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The VÍS Board of Directors have approved to aim for changes in the capital structure that would put the Company more in line with insurance companies in other Nordic countries. Should VÍS go ahead with these changes the equity ratio of VÍS will be between 25-28% after three to five years and the company's market risk will be reduced.

As stated in the Board of Directors of VÍS speech at the Annual General Meeting of the Company in March, an analysis of boards and management of Nordic insurance companies has shown that there is significant difference between the financial structure of Icelandic insurance companies and their counterparts in Nordic countries. Nordic insurance companies generally have lower risk in operations and portfolios, their equity is lower and the solvency ratio is higher.

The Board of Directors emphasizes that reduction of equity at any given time is to ensure that the Company's sustainability is guaranteed in the future with the following factors taken into consideration:

- Rolling 12 combined ratio below 99%
- The solvency ratio of the Company remains within the defined risk appetite of the Board, currently in the range of 1.35 to 1.70
- The company's liquidity position remains strong
- Reduced market risk

The reduction of equity is always subject to the approval of a shareholders' meeting and the approval of the Financial Supervisory Authority where applicable.

It is the belief of the Board and management that these changes in the financial structure will result in a safer and more traditional insurance company with less risk based portfolio VÍS aims to distinguish itself from other Icelandic insurance companies as a lower risk capital investment option.

In connection with the above, the Board of Directors intends to convene a shareholders' meeting before the end of second quarter of 2018.