

# (Unaudited) Balance Sheet

## Balance Sheet

| €m  | 28 February    | 31 March       |
|---|----------------|----------------|
| Cash and cash equivalents                               | 170.3          | 130.6          |
| Asset for sale  | 83.0           | 54.1           |
| Loans and receivables                                   | 1,360.9        | 978.5          |
| Financial assets held for trading                       | 156.3          | 106.3          |
| Financial assets designated at a fair value through P/L | 254.8          | 129.1          |
| Financial assets available for sale                     | 137.2          | 129.3          |
| Investment in associated companies                      | 6.1            | 7.4            |
| Investment in subsidiaries                              | 417.3          | 264.9          |
| Property and equipment                                  | 17.0           | 17.7           |
| Intangible assets                                       | 1.5            |                |
| Deferred tax assets                                     | 89.7           |                |
| Other assets  | 56.0           | 47.3           |
| <b>Total assets</b>                                     | <b>2,750.0</b> | <b>1,865.3</b> |
| Priority Claims   | -              | 16.2           |
| Senior Secured Claims                                   | 693.1          | 758.7          |
| Senior Unsecured Claims                                 | 1,392.3        | 1,354.6        |
| Subordinated claims                                     | 94.6           | 100.8          |
| Total liabilities                                       | 2,180.0        | 2,230.4        |
| Equity  | 570.0          | (365.1)        |
| <b>Total liabilities and equity</b>                     | <b>2,750.0</b> | <b>1,865.3</b> |

### Basis of Presentation

1. Consolidates Straumur-Burdaras bank and its banking subsidiaries
2. eQ, Stamford and Novator One treated as unconsolidated subsidiaries
3. 31 March liabilities adjusted for Íslandsbanki bond issued on 3 April
4. ISK: EUR exchanges rates – 196.5 at 28 Feb (offshore rate), 163.6 at 31 Mar (onshore rate)

• Replacement of currently pledged loans with Novator One under negotiation with MoF

• CB – Central Bank : MoF – Ministry of Finance : ISB – Íslandsbanki hf.

## Breakdown of assets at 31 March 2009

| Loans and receivables                      |              | pledged to | Financial assets held for trading                              |              | pledged to |
|--|--------------|------------|--|--------------|------------|
| Pledged loans                              | 628.0        | ISB        | Government bonds   | 29.5         | CB         |
| Pledged loans                              | 160.1        | MoF        | Corporate bonds  | 40.8         | CB         |
| Pledged loans                              | 40.0         | CB         | Unlisted share   | 4.7          | HSH        |
| Unpledged loans*                           | 150.2        |            | Other shares   | 17.6         | ISB        |
| <b>Total</b>                               | <b>978.5</b> |            | Net position of derivatives                                    | 13.7         | ISB        |
| <b>Financial assets available for sale</b> |              |            | <b>Total</b>   |              |            |
| Government backed bonds                    | 126.7        | CB         |  | <b>106.3</b> |            |
| Bank bonds                                 | 2.6          | ISB        | <b>Financial assets designated at a fair value through P/L</b> |              |            |
| <b>Total</b>                               | <b>129.3</b> |            | Unlisted shares  | 113.0        | ISB        |
| <b>Investment in subsidiaries</b>          |              |            | Unlisted shares  | 15.5         |            |
| Stamford Partners                          | n/a          | ISB        | Listed shares  | 0.6          | ISB        |
| Novator One*                               | n/a          | MoF        | <b>Total</b>   | <b>129.1</b> |            |
| eQ Bank                                    | n/a          | CB         | <b>Assets for sale</b>   |              |            |
| <b>Total</b>                               | <b>264.9</b> |            | Unlisted shares  | 41.3         |            |
|  |              |            | Unlisted shares  | 12.8         | ISB        |
|  |              |            | <b>Total</b>   | <b>54.1</b>  |            |

### Commentary

- The events of 9 March significantly weakened Straumur balance sheet:
  - losses as no access to offshore FX - €100M
  - write off of deferred tax asset of €90m
  - write down of subsidiaries of €150m
  - write down of assets held for sale of €30m
- Further impairments have also been taken on loans and investments in recognition of asset specific events and continuing difficult market conditions.
- Profile of loan portfolio:
  - Geography : Denmark 30%; Canada 13%; UK 12%, Iceland 11%
  - Sector : Real Estate 26%; Transportation Infrastructure 18%