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**Zurich Financial Services announces proposed terms for a capital increase with pre-emptive rights**

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Zurich, October 11, 2002 - The Board of Directors of Zurich Financial Services will propose an ordinary increase of share capital to the company's Extraordinary General Meeting to be held in Zurich today. The main terms are as follows:

- Increase of the share capital by CHF 576,027,820 from CHF 864,041,730 to CHF 1,440,069,550 through the issuance of fully paid registered shares with a nominal value of CHF 10 each at an issue price (*Ausgabebetrag*) of CHF 65, representing aggregate proceeds of CHF 3.744 billion. This is equivalent to approximately USD 2.5 billion, subject to exchange rates.
- The pre-emptive rights (*Bezugsrechte*) of existing shareholders shall be granted. They shall be traded between October 17, 2002 and October 24, 2002 and shall be exercisable from October 17, 2002 until noon CET on October 25, 2002. Pre-emptive rights not exercised during the exercise period shall be allotted by the Board of Directors to the underwriting syndicate.

The proposed ordinary capital increase with pre-emptive rights has been fully underwritten, subject to customary terms and conditions, by a syndicate of banks lead-managed by Credit Suisse First Boston, Goldman Sachs International, Schroder Salomon Smith Barney and UBS Warburg.

**Zurich Financial Services** is an insurance-based financial services provider with an international network that focuses its activities on its key markets of North America, the United Kingdom and Continental Europe. Founded in 1872, Zurich is headquartered in Zurich, Switzerland. It has offices in approximately 60 countries and employs well over 70,000 people.

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This press release is neither an offering memorandum pursuant to Art. 652a of the Swiss Code of Obligation nor a listing prospectus pursuant to the listing rules of the SWX Swiss Exchange. Any decision to buy or subscribe

for shares should be based exclusively on the offering memorandum, which is expected to be published after the Extraordinary General Meeting. In addition, investors are advised to consult their bank or financial advisor. U.S. and other shareholders of Zurich Financial Services may be prevented under applicable U.S. securities law or similar laws in other jurisdictions from participating in the offering referenced in this media release.

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Prices and values of, and income from, shares may go down as well as up and an investor may not get back the amount invested. It should be noted that past performance is no guide to future performance. Persons needing advice should consult an independent adviser.

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