



## Swiss Re transfers USD 1 80 million of extreme mortality risk to the capital markets through the Vita securitization programme

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### Zurich, 5 August 2011 – Swiss Re announces the successful transfer of USD 180 million of extreme mortality risk to the capital markets through the Vita securitization programme.

Swiss Re has entered into a transaction with VITA Capital IV Ltd. ("Vita IV"), under which it may receive up to USD 100 million and up to USD 80 million, respectively, in the event of extreme mortality in any part of a pre-defined coverage area. Vita IV, in turn, has issued Series V and VI notes to the capital markets. Since its launch in 2009, Vita IV has been used to transfer nearly USD 500 million of mortality risk to the capital markets.

The latest takedown from the Vita IV programme is a continuation of Swiss Re's hedging strategy, enabling the company to manage extreme mortality exposures in a capital-efficient manner.

Swiss Re's Chief Underwriting Officer, Brian Gray, commented: "The Vita programme continues to provide us with very efficient risk protection and capital relief. By including investment grade notes, the latest issuance of Vita IV enables a broader investor base to participate."

| Series    | Area covered               | Notional amount | Maturity | Rating           |
|-----------|----------------------------|-----------------|----------|------------------|
| Series V  | Canada and Germany         | USD 100 m       | Jan 2016 | BBB- (sf)<br>S&P |
| Series VI | US, UK, Canada and Germany | USD 80 m        | Jan 2016 | BB+ (sf)<br>S&P  |

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“We believe the life ILS market is approaching a tipping point which will lead to robust growth, for both issuers and investors,” stated Swiss Re's Division Head, Life & Health, Alison Martin.

Swiss Re has a history of periodically securitizing its life risks, obtaining USD 2.0 billion in extreme mortality risk protection from its Vita programmes.

Swiss Re Capital Markets acted as sole manager and bookrunner on the notes issuance. Collateral for the new Series of Vita IV notes consists of “AAA”-rated securities issued by the International Bank for Reconstruction and Development.

The Vita IV notes were sold in a private placement pursuant to Rule 144A of the U.S. Securities Act of 1933, as amended, (the “Securities Act”) and have not been registered under the Securities Act or any state securities laws; they may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

## **Notes to editors**

### **Swiss Reinsurance Company Ltd**

Swiss Re is a leading and highly diversified global reinsurer. The company operates through offices in more than 20 countries. Founded in Zurich, Switzerland, in 1863, Swiss Re offers financial services products that enable risk-taking essential to enterprise and progress. The company's traditional reinsurance products and related services for property and casualty, as well as the life and health business are complemented by insurance-based corporate finance solutions and supplementary services for comprehensive risk management. Swiss Re is rated “A+” by Standard & Poor's, “A1” by Moody's and “A” by A.M. Best.

### **VITA Capital IV Ltd.**

VITA Capital IV Ltd. is a Cayman Islands exempted company financed through the offering of insurance-linked securities.

### **Swiss Re Capital Markets**

In the U.S., securities products and services are offered through Swiss Re Capital Markets Corporation, a registered broker dealer and a member of FINRA and SIPC. Swiss Re Capital Markets Limited is authorized and regulated in the U.K. by the Financial Services Authority. Both Swiss Re Capital Markets Corporation and Swiss Re Capital Markets Limited, together Swiss Re Capital Markets, are wholly owned subsidiaries of Swiss Reinsurance Company Ltd.

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### Cautionary note on forward-looking statements

Certain statements and illustrations contained herein are forward-looking. These statements and illustrations provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to a historical fact or current fact. Forward-looking statements typically are identified by words or phrases such as “anticipate”, “assume”, “believe”, “continue”, “estimate”, “expect”, “foresee”, “intend”, “may increase” and “may fluctuate” and similar expressions or by future or conditional verbs such as “will”, “should”, “would” and “could”. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause Swiss Re’s actual results, performance, achievements or prospects to be materially different from any future results, performance, achievements or prospects expressed or implied by such statements. Such factors include, among others:

- the direct and indirect impact of the continuing deterioration in the financial markets and the efficacy of efforts to strengthen financial institutions and stabilize the credit markets and the broader financial system;
- changes in global economic conditions and the effects of the global economic downturn;
- the occurrence of other unanticipated market developments or trends;
- Swiss Re’s ability to maintain sufficient liquidity and access to capital markets, including sufficient liquidity to cover potential recapture of reinsurance agreements, early calls of debt or debt-like arrangements and collateral calls under derivative contracts due to actual or perceived deterioration of Swiss Re’s financial strength;
- the effect of market conditions, including the global equity and credit markets, and the level and volatility of equity prices, interest rates, credit spreads, currency values and other market indices, on Swiss Re’s investment assets;
- changes in Swiss Re’s investment result as a result of changes in its investment policy or the changed composition of Swiss Re’s investment assets, and the impact of the timing of any such changes relative to changes in market conditions;
- uncertainties in valuing credit default swaps and other credit-related instruments;
- possible inability to realize amounts on sales of securities on Swiss Re’s balance sheet equivalent to its mark-to-market values recorded for accounting purposes;
- the outcome of tax audits, the ability to realize tax loss carry forwards and the ability to realize deferred tax assets (including by reason of the mix of earnings in a jurisdiction or deemed change of control), which could negatively impact future earnings;
- the possibility that Swiss Re’s hedging arrangements may not be effective;
- the lowering or loss of one of the financial strength or other ratings of one or more companies in the Group;
- risks associated with implementing Swiss Re’s business strategies;
- the cyclical nature of the reinsurance industry;
- uncertainties in estimating reserves;
- the frequency, severity and development of insured claim events;
- acts of terrorism and acts of war;
- mortality and morbidity experience;
- policy renewal and lapse rates;
- extraordinary events affecting Swiss Re’s clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- political risks in the countries in which Swiss Re operates or insures risks;
- the impact of current, pending and future legislation and regulation affecting us or our ceding companies, and regulatory and legal actions;

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- the impact of significant investments, acquisitions or dispositions, and any delays, unexpected costs or other issues experienced in connection with any such transactions, including, in the case of acquisitions, issues arising in connection with integrating acquired operations;
  - changing levels of competition; and
  - operational factors, including the efficacy of risk management and other internal procedures in managing the foregoing risks.

These factors are not exhaustive. We operate in a continually changing environment and new risks emerge continually. Readers are cautioned not to place undue reliance on forward-looking statements. We undertake no obligation to publicly revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.