



## Press release

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### **If divests Marine & Energy operations for USD 30M to Norwegian Assuranceforeningen Gard**

If P&C Insurance AB (Publ) has agreed to sell the Marine & Energy business area to Gard Marine & Energy, a company to be established and jointly owned by If and the Norwegian insurance company Assuranceforeningen Gard. The agreed selling price amounts to USD 30M (SEK 230M). Through this divestment, If is streamlining its operations and reducing most of its risk exposure in the marine and energy segment. The transaction will release capital and increase the solvency ratio by approximately 3.5 percentage points.

The equity in the new company will amount to SEK 1,460M (USD 190M). If will provide USD 80M (SEK 615M) in shareholders equity and USD 15M (SEK 115M) in the form of subordinated loans to the new company. If's ownership will initially amount to 42 percent, but will be successively reduced, in accordance with an agreement with Assuranceforeningen Gard. The holding will be included as a financial investment in If's share portfolio.

The implementation of the transaction is subject to approval by the appropriate authorities.

"Following this divestment, we concentrate the insurance business to our core operations in the Nordic and Baltic countries and improve stability in the portfolio," says Torbjörn Magnusson, CEO of If. "The transaction will also enhance the marine & energy clients' possibilities to benefit from Gard's specialist expertise," he continues.

The Norway-based Gard Services AS has administrated If's marine & energy portfolio, which originates from Storebrand, Vesta and Sampo. The business area represents approximately 5 percent of If's total portfolio and gross written premiums amounted to SEK 2,509M for the 2002 fiscal year. The operations reported a technical loss of SEK 71M at mid-year 2003 and the combined ratio was 116.6 percent.

The market for marine and energy insurance is specialised, with only a few international players. The newly formed company will be one of the market leaders in the industry, with a capitalization that ensures an A rating from a leading rating agency.

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*If is the leading property & casualty insurance company in the Nordic area, with an annual turnover in 2002 of SEK 38 billion and 7 500 employees. Shareholders are Sampo 38.05%, Storebrand 22.47%, Skandia 19.36%, Skandia Liv 10.06% and Varma Sampo 10.06%.*