

Earnings per share up 20.7% to CHF 175

6 May 1999 CET Press Release

The Swiss Re Group is once again able to report a strong increase in ordinary Group profit to CHF 2504 million – an improvement of 18% (CHF 383 million) for the 1998 financial year. Earnings were CHF 175 per share, up 20.7%. The Board of Directors proposes to the General Meeting of 25 June 1999 to increase the dividend payment from CHF 44 to CHF 48 per share. In addition, the Board of Directors has authorised the company to repurchase an additional CHF 1 billion in shares, subject to market conditions.

The excellent result is largely due to an exceptionally good investment result and good returns from life operations. The non-life results were not satisfactory, being influenced mainly by negative results in US medical business reported in the first half of 1998 and discontinued as an active line of business in the meantime and a general soft market environment. Catastrophe claims for the industry were higher than in recent years, but Swiss Re was able to absorb these within its normal practice of reserving such exposures.

In 1999 Swiss Re expects the growing share of life reinsurance business to create an attractive, long-term stable earnings base for the Group. For non-life business, 1999 is expected to be another difficult year due to the prevailing soft market conditions. However, Swiss Re has launched a Groupwide initiative to respond resolutely to these conditions. Based on the first four months of this year, Swiss Re expects another strong investment result.

The 1998 results will be presented at the press conference to be held at Swiss Res' head office on 6 May 1999, starting at 9 am. The 1998 Annual Report, as well as further information about Swiss Re, can be found at Investor Relations.

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