

News announcement from Sjóvá, the Resolution Committee of Glitnir banki hf., SAT eignarhaldsfélag and Íslandsbanki

## Sjóvá's Operations are Solid

**The interests of Sjóvá's customers are safeguarded through a joint effort by Glitnir, Íslandsbanki, the government and the Financial Supervisory Authority.**

- Insurance activities and investments linked to investment projects have been separated
- A new company, Sjóvá, is established to handle the company's insurance activities
- Sjóvá's new owners are Glitnir (18%), the holding company SAT eignarhaldsfélag (73%) and Íslandsbanki (9%)
- Public investigations do not affect the company's current insurance activities

**Reykjavík, 8 July 2009**

**Sjóvá's financial restructuring is now complete. A new company with the name Sjóvá will be established to take over only the insurance activities of the former company. This means that investment activities involving real estate have been separated from Sjóvá's traditional insurance activities.**

Glitnir, the holding company SAT eignarhaldsfélag (a company owned by Glitnir) and Íslandsbanki have provided Sjóvá with capital of ISK 16 billion to boost its equity and ensure its future operation. The Treasury has provided SAT eignarhaldsfélag with credit in the form of bonds against SAT eignarhaldsfélag's shareholding in Sjóvá. With its participation, the government intends to protect the state's claims against Sjóvá as well as the interests of a large number of insurance customers. Preparation of the formal sales process for Sjóvá will begin in coming months.

Following the restructuring, Sjóvá fulfils all FME's conditions for insurance activities; the company has sufficient assets to cover its technical provisions and its equity position is solid.

The public investigation currently in progress in no way affects Sjóvá's current operations. Company employees will make every effort to provide the authorities with information and assistance for the investigation.

**Hörður Arnarson, CEO of Sjóvá:**

*"I am extremely pleased at this outcome. Through this broad co-operation involving Glitnir, Íslandsbanki, the government and FME, Sjóvá's future operations are ensured, together with the interests of the company's policy holders. In the future as in the past, Sjóvá will emphasise providing its customers with first class service and leading the way on the Icelandic insurance market."*

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