations and in the policies of regulators may have a direct bearing on the results of operations of Zurich Insurance Group Ltd and its Group and on whether the targets will be achieved. Zurich Insurance Group Ltd undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

All references to "Farmers Exchanges" mean Farmers Insurance Exchange, Fire Insurance Exchange, Truck Insurance Exchange and their subsidiaries and affiliates. The three Exchanges are California domiciled interinsurance exchanges owned by their policyholders with governance oversight by their Boards of Governors. Farmers Group, Inc. and its subsidiaries are appointed as the attorneys-in-fact for the Farmers Exchanges and in that capacity provide certain non-claims administrative and management services to the Farmers Exchanges. Neither Farmers Group, Inc., nor its parent companies, Zurich Insurance Company Ltd and Zurich Insurance Group Ltd, have any ownership interest in the Farmers Exchanges. Financial information about the Farmers Exchanges is proprietary to the Farmers Exchanges, but is provided to support an understanding of the performance of Farmers Group, Inc. and Farmers Reinsurance Company.

It should be noted that past performance is not a guide to future performance. Please also note that interim results are not necessarily indicative of full year results.

Persons requiring advice should consult an independent advisor.

This communication does not constitute an offer or an invitation for the sale or purchase of securities in any jurisdiction.

THIS COMMUNICATION DOES NOT CONTAIN AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES; SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR EXEMPTION FROM REGISTRATION, AND ANY PUBLIC OFFERING OF SECURITIES TO BE MADE IN THE UNITED STATES WILL BE MADE BY MEANS OF A PROSPECTUS THAT MAY BE OBTAINED FROM THE ISSUER AND THAT WILL CONTAIN DETAILED INFORMATION ABOUT THE COMPANY AND MANAGEMENT, AS WELL AS FINANCIAL STATEMENTS.