

WORLD-FIRST CATASTROPHE BOND ISSUED VIA GUERNSEY ILS STRUCTURE

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Guernsey's leadership and innovation was "central" in achieving another world first in sustainable finance, with confirmation that the very first humanitarian catastrophe bond covering pure volcanic eruption has been completed using a Guernsey insurance-linked securities (ILS) structure.

A \$3 million privately-placed issuance, sponsored by the Danish Red Cross, has been brought to market by Replexus and Howden Capital Markets through a Guernsey-domiciled reinsurance structure, Dunant Re IC Limited – an Incorporated Cell of Replexus ICC (Guernsey) Limited, which is managed in Guernsey by Aon Insurance Managers.

The bonds were settled using Replexus' unique blockchain-based ILS platform, the ILSBlockchain. The catastrophe bond covers the risk of eruption of 10 volcanoes across three continents and raised \$3 million from specialist cat bond investors, with the capital set to be used to support humanitarian aid in the aftermath of an eruption. Initial investors in the volcano cat bond included ILS specialist managers Plenum Investments, Schroder Investment Management and Solidum Partners.

Guernsey Finance Chief Executive Rupert Pleasant was delighted that the deal was now over the line. "We have been watching the development of this with great interest," he said. "What a great result for the Danish Red Cross, Replexus and for Guernsey - this is a world first and truly unique example of sustainable finance in the humanitarian market."

Guernsey Green Finance Chair Dr Andy Sloan added: "Guernsey's leadership and innovation across ILS, technology and sustainable finance was absolutely central to this bond issuance, which provides opportunity for investors to support NGOs responding to different types of CAT risk."

Paul Sykes, Managing Director at Aon, said: "We are excited to have been involved in another first for the ILS market supporting Replexus on the establishment and management of Dunant Re IC Limited. The transaction demonstrates Guernsey's credentials in the ILS and Sustainable Finance space which we expect to grow significantly in the future."

WE ARE GUERNSEY is the brand under which Guernsey Finance promotes the island's financial services sector internationally. Guernsey Finance - the promotional agency for the island's finance industry internationally - is a joint industry and Government initiative responsible for the promotion of Guernsey. Under the leadership of Chief Executive Rupert Pleasant, the agency ensures that the core values and competencies of the island's finance sector are accepted and respected by the global community and that financial business development flows are enhanced.

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