



Press release

20 December 2001

Sampo Marine & Energy will join Gard Services

On 7 November 2001 the pan-Nordic property and casualty insurance company If and Sampo's P&C business announced the merger of their operations.

Sampo will own 38,05 per cent of the enlarged If, Storebrand will own 22,47 per cent and Skandia 19.36 per cent. Following a direct primary share issue, Varma-Sampo Mutual Pension Insurance Company will become the owner of 10,06 per cent, whereas Skandia Liv will acquire 10,06 per cent of the ownership of If from Skandia on the same terms as Varma-Sampo.

If has now received the necessary confirmations and approvals from the authorities so as to complete the transactions by January 2, 2002.

The enlarged If will have pro forma gross written premiums for the first 9 months of 2001 of SEK 27,5 billion (EUR 3,0 billion). Pro forma, at 20 September 2001, the net asset value was SEK 17,3 billion (EUR 1,9 billion).

On 7 November 2001 Standard and Poor's placed its rating on the Sweden based insurance If Property and Casualty Insurance Ltd (publ), including its single "A" long-term counter party credit rating on Credit Watch with negative implications. The rating action followed the announcement that the Finland based financial services group, Sampo PLC, is to merge its P&C insurance activities into If.

The Credit Watch placement on If reflects the possibility that the ratings be lowered if the proposed transaction fails to complete. Standard & Poor's believes, however, that there is a strong likelihood that the transaction will go ahead, at which time the Credit Watch placement on If will be resolved and the "A" ratings affirmed.

As of 2 January 2002 the capital provider and insurance issuer for marine and energy insurance will be If Property & Casualty Insurance Ltd (publ) and Sampo Industrial Insurance Company Ltd.

Under an agreement dated 14 June 2000 between If P&C, Assuranceforeningen Gard -gjensidig- and Gard Services As the former has an obligation to offer its marine and energy business to the latter for management. Hence, as of 2 January 2002 the marine and energy activities of Sampo, being merged into If, will be managed by Gard Services. The integration will take place during the first quarter of 2002.

Gard Services is committed to continue to provide Sampo's marine and energy customers with local servicing, utilising the combined resources of current Sampo personnel in Helsinki and those of Gard Services to the long term benefit of its customers.

Gard Services AS is a world leading provider of the broadest spectre of insurance to the shipping community, with a staff of some 300 based in several countries and a

total premium income of approximately USD 300 million. Gard Services has a world market share ranging from approximately 11 to 7 per cent from P&I and Marine and Energy respectively, which makes it the world's second largest provider of P&I insurance and a substantial force within both H&M and Energy Insurance.

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