

PRESS RELEASE

DARAG consolidates German business with SOVAG deal

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DARAG Group Limited (“DARAG”), a leading legacy acquirer, today announces it has signed a Portfolio Transfer Agreement with German re/insurer SCHWARZMEER UND OSTSEE Versicherungsaktiengesellschaft (“SOVAG”). The legacy portfolio will be transferred to DARAG’s German risk carrier, DARAG Deutsche Versicherungs- und Rückversicherungs-AG, subject to regulatory approval from BaFin.

DARAG will provide complete finality, as requested by SOVAG’s shareholders following its restructuring.

The legacy book comprises direct insurance and inwards reinsurance business. The insurance business includes a number of specialty lines such as liability, property, transport and motor, with clientele based in Germany, Spain, Malta, Belgium, the Netherlands and Austria. The inwards reinsurance portfolio includes European and international business, underwritten by SOVAG’s UK branch, and German risks underwritten by its Hamburg office.

Tom Booth, CEO of DARAG Group, said: “SOVAG’s diversified book is a great match with DARAG’s other portfolios and this transaction highlights our deep understanding of the German re/insurance market’s legacy needs. Germany remains an important market for DARAG, as we press ahead with our long-term expansion strategy across Europe and beyond.”

Arndt Gossmann, CEO of SOVAG, said: “The sale of our run-off portfolio has been a major step in SOVAG’s restructuring and we are satisfied to hand over a legacy portfolio that is in excellent financial shape. DARAG’s strength and reliability have been the determining factors for our decision. In DARAG we have an excellent partner to ensure that the portfolio and the outstanding claims are dealt with at the highest level.”

About DARAG:

DARAG is a leading international insurance and reinsurance company specialising in the assumption of discontinued business and the provision of capital relief solutions. Building on its strong European roots with a recently announced expansion, through SOBC DARAG, into the US and Bermuda, DARAG has completed 27 run-off transactions in 16 countries with a value in excess of €750m. For more information, please visit: www.darag-group.com

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