



## Swiss Re completes EUR 252 million credit reinsurance securitisation

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**Zurich, 23 January 2006 - Swiss Re has successfully completed its first credit reinsurance securitisation. The EUR 252 million issue benefits Swiss Re by transferring credit insurance risk to the capital markets, thereby increasing Swiss Re's capital efficiency.**

John Fitzpatrick, Head of Financial Services commented: "This is the first indemnity-based credit reinsurance securitisation ever completed. The objective of the transaction is to achieve economic, regulatory and rating capital relief as part of Swiss Re's overall objective to transfer risks to the capital markets and further improve capital efficiency."

The risk transfer consists of a retrocession agreement between Swiss Re and Crystal Credit Ltd covering the aggregate losses to Swiss Re in excess of a Swiss Re first loss retention. Crystal Credit will issue EUR 252 million of principal at-risk variable-rate notes for this purpose. The underlying risk is linked to the claims and reserves which Swiss Re will have on its credit reinsurance business for the underwriting years 2006, 2007 and 2008. The indemnity trigger allows Swiss Re to achieve capital relief at minimal basis risk while providing the investor with the benefit of an actively managed credit insurance book over three years.

Peter Schmidt, Head of Swiss Re's Credit Solutions Division explained: "This securitisation is interesting firstly because it is based on a highly diversified underlying risk in terms of geography and industry sectors. Secondly it sets a new benchmark for the insurance sector in terms of capital and capacity management."

The issue, which closed on 13 January 2006, was purchased by a variety of institutional investors. It consists of three separate tranches, with an average pre-tax coupon of 3 month Euribor plus 3.93% per annum, paying quarterly, with a scheduled maturity of 3 years and a legal final maturity of 6.5 years.

	<b>Class A notes</b>	<b>Class B notes</b>	<b>Class C notes</b>
Securities sold	EUR 108 m	EUR 81 m	EUR 63 m
Scheduled maturity	3 years	3 years	3 years
Rating	Baa2/BBB-	Ba2/BB	B2/B

This is not an offer to sell or the solicitation of an offer to buy securities. The securities sold by Crystal Credit Ltd have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered, sold or delivered in the United States, except in a transaction registered under the Securities Act or in a transaction that is exempt from registration.

## **Notes to editors**

### **Swiss Re**

Swiss Re is one of the world's leading reinsurers and the world's largest life and health reinsurer. The company operates through more than 70 offices in over 30 countries. Swiss Re has been in the reinsurance business since its foundation in Zurich, Switzerland, in 1863. Swiss Re offers a wide variety of products to manage capital and risk. Traditional reinsurance products, including a broad range of property and casualty as well as life and health covers and related services, are complemented by insurance-based corporate finance solutions and supplementary services for comprehensive risk management. Swiss Re currently has the following ratings: (i) from Standard & Poor's: long-term counterparty credit, financial strength and senior unsecured debt ratings of "AA (CreditWatch negative)", and a short-term counterparty credit rating of "A-1+", (ii) from Moody's: insurance financial strength and senior debt ratings of "Aa2" (on review for possible downgrade), and a short-term rating of "P-1" and (iii) from A.M. Best: a financial strength rating of A+ (superior) (under review with negative implications).

**Credit Insurance** provides protection against financial losses resulting from the failure of a policyholder's business clients to make timely payments for goods or services that the policyholder supplied to them. Credit insurance may extend to a customer in the domestic market of the applicable policyholder, but could also include some or all of its export markets.

### **Cautionary note on forward-looking statements**

Certain statements contained herein are forward-looking. These statements 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 impact of future investments, acquisitions or dispositions, and any delays, unexpected costs or other issues experienced in connection with any such transaction, including the ability to efficiently and effectively integrate the GE Insurance Solutions operations into our own;
- cyclicalities of the reinsurance industry;
- changes in general economic conditions, particularly in our core markets;
- uncertainties in estimating reserves;
- the performance of financial markets;
- expected changes in our investment results as a result of the changed composition of our investment assets or changes in our investment policy;
- the frequency, severity and development of insured claim events;
- acts of terrorism and acts of war;
- mortality and morbidity experience;

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- policy renewal and lapse rates;
  - changes in rating agency policies or practices;
  - the lowering or withdrawal of one or more of the financial strength or credit ratings of one or more of our subsidiaries;
  - changes in levels of interest rates;
  - political risks in the countries in which we operate or in which we insure risks;
  - extraordinary events affecting our clients, such as bankruptcies and liquidations;
  - risks associated with implementing our business strategies;
  - changes in currency exchange rates;
  - changes in laws and regulations, including changes in accounting standards and taxation requirements; and
  - changes in competitive pressures.

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.