



Financial Strength in Challenging Times: *A Briefing on Zurich's financial and capital position*¹ February 4, 2010

Overview

Driven by a strong operating performance across all its core business segments, Zurich generated strong earnings and increased profitability in 2009: business operating profit (BOP) increased 8 percent to \$5.6 billion; net income rose 6 percent to \$3.2 billion; and its 17.2 percent BOP return on equity after tax exceeded its (mid-term) target. In addition, shareholders' equity climbed 34 percent to \$29.7 billion.

Balance sheet

Reflecting its culture of operational and financial discipline, Zurich emerged from 2009 with a solid balance sheet and capital position, as demonstrated by its healthy Solvency I ratio (statutory solvency position) of 198 percent. Third party rating agencies provide Zurich the following ratings:²

S&P	AA-	negative outlook
Moody's	A1	stable outlook
AM Best	A	stable outlook
Fitch	A+	negative outlook

Investment exposure

All numbers as of December 31, 2009

Zurich Financial Services Ltd has a conservative, well-diversified portfolio of Group investments of roughly \$196 billion. Our investment strategy has been to manage assets to liabilities rather than maximizing return on assets. This conservative approach generated a 6.3 percent total return in 2009, and puts the Group in a good position to weather the current market turmoil. Highlights of our asset allocation strategies as disclosed as part of our full-year results include:

- o Low equity exposure of 2.9 percent
- o A well-diversified portfolio of debt securities that are 98 percent investment grade
- o US mortgage-backed securities (MBS) holdings of \$15.7 billion of which the largest part is "Agency" MBS and only \$4.6 billion (or 2.3 percent of our investment portfolio) is commercial MBS, of which 81 percent are AAA rated

Credit default swaps

We do not write default protection through credit default swaps (CDS) or similar types of products. We stopped writing such products in 2003 and we have no residual exposure to them.

¹ Insurance is underwritten by Zurich Insurance Company Ltd and other insurance company subsidiaries within the Zurich Financial Services Group including, in the US, Zurich American Insurance Company and its underwriting subsidiaries. Insurance product obligations are the sole responsibility of each issuing insurance company. For example, only the assets of Zurich American Insurance Company (and no other assets of the Zurich Financial Services Group) are available to meet its obligations for the performance of its products. The financial information set forth in this Briefing as of December 31, 2009, is for Zurich Financial Services Group on a consolidated basis, and is not audited. For more complete financial information and audited annual statements of the Group, access www.zurich.com. No assurances can be given, and we make no representations, that such information has, or has not, changed since December 31, 2009.

² These are the most recent ratings of Zurich Insurance Company Ltd published by the respective rating agencies on their websites (as of the date of this Briefing). Access the rating agencies' websites for information regarding ratings and the latest ratings available.

Financial highlights

in USD millions for the years ended December 31	2009	2008 ¹	Change
Business operating profit (BOP)	5,593	5,186	8%
Net income attributable to shareholders	3,215	3,039	6%
General Insurance combined ratio	96.8%	98.1%	1.3pts
Global Life new business value ²	782	753	4% ²
Farmers Mgmt Services managed GEP margin ³	7.2%	6.9%	0.3pts
Shareholders' equity	29,678	22,103	34%
Return on common shareholders' equity (ROE)	12.6%	12.1%	0.5pts
Business operating profit (after tax) ROE	17.2%	16.8%	0.4pts

¹ Throughout this document, certain comparatives have been restated. Refer to the audited Consolidated Financial Statements for details.

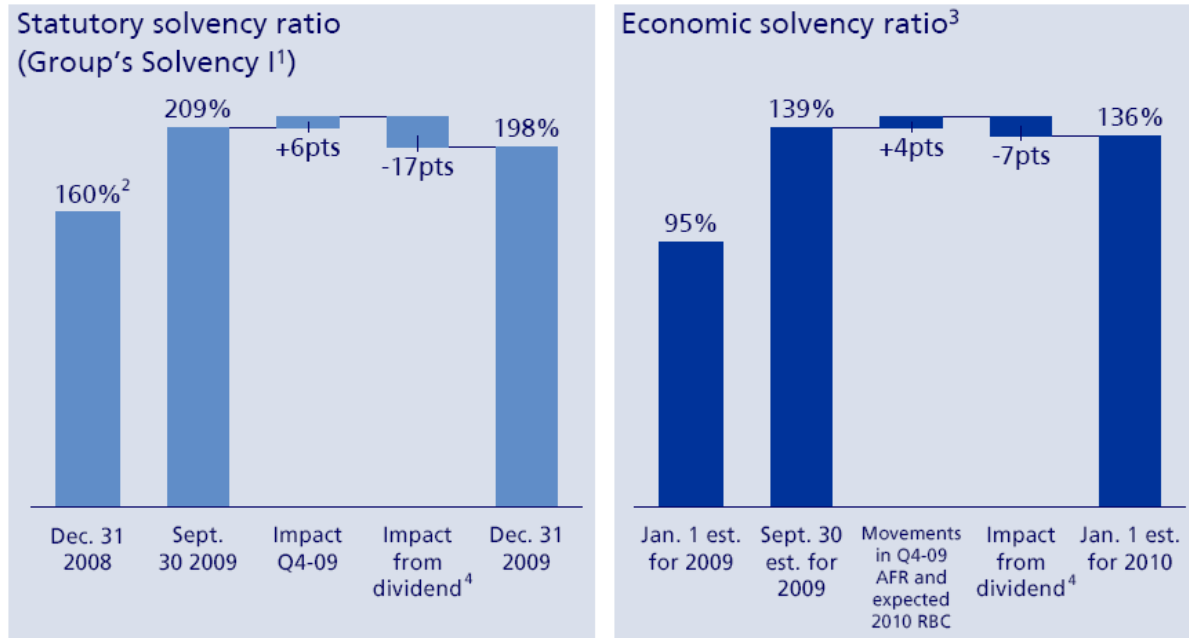
² After tax; change in local currency is 9%

³ Margin on gross earned premiums of the Farmers Exchanges. Zurich Financial Services Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc., a wholly owned subsidiary of the Group, provides management services to the Farmers Exchanges and receives fees for its services.

Business operating profit and net income by quarter – continued recovery



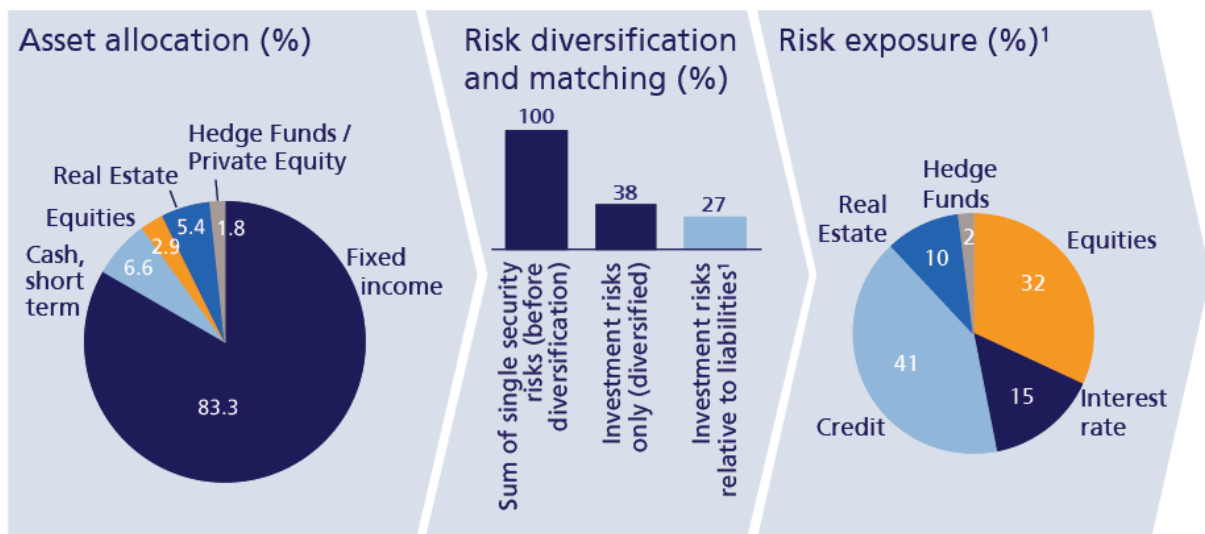
Strong 2010 estimated economic and regulatory solvency



¹ Solvency I requirements in accordance with the Swiss insurance supervisory law.
² Finalized and as filed with the Swiss regulator; after dividend.
³ Economic financial strength is based on Available Financial Resources (AFR) at the beginning of the period and expected risks to be taken during the period (RBC). Economic financial strength is based on **AA calibration**.
⁴ Proposed gross dividend by the Board of Directors to the Annual General Meeting 2010.

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

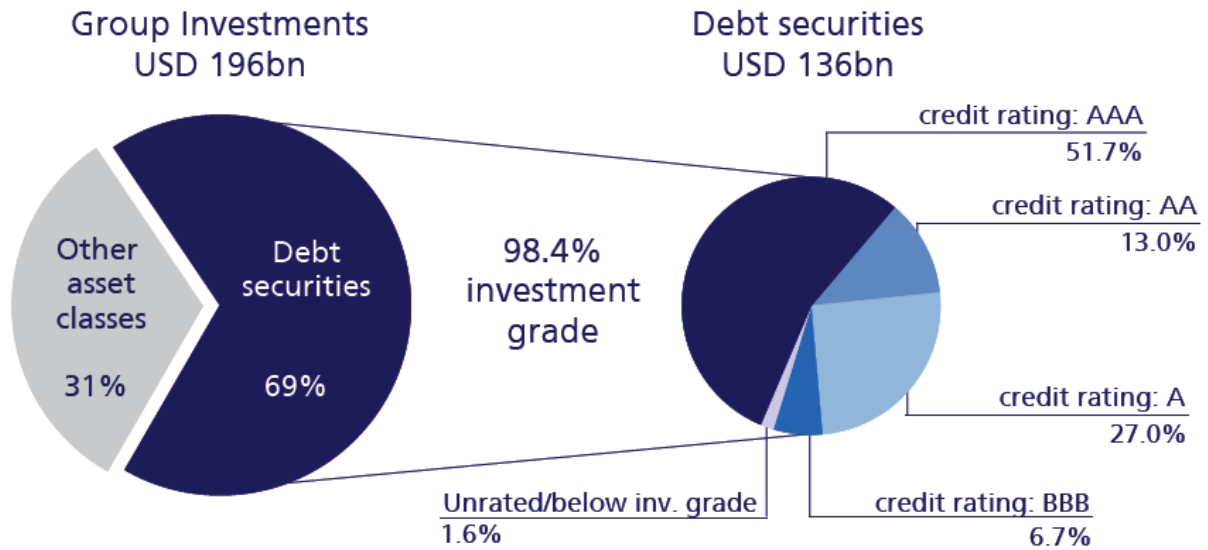
**Risk Allocation of Zurich's investment portfolio
FY 2009**



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

Group Investments – Zurich’s debt securities are of consistently high quality (98% investment grade)

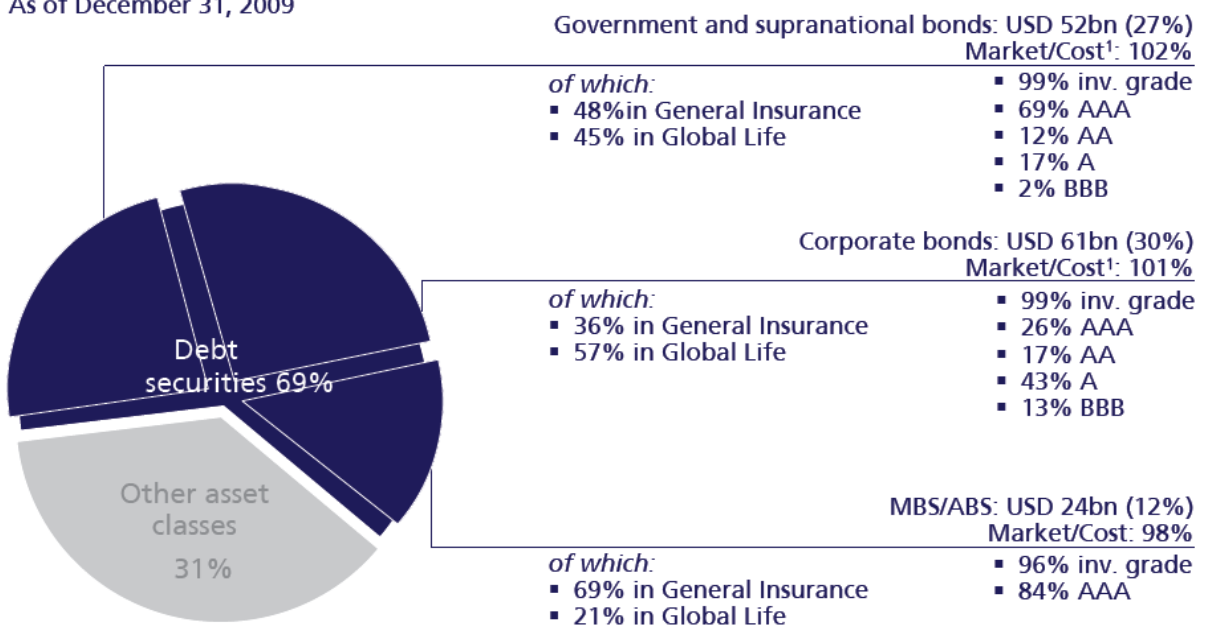
As of December 31, 2009



Group Investments – Zurich’s debt securities are well balanced

Group Investments - USD 196bn (100%)

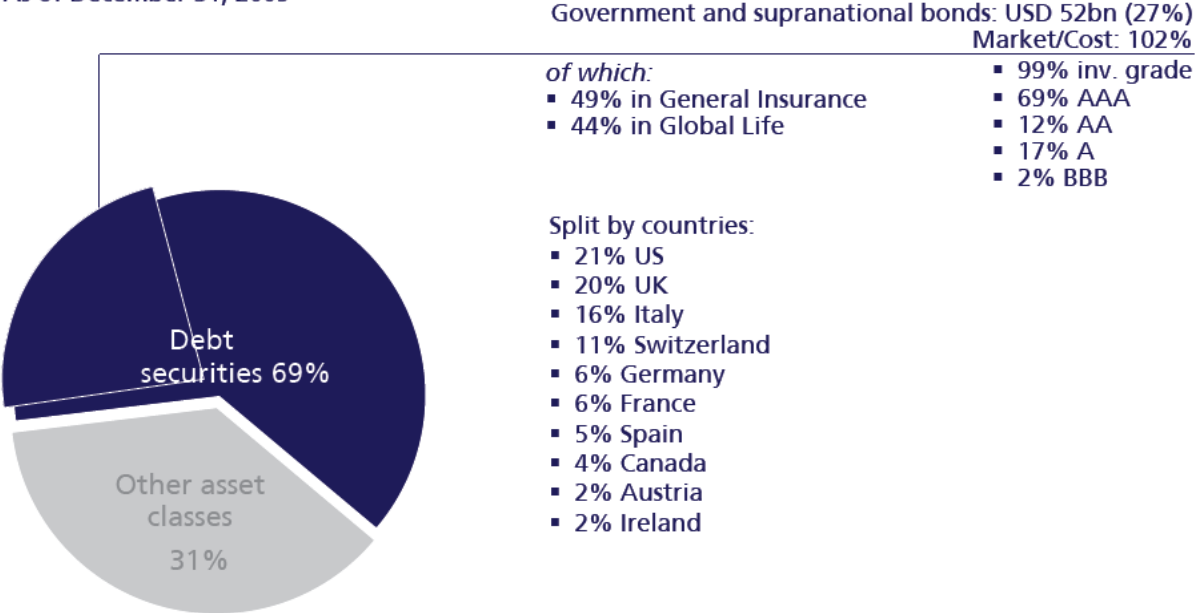
As of December 31, 2009



¹ Market value to Cost value ratio

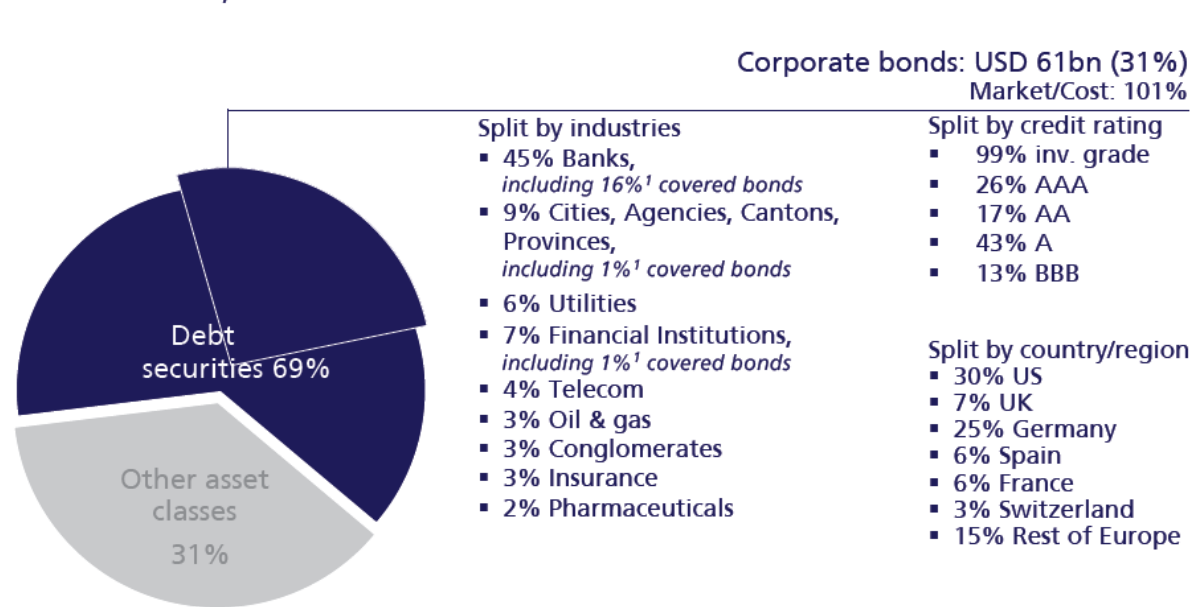
Group Investments – Government & supranational bonds are well diversified

Group Investments - USD 196bn (100%)
As of December 31, 2009



Group Investments – Zurich’s Corporate bonds are of high quality

Group Investments - USD 196bn (100%)
As of December 31, 2009

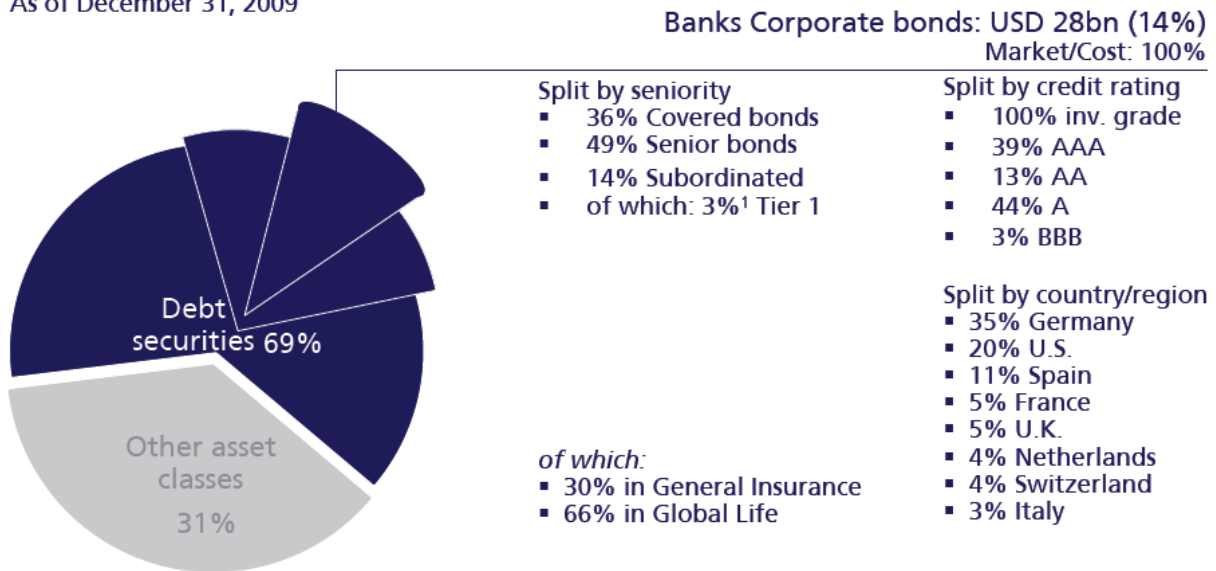


¹ 100% = USD 61bn

Group Investments – Bank Corporate bonds are of high quality and well diversified

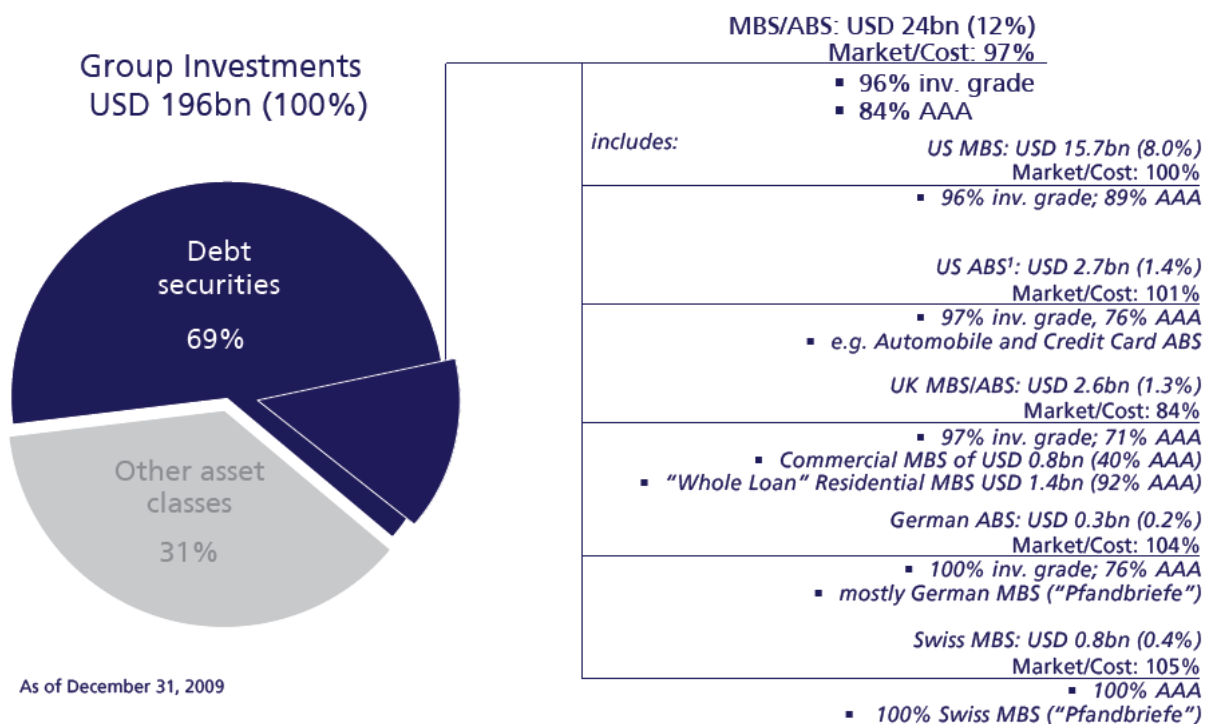
Group Investments - USD 196bn (100%)

As of December 31, 2009



¹ 100% = USD 28bn

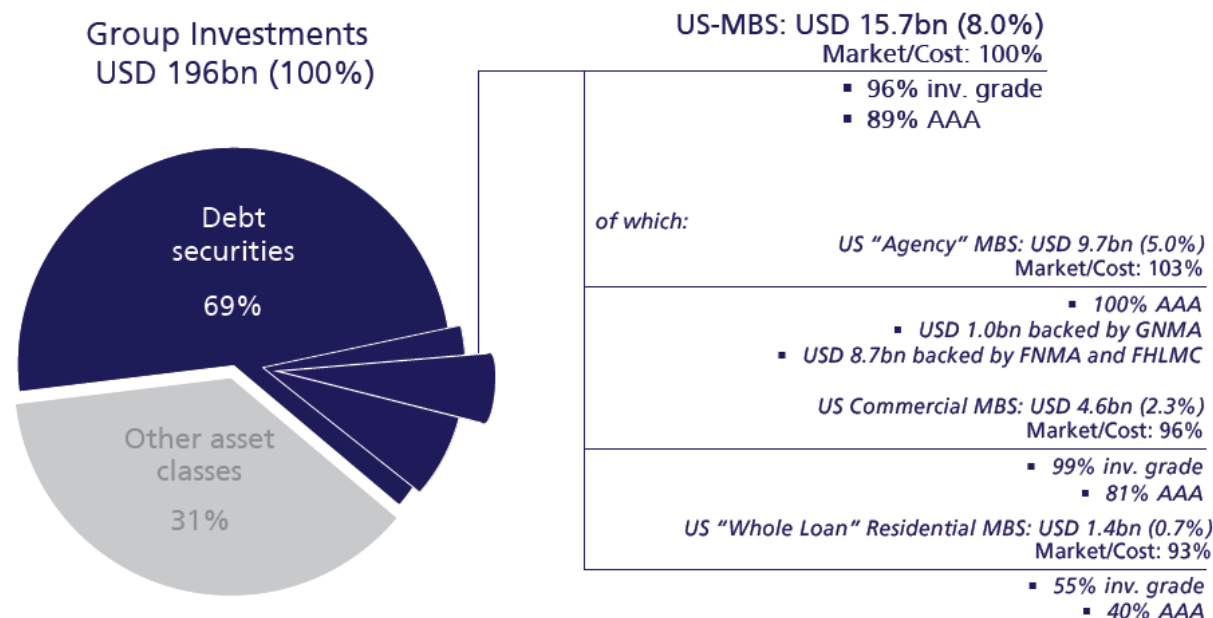
Group Investments - Split of total MBS / ABS of USD 24bn (12%)



As of December 31, 2009

¹ US ABS in addition to the US MBS mentioned above

Group Investments - Split of US MBS of USD 15.7bn (8%)



As of December 31, 2009

Disclaimer & Cautionary Statement

Certain statements in this document are forward-looking statements, including, but not limited to, statements that are predicated on or indicate future events, trends, plans or objectives. Forward-looking statements include statements regarding our targeted profit improvement, return on equity targets, expense reductions, pricing conditions, dividend policy and underwriting claims improvements, as well as statements regarding our 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 Financial Services Ltd or the Zurich Financial Services Group (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 our key markets; (ii) the risk of the global economic downturn and a downturn in the financial services industries in particular; (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 Financial Services Ltd and its Group and on whether the targets will be achieved. Zurich Financial Services 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.

It should be noted that past performance is not a guide to future performance. Persons requiring advice should consult an independent adviser.

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