



5 September 2007

Glitnir acquires 39.8% stake in TM with the aim to sell to group of investors

Glitnir banki hf. (Glitnir) has acquired a 39.8% stake in Tryggingamiðstöðin hf. (TM). The stake is being acquired from entities controlled by Guðbjörg M. Matthíasdóttir, Sigríður E. Zoéga, Geir G. Zoéga and related parties. Kristinn ehf. a holding company in the ownership of Guðbjörg M. Matthíasdóttir, will hold a 9% stake in TM following the transaction. The acquisition share price is ISK 46.5 per share valuing the acquired stake at approximately ISK 20 billion. Glitnir will pay 60% of the price in cash, with the remainder of 40% paid in Glitnir shares at ISK 28.45 per share, which is the closing price of the bank's shares at 4 September 2007. The sellers have committed to hold at least 90% of the Glitnir shares received for a minimum of one year. The market value of these shares amounts to ISK 7.2 billion. Glitnir's objective is to sell the acquired stake on to several investors. Discussions in relation to that are already under way and the outcome of those discussions will be disclosed in due course.

Further information

Gunnlaugur Sævar Gunnlaugsson
Chairman of the Board TM
Tel: +354 892 7014

Lárus Welding
Glitnir CEO
Tel: +354 440 4005

Einar Örn Ólafsson
Head of Glitnir Corporate Finance Reykjavík
Tel: +354 440 4534

Pétur Óskarsson
Head of Glitnir Public Relations
Tel: +354 440 4990
petur.oskarsson@glitnir.is

About Tryggingamiðstöðin hf.

TM is a universal insurance- and financing company established in 1956. In recent years the investment operations of the company have become an increasingly substantial part of the overall operations. TM holds a 25% market share in Iceland and enjoys a strong position among Icelandic seafood companies as well as other industries in Iceland. Last year TM acquired NEMI Forsikring ASA, a Norwegian insurance company. The acquisition has further strengthened TM's presence in the seafood industry, as well as gaining a stronger and more diversified source of income for the company. TM currently employs 150 people, most of which are located in Iceland.

TM's results have been strong in recent years and the company's profit for the first six months of 2007 amounted to ISK 2.4 billion. Reported premiums roughly doubled year-on-year amounting to ISK 13.1 billion compared to ISK 5.2 billion. TM's investment income reached roughly ISK 4 billion compared to ISK 1.4 billion for the same period last year. TM's total assets amounted to ISK 75.2 billion as at 30 June 2007, an increase of 8.5% from financial year end at 31 December 2006. The company's equity ratio was 30.3% at 30 June 2007.

In May 2007, the international rating agency Standard & Poors (S&P) published a Financial strength rating for TM. TM is the first Icelandic insurance company to receive an S&P rating and the rating will increase TM's ability to raise funds. S&P assigned a rating of BBB to TM, and rates the company's outlook as stable.