

**Geysir 2008-I Institutional Investor Fund**

(established in Iceland as an institutional investment fund pursuant to Act No. 30/2003 on UCITS and Investment Funds)

Euro 124,800,000 floating rate Senior Class A Mortgage-Backed Notes 2008 due 2053, issue price 100 per cent.

Euro 34,200,000 floating rate Mezzanine Class B Mortgage-Backed Notes 2008 due 2053, issue price 100 per cent.

Euro 1,600,000 floating rate Junior Class C Notes 2008 due 2053, issue price 100 per cent.

This supplemental prospectus (the "**Supplemental**") of Geysir 2008-I Institutional Investor Fund (the "**Issuer**") is prepared to amend the prospectus dated 15 July 2008 (the "**Prospectus**") and is supplemental to, forms part of and should be read in conjunction with, the Prospectus. Terms defined in the Prospectus shall have the same meaning in this Supplemental, unless specified otherwise.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any other statement in or incorporated by reference in the Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplemental, there has been no other significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus since the publication of the Prospectus.

Neither this Supplemental nor any part hereof constitutes an offer or an invitation to sell or a solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The distribution of this document and the offering of the Notes in certain jurisdictions may be restricted by law.

The delivery of the Prospectus, the Supplemental at any time nor any sale made in connection with the offering of the Notes shall not imply that the information contained herein is correct at any time subsequent to the date hereof.

*Bookrunner and Manager*

**Fortis Bank**

*Arranger*

**SPRON Verðbréf hf.**

The date of this Supplement is July 18, 2008

*The following is an amendment to the text of the Prospectus:*

In the Section '*Credit Structure*', the third paragraph on page 28 of the Prospectus shall be deleted and replaced by the following:

**'Realised Losses'** means, on any Quarterly Payment Date, the sum of  
(a) with respect to the Mortgage Loans in respect of which the Seller, the Pool Servicer on behalf of the Issuer, the Issuer or the Representative has foreclosed from the Closing Date up to and including such Quarterly Payment Date the amount of the difference between (i) the aggregate Outstanding Principal Amount of all Mortgage Loans multiplied by the Index Fraction on such Quarterly Payment Date and (ii) the amount of the Net Proceeds applied to reduce the Outstanding Principal Amount of such Mortgage Loans and (b), with respect to the Mortgage Loans sold by the Issuer, the amount of the difference, if any, between (i) the aggregate Outstanding Principal Amount of such Mortgage Loans multiplied by the Index Fraction on such Quarterly Payment Date and (ii) the purchase price of the Mortgage Loans sold to the extent relating to principal, and (c) with respect to the Mortgage Loans in respect of which the Borrower has successfully asserted set-off or defence to payments, the amount by which the Mortgage Loans have been extinguished multiplied by, in the case of (a),(b) and (c), the Index Fraction on such Quarterly Payment Date multiplied by the Index Fraction on such Quarterly Payment Date.

## STATEMENTS

### *Issuer's statement*

The Board of Directors of Rekstrarfélag SPRON hf. in its capacity as the Board of Directors of the Issuer, Geysir 2008-I Institutional Investors Fund, ID-number 440308-9880 registered office being Vegmúla 2, 108 Reykjavik, Iceland, hereby declares that, having taken all reasonable care to ensure that such is the case, the information given in this Supplemental is, to the best of their knowledge, in accordance with the facts and does not omit anything likely to affect its import.

Reykjavik, Iceland 18 July 2008



  
On behalf of the Issuer  
Guðmundur Hauksson  
Chairman of the Board of Directors


  
Ólafur Haraldsson  
member of the Board of Directors

### *Arranger's statement*

SPRON Verðbréf hf. ID 670505-1970 registered office being Vegmúla 2 108 Reykjavik, Iceland, in its capacity as Arranger hereby declares that, having taken all reasonable care to ensure that such is the case, the information given in this Supplemental is, to the best of their knowledge, in accordance with the facts and does not omit anything likely to affect its import.

Reykjavik, Iceland, 18 July 2008

  
On the board of directors of SPRON Verðbréf hf.  
Guðmundur Hauksson  
Chairman of the Board of Directors  
  
Ósvaldur Knudsen  
Member of the Board of Directors

  
Ólafur Haraldsson  
Member of the Board of Directors

### *Seller's statement*

Sparisjóður Reykjavíkur og nágrennis hf. (SPRON), ID-number 540502-2770, registered office being Ármúla 13a, 108 Reykjavik, Iceland as Seller hereby declares that, having taken all reasonable care to ensure that such is the case, the information given in this Supplemental is, to the best of their knowledge, in accordance with the facts and does not omit anything likely to affect its import.

Reykjavik, Iceland, 18 July 2008

  
On behalf of SPRON hf.  
Guðmundur Hauksson  
Managing Director / CEO

  
Ósvaldur Knudsen  
Managing Director - Head of Treasury

**REGISTERED OFFICES**

**ISSUER**

**Geysir 2008-I Institutional Investor Fund**  
Vegmúla 2  
108 Reykjavík  
Iceland

**SELLER AND SWAP COUNTERPARTY**  
**Sparisjóður Reykjavíkur og nágrennis hf.**

Ármúla 13a  
108 Reykjavík  
Iceland

**POOL SERVICER**

**Sparisjóður Reykjavíkur og nágrennis hf.**

Ármúli 13a  
108 Reykjavík  
Iceland

**REPRESENTATIVE**

**Stichting Representative Geysir 2008-I**

Prins Bernhardplein 200  
1097 BJ Amsterdam  
The Netherlands

**ASSET MANEGEMENT COMPANY**

**Rekstrarfélag SPRON hf.**

Vegmúla 2  
108 Reykjavík  
Iceland

**LEGAL ADVISER**

**TO THE MANAGER AND THE ISSUER**

**NautaDutilh N.V.**  
Strawinskylaan 1999  
1077 XV Amsterdam  
The Netherlands

**LEGAL ADVISER**

**TO THE SELLER**

**LM Attorneys**  
Skólavörðustígur 12  
P.O. Box 670  
121 Reykjavík  
Iceland

**TAX ADVISERS AND AUDITOR**

**KPMG hf.**

Borgartúni 27  
105 Reykjavík  
Iceland

**PRINCIPAL PAYING AGENT**

**Fortis Banque Luxembourg S.A.**

50 Avenue John F. Kennedy  
L-2951 Luxembourg  
Luxembourg

**DUTCH PAYING AGENT**  
**Fortis Bank (Nederland) N.V.**  
Rokin 55  
1012 KK Amsterdam  
The Netherlands

**ICELANDIC PAYING AGENT**  
**Sparisjóður Reykjavíkur og nágrennis hf.**  
Ármúla 13a  
108 Reykjavík  
Iceland

**LIQUIDITY FACILITY PROVIDER AND REFERENCE AGENT**  
**Fortis Bank NV/SA**  
Montagne du parc 3  
B-1000, Brussels  
Belgium

**LISTING AGENTS**  
**Sparisjóður Reykjavíkur og nágrennis hf.**  
Ármúla 13a  
108 Reykjavík  
Iceland

**Fortis Bank (Nederland) N.V.**  
Rokin 55  
1012 KK Amsterdam  
The Netherlands