

## SPRON's 9 Month Results 2007

**Net after-tax profit ISK 9.3 billion  
Return on equity (ROE) 41.6%****Highlights from the first nine months of 2007:**

- SPRON reported an after-tax profit of ISK 9,279 million in the first nine months of the year
- Return on equity after-tax was 41.6% on an annualised basis
- Net interest income amounted to ISK 15,297 million in the period and has never been higher
- Net interest margin was 1.2%
- Total assets amounted to ISK 219,188 million at the end of September 2007 and increased by 18.8% from year end 2006
- Loans to customers amounted to ISK 148,583 million at the end of September and increased by 15.8% from year end 2006
- Customer deposits amounted to ISK 74,625 million and increased by 31.9% from year end 2006
- Customer deposits represent 50.2% of loans to customers at the end of the period
- SPRON's funding position is strong and doesn't require refinancing of larger loans in the next 2 years
- Equity at the end of September amounted to ISK 35,105 million
- The bank's capital adequacy ratio was 11.6% at the end of the period. Tier 1 capital was 27.4%.

**Highlights from the third quarter of 2007:**

- SPRON reported a loss of ISK 850 million after taxes in the period due to difficult conditions in financial markets
- Net interest income amounted to ISK 746 million and has increased in comparison to recent quarters
- Net commission income totalled ISK 360 million and has never been higher in one quarter
- Deposits increased by ISK 8.0 billion or by 12.0%
- Loans to customers increased by ISK 10.3 billion in the quarter or by 7.5%

Gudmundur Hauksson CEO:

"The operating results for the first nine months of the year are good and SPRON's operating income has never been higher, exceeding our expectations. SPRON's core income is strengthening but at the same time our stock investments have suffered due to turbulence in financial markets. The Group's profits totalled ISK 9.3 billion in the first nine months and ROE was 41.6% which is well above our goal for the year. Prospects for the year are good with the continued strengthening of the Group's core operations."

## Key figures from SPRON's consolidated financial statements

Income statement	2007		Diff.	2007		Diff.
	1.1.-30.9.	1.1.-30.9.		3Q 2007	2Q 2007	
Interest income .....	15,217	11,469	32.7%	5,009	5,671	-11.7%
Interest expense .....	(13,371)	(9,228)	44.9%	(4,263)	(5,036)	-15.4%
<b>Net interest income.....</b>	<b>1,846</b>	<b>2,240</b>	<b>-17.6%</b>	<b>746</b>	<b>635</b>	<b>17.6%</b>
Fee and commission income .....	1,339	959	39.6%	477	444	7.4%
Fee and commission expense .....	(437)	(249)	75.7%	(117)	(214)	-45.5%
<b>Net fee and commission income.....</b>	<b>902</b>	<b>710</b>	<b>27.0%</b>	<b>360</b>	<b>230</b>	<b>56.6%</b>
Net gains on fin. assets and fin. Liabilities .....	10,143	10,041	1.0%	205	4,857	-95.8%
Share of profit of associates .....	2,152	1,516	42.0%	(1,100)	2,444	-
Other operating income .....	255	284	-10.2%	112	95	18.2%
<b>Operating income.....</b>	<b>12,550</b>	<b>11,842</b>	<b>6.0%</b>	<b>(783)</b>	<b>7,395</b>	<b>-</b>
<b>Net Operating income.....</b>	<b>15,298</b>	<b>14,792</b>	<b>3.4%</b>	<b>324</b>	<b>8,260</b>	<b>-96.1%</b>
Salaries and related expenses .....	(1,810)	(1,281)	41.4%	(592)	(681)	-13.0%
Administrative expenses .....	(1,892)	(1,296)	46.0%	(658)	(748)	-12.0%
Depreciation .....	(118)	(69)	70.9%	(48)	(41)	17.0%
<b>Operating cost .....</b>	<b>(3,821)</b>	<b>(2,646)</b>	<b>44.4%</b>	<b>(1,298)</b>	<b>(1,470)</b>	<b>-11.6%</b>
Impairment losses on loans and advances .....	(359)	(329)	9.1%	(75)	(173)	-56.7%
<b>Profit (Loss) before income tax.....</b>	<b>11,118</b>	<b>11,817</b>	<b>-5.9%</b>	<b>(1,049)</b>	<b>6,618</b>	<b>-</b>
Income tax .....	(1,839)	(2,043)	-10.0%	200	(1,179)	-
<b>Net profit (loss) .....</b>	<b>9,279</b>	<b>9,774</b>	<b>-5.1%</b>	<b>(850)</b>	<b>5,439</b>	<b>-</b>
<b>Attributable to:</b>						
Shareholders of SPRON hf. ....	9,279	9,772	-5.0%	(850)	5,439	-
Minority interest .....	0	2	-78.6%	0	0	-
	<u>9,279</u>	<u>9,774</u>	<u>-5.1%</u>	<u>(850)</u>	<u>5,439</u>	<u>-</u>
<b>Balance sheet</b>						
	30.9.2007	31/12/2006	Diff.			
<b>Assets</b>						
Cash and cash balances with the Central Bank .....	3,611	2,432	48.5%			
Loans to credit institutions .....	5,349	7,223	-25.9%			
Loans to customers .....	148,583	128,296	15.8%			
Trading financial assets .....	29,276	20,313	44.1%			
Financ. assets design. at fair value thr. profit/loss .	15,131	16,749	-9.7%			
Investment in associates .....	11,896	4,580	159.7%			
Intangible assets .....	1,775	1,675	6.0%			
Property and equipment .....	1,496	992	50.8%			
Non-current assets and disp. groups held for sale .	434	105	313.9%			
Other assets .....	1,637	2,136	-23.3%			
<b>Total Assets</b>	<u>219,188</u>	<u>184,501</u>	<u>18.8%</u>			
<b>Liabilities</b>						
Deposits from credit inst. and the Central Bank ....	5,688	11,524	-50.6%			
Other deposits .....	74,625	56,592	31.9%			
Trading financial liabilities .....	506	361	40.2%			
Borrowings .....	88,553	69,642	27.2%			
Subordinated loans .....	5,476	5,216	5.0%			
Post-employment obligations .....	727	646	12.5%			
Tax liabilities .....	4,906	3,013	62.9%			
Other liabilities .....	3,601	2,731	31.9%			
<b>Total Liabilities</b>	<u>184,082</u>	<u>149,726</u>	<u>22.9%</u>			
<b>Equity</b>						
Primary Capital .....		19,454	-			
Retained earnings .....		15,292	-			
Share capital .....	5,000		-			
Reserves .....	1,250		-			
Retained earnings .....	28,826		-			
	<u>35,076</u>	<u>34,746</u>	<u>0.9%</u>			
Minority interest .....	30	29	1.6%			
<b>Total Equity</b>	<u>35,105</u>	<u>34,775</u>	<u>1.0%</u>			
<b>Total Liabilities and Equity</b>	<u>219,188</u>	<u>184,501</u>	<u>18.8%</u>			

## Quarterly overview

Income statement	3Q 2007	2Q 2007	1Q 2007	4Q 2006	3Q 2006
Interest income .....	5,009	5,671	4,538	3,069	3,794
Interest expense .....	(4,263)	(5,036)	(4,073)	(2,895)	(3,210)
<b>Net interest income.....</b>	<b>746</b>	<b>635</b>	<b>465</b>	<b>174</b>	<b>584</b>
Fee and commission income .....	477	444	418	348	315
Fee and commission expense .....	(117)	(214)	(106)	(83)	(100)
<b>Net fee and commission income.....</b>	<b>360</b>	<b>230</b>	<b>312</b>	<b>265</b>	<b>215</b>
Net gains on fin. assets and fin. Liabilities .....	205	4,857	5,081	74	7,681
Share of profit of associates .....	(1,100)	2,444	808	(109)	1,108
Other operating income .....	112	95	48	0	74
<b>Operating income.....</b>	<b>(783)</b>	<b>7,395</b>	<b>5,937</b>	<b>(35)</b>	<b>8,863</b>
<b>Net Operating income.....</b>	<b>324</b>	<b>8,260</b>	<b>6,714</b>	<b>404</b>	<b>9,661</b>
Salaries and related expenses .....	(592)	(681)	(537)	(645)	(397)
Administrative expenses .....	(658)	(748)	(486)	(678)	(430)
Depreciation .....	(48)	(41)	(30)	(40)	(25)
<b>Operating cost .....</b>	<b>(1,298)</b>	<b>(1,470)</b>	<b>(1,053)</b>	<b>(1,363)</b>	<b>(852)</b>
Impairment losses on loans and advances .....	(75)	(173)	(112)	21	(96)
<b>Profit (Loss) before income tax.....</b>	<b>(1,049)</b>	<b>6,618</b>	<b>5,549</b>	<b>(938)</b>	<b>8,714</b>
Income tax .....	200	(1,179)	(859)	175	(1,568)
<b>Net profit (loss) .....</b>	<b>(850)</b>	<b>5,439</b>	<b>4,690</b>	<b>(763)</b>	<b>7,147</b>
<b>Attributable to:</b>					
Shareholders of SPRON hf. ....	(850)	5,439	4,690	(761)	7,146
Minority interest .....	0	0	0	(2)	1
	<b>(850)</b>	<b>5,439</b>	<b>4,690</b>	<b>(763)</b>	<b>7,147</b>
<b>Balance sheet</b>	<b>30.9.2007</b>	<b>30.6.2007</b>	<b>31.3.2007</b>	<b>31.12.2006</b>	<b>30.9.2006</b>
<b>Assets</b>					
Cash and cash balances with the Central Bank .....	3,611	721	4,672	2,432	961
Loans to credit institutions .....	5,349	10,047	2,393	7,223	7,461
Loans to customers .....	148,583	138,237	134,536	128,296	116,268
Trading financial assets .....	29,276	27,200	22,534	20,313	16,502
Financ. assets design. at fair value thr. profit/loss .	15,131	14,691	17,147	16,749	17,090
Investment in associates .....	11,896	12,966	7,740	4,580	3,574
Intangible assets .....	1,775	1,811	1,664	1,675	1,676
Property and equipment .....	1,496	1,150	983	992	923
Non-current assets and disp. groups held for sale .	434	303	181	105	84
Other assets .....	1,637	1,403	2,301	2,136	1,560
<b>Total Assets</b>	<b>219,188</b>	<b>208,528</b>	<b>194,151</b>	<b>184,501</b>	<b>166,099</b>
<b>Liabilities</b>					
Deposits from credit inst. and the Central Bank ....	5,688	3,063	12,098	11,524	13,071
Other deposits .....	74,625	66,635	58,336	56,592	60,241
Trading financial liabilities .....	506	438	192	361	127
Borrowings .....	88,553	88,634	72,354	69,642	56,193
Subordinated loans .....	5,476	5,311	5,200	5,216	4,435
Post-employment obligations .....	727	704	664	646	629
Tax liabilities .....	4,906	5,083	3,946	3,013	3,239
Other liabilities .....	3,601	2,706	10,845	2,731	1,852
<b>Total Liabilities</b>	<b>184,082</b>	<b>172,573</b>	<b>163,635</b>	<b>149,726</b>	<b>139,787</b>
<b>Equity</b>					
Primary Capital .....			20,496	19,454	10,216
Retained earnings .....			9,991	15,292	16,080
Share capital .....	5,000	5,000			
Reserves .....	1,250	1,250			
Retained earnings .....	28,826	29,676			
	35,076	35,926	30,487	34,746	26,296
Minority interest .....	30	29	29	29	17
<b>Total Equity</b>	<b>35,105</b>	<b>35,955</b>	<b>30,516</b>	<b>34,775</b>	<b>26,312</b>
<b>Total Liabilities and Equity</b>	<b>219,188</b>	<b>208,528</b>	<b>194,151</b>	<b>184,501</b>	<b>166,099</b>



## **Income statement**

### **After-tax profit of ISK 9.3 billion**

SPRON's pre-tax profit for the first nine months of the year totalled ISK 11,118 million compared to ISK 11,817 million for the same period in 2006. After-tax profit amounted to ISK 9,279 million compared to ISK 9,774 million in the first nine months of 2006. After-tax ROE was 41.6% on an annualised basis. SPRON reported a loss of ISK 850 million in the third quarter due to difficult conditions in financial markets.

### **Net operating income ISK 15.3 billion**

Net operating income for the first nine months of the year amounted to ISK 15,298 million and increased by 3.4% compared with the same period in 2006. Net operating income for the third quarter amounted to ISK 324 million.

### **Net interest income ISK 1.8 billion**

Net interest income amounted to ISK 1,845 million in the first nine months of the year compared with ISK 2,240 million in the same period last year. Interest income for the first nine months of the year amounted to ISK 15,217 million compared with 11,469 million in the same period last year and increased by 32.7%. Interest expenses amounted to ISK 13,371 million in comparison with ISK 9,228 million in the same period in 2006 and increased by 44.9%. Net interest income amounted to ISK 746 million in the third quarter which is the best quarter of the year.

Interest margin measured against the average size of the balance sheet was 1.2% compared with 2.1% in the first nine months of 2006. Interest margin measured against the average size of interest bearing assets was 1.6% in the first nine months of 2007. SPRON's interest margin is affected by inflation which explains partly a decline in the interest margin in the first nine months of 2007 in comparison with the same period in 2006.

### **Net commission income ISK 902 million**

Net commission income amounted to ISK 902 million in the first nine months of 2007 compared with ISK 710 million in the same period last year and has increased by 27.0%. Net commission income amounted to ISK 360 million in the third quarter and is the best quarter in the Group's operations from inception.

### **Other operating income ISK 12.6 billion**

Other operating income in the first nine months of 2007 amounted to ISK 12,550 million and increased by 6% compared with the same period last year. Other operating income was negative by ISK 783 million in the third quarter. SPRON has reported a substantial profit from its shares in Exista during the year. The Group's share in Exista through direct ownership was 3.0% at the end of September. Other investments have also returned a profit despite considerable fluctuations in financial markets. In the first nine months of the year share of profit of associates amounted to ISK 2,152 million in comparison with ISK 1,516 million in the same period last year. During the period SPRON sold a part of its shares in Exista to Kista-Investments with Kista's shares in Exista amounting to 8,9% at the end of September 2007. Kista-Investments is an associate of SPRON and SPRON's share in Kista was 48.4% at the end of September 2007. SPRON's direct and indirect holding



in Exista amounted to 7.44% at the end of the period. SPRON's share in Icebank was 24.6% at the end of September. Icebank reported a considerable increase in profits from the previous year. On 12 October 2007 SPRON announced its sale of a 20.6% share in Icebank and after the sale SPRON's holding will be 4%. The profit from the sale will be accounted for in the fourth quarter in 2007 and amounted in total to ISK 3.2 billion. The sale is contingent on the approval of Icebank's lenders (change of control) and the Financial Supervisory Authority in Iceland.

#### **Operating expenses ISK 3.8 billion**

The operating expenses for the first nine months of the year amounted to ISK 3,820 million and increased by 44.4% from the same period in 2006. Salaries and related expenses was ISK 1,810 million compared with ISK 1,280 in the same period last year. Number of positions at period end were 265 compared with 226 at the end of september 2006. Other operating expenses amounted to ISK 1,892 million in the first nine months of the year compared with ISK 1,296 million in the same period last year.

#### **Impairment on loans and advances ISK 359 million**

The impairment on loans and advances in the first nine months of the year amounted to ISK 359 million compared with ISK 329 million in the same period 2006.

### **The balance sheet**

#### **Total assets ISK 219.2 billion**

Total assets amounted to ISK 219,188 million at the end of September compared with ISK 184,501 million at the end of year in 2006 and have increased by 18.8% during the year.

#### **Loans to credit institutions ISK 5.3 billion**

Loans to credit institutions totalled ISK 5,349 million at the end of september 2007 compared with ISK 7,222 million at the end of the year 2006.

#### **Loans to customers ISK 148.6 billion**

Loans to customers amounted to ISK 148,583 at the end of September compared with ISK 128,296 million at year end 2006 and have increased by 15.8%. As before loans to individuals amount to 60% of total loans to customers. Allowances for losses on loans to customers was ISK 1,394 million which is 0.9% of loans to customers at the end of September 2007 and is unchanged from year end 2006. Allowances for losses on loans to customers has seen little changes in recent years but at the same time loans to customers have increased by 300% from year end 2003.

#### **Trading assets ISK 29.3 billion**

Trading assets amounted to ISK 29,276 million at the end of September 2007 and increased by 44.1% from year end 2006. Financial assets designated at fair value amounted to ISK 15,131 million at the end of September 2007 and have decreased by 9.7% from year end 2006. Investments in associates amounted to ISK 11,896 million at the end of September 2007 compared with ISK 4,580 million at year end 2006. During the year SPRON sold a part of its shares in Exista to Kista Investments which explains the decrease in financial assets designated at fair value and the increase in investments in associates.



### **Deposits from credit institutions and the Central bank of Iceland ISK 5.7 billion**

Deposits from credit institutions and the Central bank of Iceland amounted to ISK 5,688 million at the end of September 2007 in comparison with ISK 11,524 at year end 2006.

### **Deposits from customers ISK 74.6 billion**

Deposits from customers ISK 74,625 million at the end of September 2007 and have increased by 31.9% from year end 2006.

### **Customer deposits represent 50% of loans to customers**

Deposits from customers represent 50.2% of loans to customers compared with 44.1% at year end 2006. SPRON's funding position is strong and doesn't require refinancing of larger loans in the next 2 years.

### **Borrowings ISK 88.6 billion**

Borrowings amounted to ISK 88,553 million at the end of september 2007 compared with ISK 69,642 million at year end 2006.

### **Subordinated loans ISK 5.5 billion**

Subordinated loans amounted to ISK 5,476 million at the end of September 2007 compared with ISK 5,216 million at year end 2006.

### **Capital adequacy ratio 11.6%**

SPRON's equity amounted to ISK 35,105 million at the end of September 2007 in comparison with ISK 34,775 million at year end 2006. During the period dividends were paid out amounting to ISK 8,949 million. SPRON's capital adequacy ratio was 11.6% at the end of the period.

## **Core operations**

### **Profit from core operations ISK 3.7 billion**

Profit from core operations in the first nine months of 2007 amounted to ISK 3,672 million compared with ISK 2,366 million in the whole year of 2006.

	9M 2007	2006	2005	2004
<b>Profit before income tax</b>	<b>11,118</b>	<b>10,879</b>	<b>4,956</b>	<b>1,984</b>
Trading gains deducted	-12,295	-11,522	-4,963	-1,981
Adjusted net interest income	4,429	2,584	899	224
Cost adjustments	420	426	307	255
<b>Core operations before tax</b>	<b>3,672</b>	<b>2,366</b>	<b>1,198</b>	<b>482</b>
Pre-tax ROE of core operations	16.4%	15.4%	18.1%	9.2%

In calculating SPRON's profit from core operations, trading gains on equities of all types, as well as other trading gains, are deducted. The net interest income is increased accordingly to reflect the cost of the Group of financing tied up in bond and equity positions.



## Prospects

SPRON's operations have exceeded expectations during the year. Turbulence in international markets have had an effect, particularly investments in stocks. Return on equity was 41.6% which far exceeds SPRON's goal of 15% on an annualised basis.

SPRON sold 20.6% in Icebank in October and after the sale SPRON's holding in Icebank amounts to 4%. With the sale SPRON's indirect share in Exista decreases by 0.5% and after the sale SPRON direct and indirect shares in Exista is 7.44%. The net effects of the sale on SPRON's operations amount to ISK 3.3 billion. The sale is contingent on the approval of lenders (change of control) and the Financial Supervisory Authority in Iceland.

Turbulence in international markets has continued but at the same time SPRON's core operations have strengthened. The prospects for the year in whole are good and management expects that results will be strong. It should however be borne in mind that the operations of a bank such as SPRON are subject to uncertain factors, such as developments of the financial market and other factors which are beyond SPRON's control.

## Five year overview

Key ratios	2007 9M	2006 9M	2006	2005	2004	2003
Cost / Income ratio .....	25.0%	17.9%	26.4%	36.7%	50.3%	55.3%
Net interest margin .....	1.2%	2.1%	1.6%	2.4%	3.8%	3.8%
ROE .....	41.6%	87.1%	58.7%	61.5%	36.0%	21.0%
Impairment on loans as a % of loans and guarantees ....	0.3%	0.4%	0.2%	0.4%	0.9%	1.8%
	30/09/07	30/09/06	2006	2005	2004	2003
Capital adequacy ratio .....	11.6%	14.2%	20.2%	13.6%	10.4%	12.8%
Thereof Tier I ratio .....	27.4%	27.8%	31.1%	19.6%	12.3%	10.0%
Provisions as a % of loans and guarantees .....	0.9%	1.0%	0.9%	1.2%	2.0%	2.8%
Full time equivalent positions at period-end .....	265	226	245	206	184	183
Deposits as a % of loans to customers .....	50.2%	51.8%	44.1%	46.3%	72.1%	80.4%

## Five year overview - continued

Million ISK	2007 9M	2006	2005	2004	2003
<b>Income</b>					
Interest income .....	15,217	14,537	7,884	5,547	4,950
Interest expense .....	-13,371	-12,123	-5,659	-3,272	-2,964
Net interest income .....	1,846	2,415	2,225	2,275	1,986
Fee and commission income .....	1,339	1,307	881	859	820
Fee and commission expense .....	-437	-331	-297	-243	-214
Net fee and commission income .....	902	975	584	616	606
Net gains on fin. assets and fin. Liabilities .....	10,143	10,115	4,366	1,757	1,114
Share of profit of associates .....	2,152	1,407	597	224	62
Other operating income .....	255	284	576	135	38
Operating income .....	12,550	11,806	5,538	2,116	1,214
<b>Net Operating income</b>	<b>15,298</b>	<b>15,196</b>	<b>8,347</b>	<b>5,007</b>	<b>3,806</b>
<b>Expenses</b>					
Salaries and related expenses .....	-1,810	-1,926	-1,551	-1,299	-1,072
Administrative expenses .....	-1,892	-1,974	-1,433	-1,208	-1,007
Depreciation .....	-118	-109	-81	-45	-48
Operating cost .....	-3,821	-4,009	-3,065	-2,553	-2,127
Impairment losses on loans and advances .....	-359	-308	-327	-470	-668
Amortization of goodwill .....	0	0	0	0	-165
<b>Profit (Loss) before income tax</b>	<b>11,118</b>	<b>10,879</b>	<b>4,956</b>	<b>1,984</b>	<b>846</b>
Income tax .....	-1,839	-1,869	-863	-355	-42
<b>Net profit (loss)</b>	<b>9,279</b>	<b>9,010</b>	<b>4,092</b>	<b>1,629</b>	<b>804</b>
<b>Assets</b>	<b>30/9/2007</b>	<b>31/12/2006</b>	<b>31/12/2005</b>	<b>31/12/2004</b>	<b>31/12/2003</b>
Cash and cash balances with the Central Bank .....	3,611	2,432	2,068	1,540	416
Loans to credit institutions .....	5,349	7,223	6,294	5,427	3,283
Loans to customers .....	148,583	128,296	84,950	49,278	37,199
Trading financial assets .....	29,276	20,313	8,367	5,953	6,382
Financ. assets design. at fair value thr. profit/loss ...	15,131	16,749	7,991	3,290	1,438
Investment in associates .....	11,896	4,580	1,647	1,028	804
Intangible assets .....	1,775	1,675	1,619	1,536	1,505
Property and equipment .....	1,496	992	1,016	176	211
Non-current assets and disp. groups held for sale ...	434	105	103	126	343
Other assets .....	1,637	2,136	874	400	321
<b>Total Assets</b>	<b>219,188</b>	<b>184,501</b>	<b>114,929</b>	<b>68,754</b>	<b>51,902</b>
<b>Skuldir</b>					
Deposits from credit inst. and the Central Bank .....	5,688	11,524	11,210	7,211	1,050
Other deposits .....	74,625	56,592	39,340	35,523	30,180
Trading financial liabilities .....	506	361	120	111	0
Borrowings .....	88,553	69,642	44,445	16,425	13,117
Subordinated loans .....	5,476	5,216	3,918	1,924	1,849
Post-employment obligations .....	727	646	559	509	356
Tax liabilities .....	4,906	3,013	1,249	469	160
Other liabilities .....	3,601	2,731	1,070	763	565
<b>Total Liabilities</b>	<b>184,082</b>	<b>149,726</b>	<b>101,912</b>	<b>62,935</b>	<b>47,277</b>
Primary Capital .....		19,454	3,961	604	539
Retained earnings .....		15,292	9,055	5,214	4,059
Share capital .....	5,000				
Reserves .....	1,250				
Retained earnings .....	28,826				
Total Shareh. Equity/Total Prim.Cap. and Ret.Earn.	<b>35,076</b>	<b>34,746</b>	<b>13,016</b>	<b>5,818</b>	<b>4,598</b>
Minority interest .....	30	29	1	1	27
<b>Total Equity</b>	<b>35,105</b>	<b>34,775</b>	<b>13,017</b>	<b>5,819</b>	<b>4,625</b>
<b>Total Liabilities and Equity</b>	<b>219,188</b>	<b>184,501</b>	<b>114,929</b>	<b>68,754</b>	<b>51,902</b>



**Auditors' review**

The Interim Consolidated Financial Statements have been reviewed by SPRON's auditors.

**Presentation to shareholders and market participants**

A presentation for shareholders and market participants will be held on Thursday 8 November at 8:30 a.m. at the Grand Hotel in Reykjavik. Gudmundur Hauksson CEO will present the bank's results and answer questions. Information regarding the presentation will be made available after the meeting on SPRON's website [www.spron.is](http://www.spron.is) and the OMX Nordic Exchange's website, [www.omxgroup.com](http://www.omxgroup.com).

**Further information**

For further information please contact Gudmundur Hauksson CEO, tel: +354 550 1200 or Jona Ann Petursdottir Head of Public Relations, tel: +354 550 1771.

**Publication of Q4 results and the annual financial statement for 2007**

The publication of the Q4 results and the annual financial statement is scheduled on 6 February 2008.