

▶ Q3 2007
results

Summary of financial performance and strategic developments

Financial performance

- Net earnings EUR 273.5 million for 9m 2007 and EUR 32.8 million in Q3 2007
- Annualised ROE 15.5%
- Earnings per share EUR 0.017 – down from EUR 0.023 in Q3 2006
- Cost income ratio 26.4% for the first nine months - investments in future growth and revenue generation are driving increases in operational costs

Platform news

- A positive bottom-line thanks to increase in client-driven revenue, despite the volatile quarter in the financial markets
- Debt Finance division recorded best quarter since inception
- Net financial income affected by challenging market conditions

Strategic developments

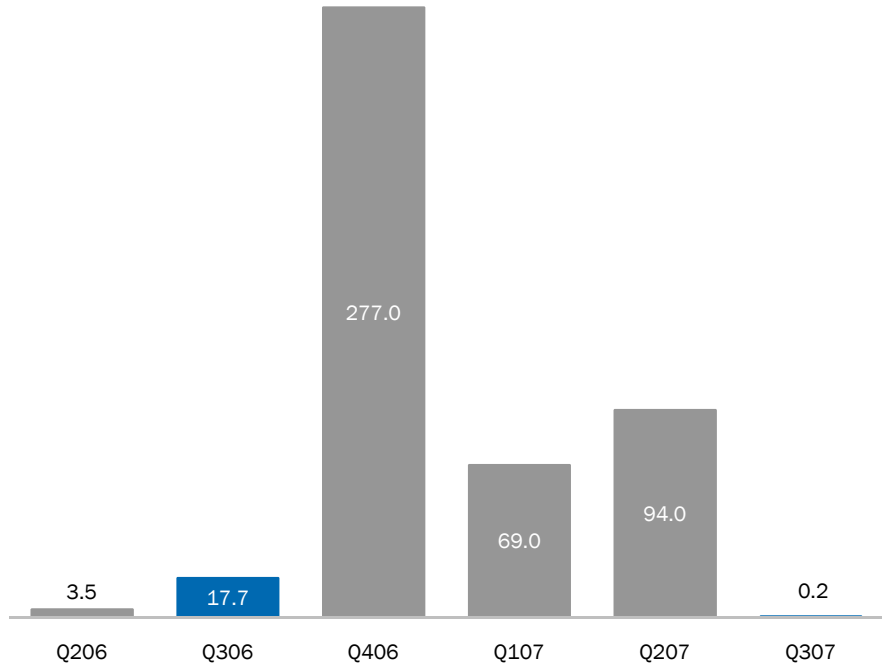
- Established an office in Stockholm and plan to build to 22 employees
- Granted a commercial banking licence by the FME enabling the Bank to source deposits in Iceland and Denmark



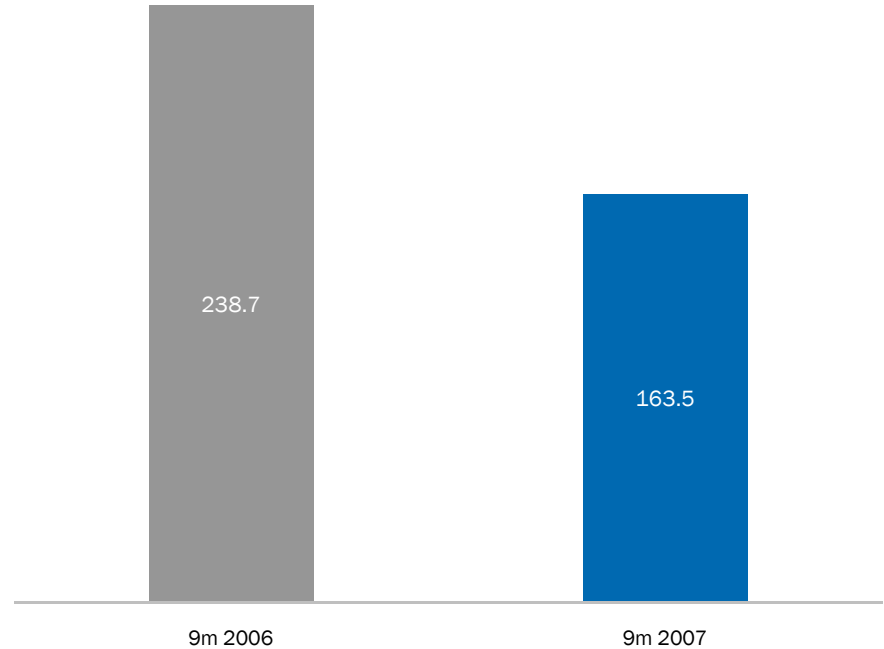
Income statement

Positive net income in Q3 despite difficult markets

► Net income after tax - quarterly EUR m

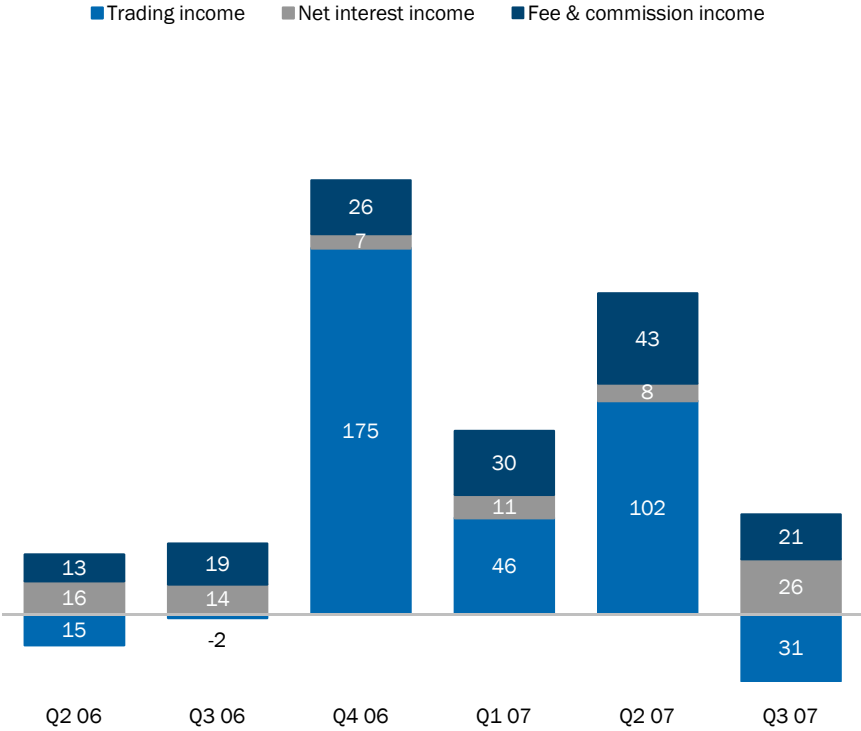


► Net income after tax- 9m EUR m

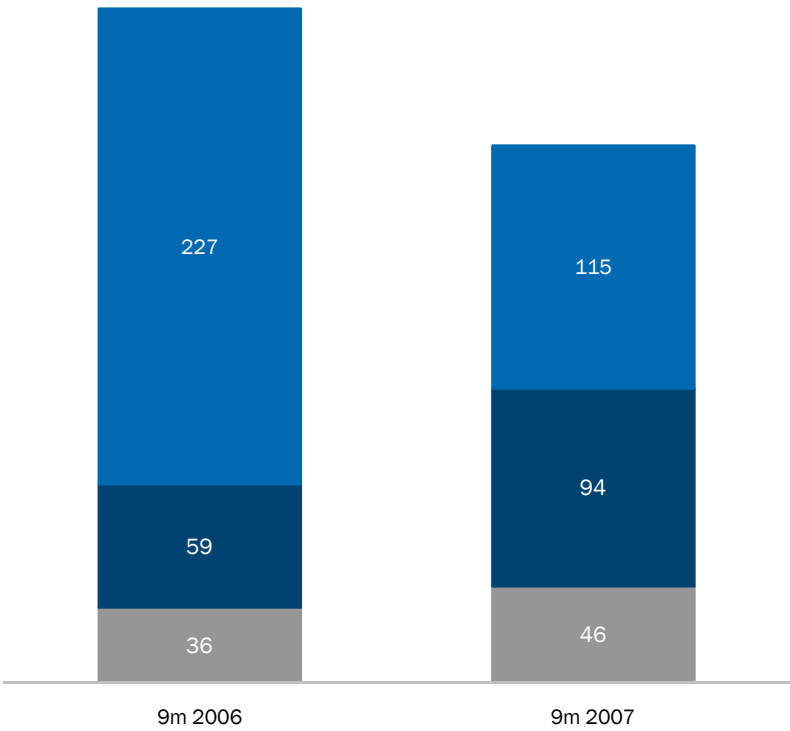


Income distribution shows favorable trend in client driven revenues

► Breakdown of operating income- quarterly EUR m

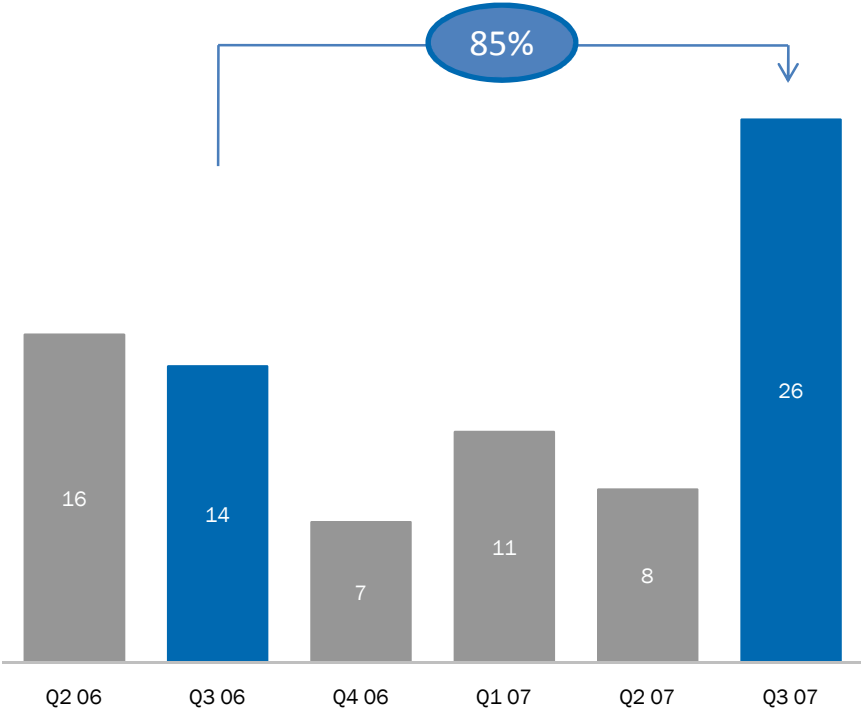


► Breakdown of operating income- 9m EUR m

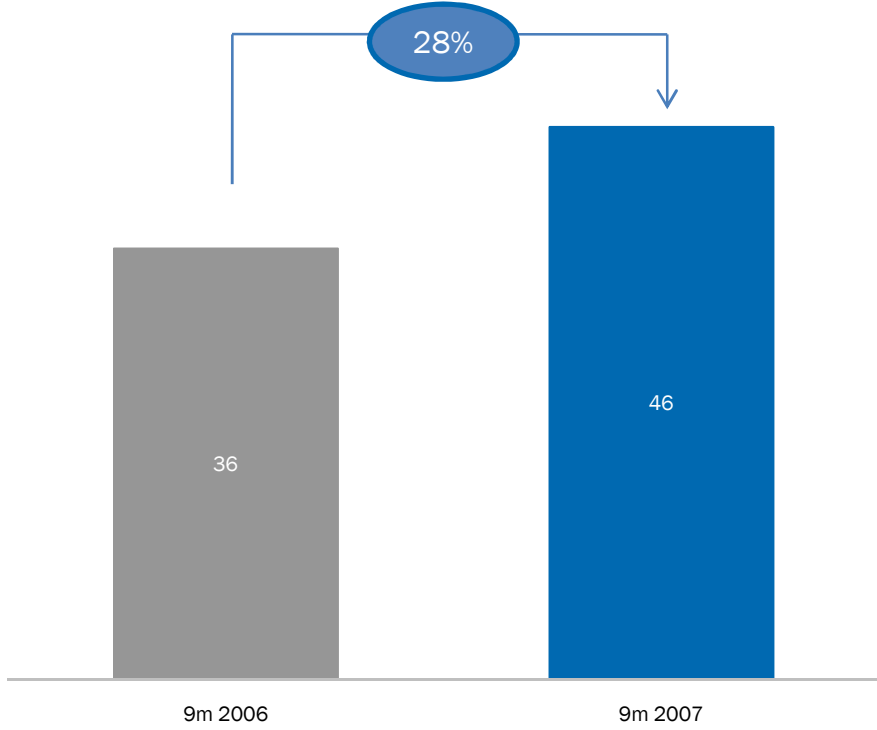


Net interest income

► Net interest income – quarterly EUR m



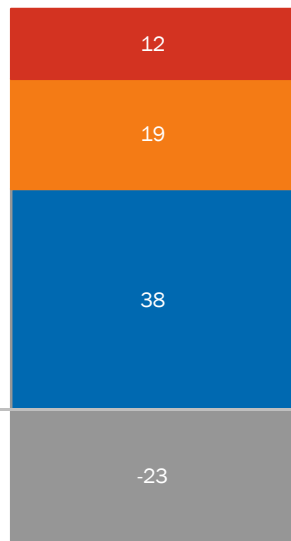
► Net interest income – YoY EUR m



Net interest income

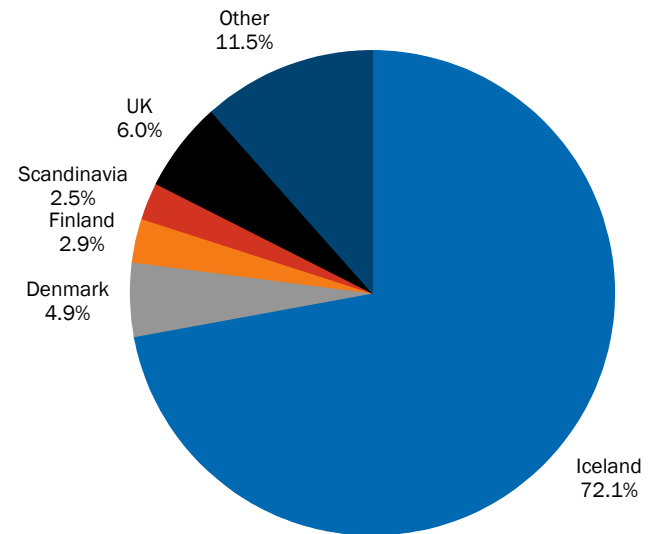
Net interest income – breakdown by type EUR m

- NII from Loan book
- NII of Interest bearing securities
- NII of non-interest bearing securities
- Capital affect



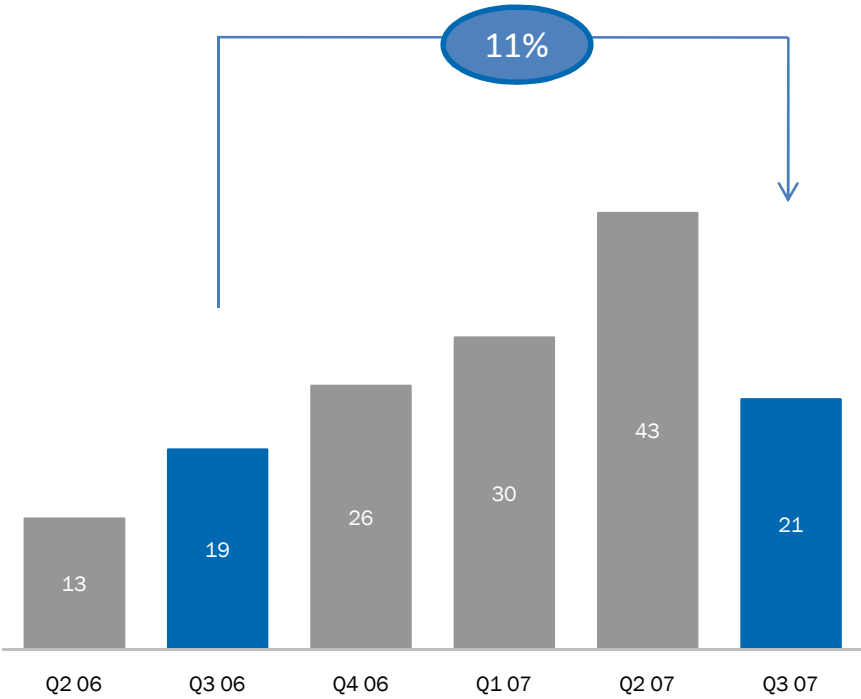
9m 2007

Net interest income – geographic breakdown EUR m

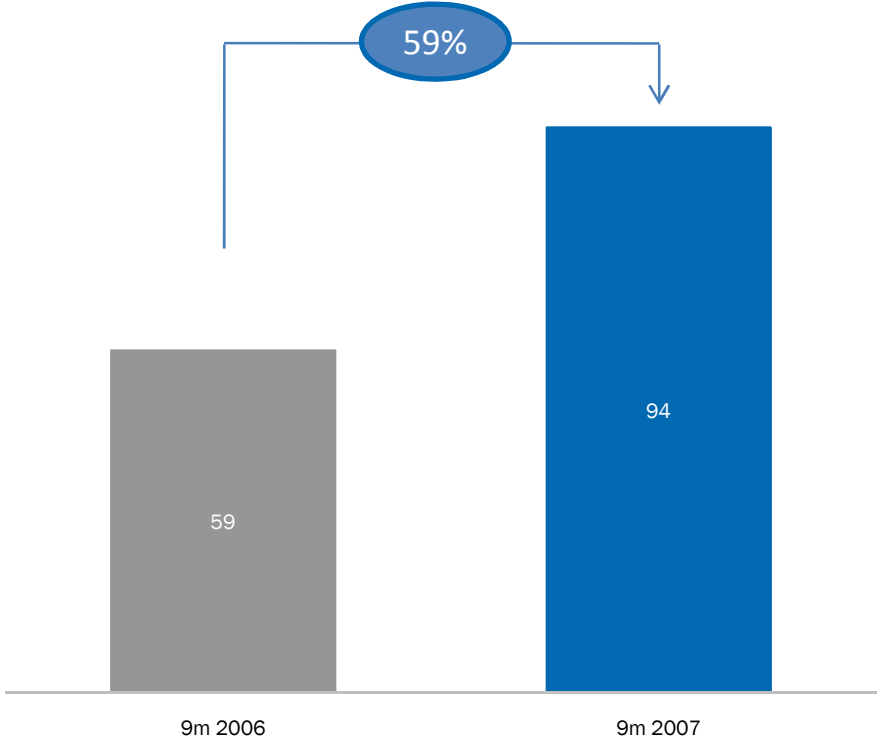


Net fee & commission income

► Fee & commission income – quarterly EUR m



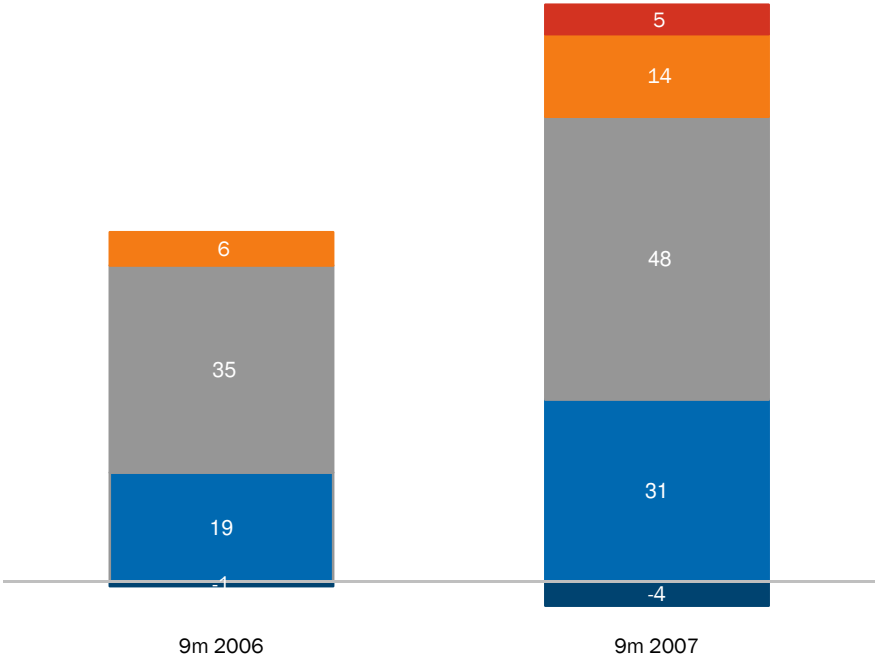
► Fee & commission income – YoY EUR m



Net fee & commission income

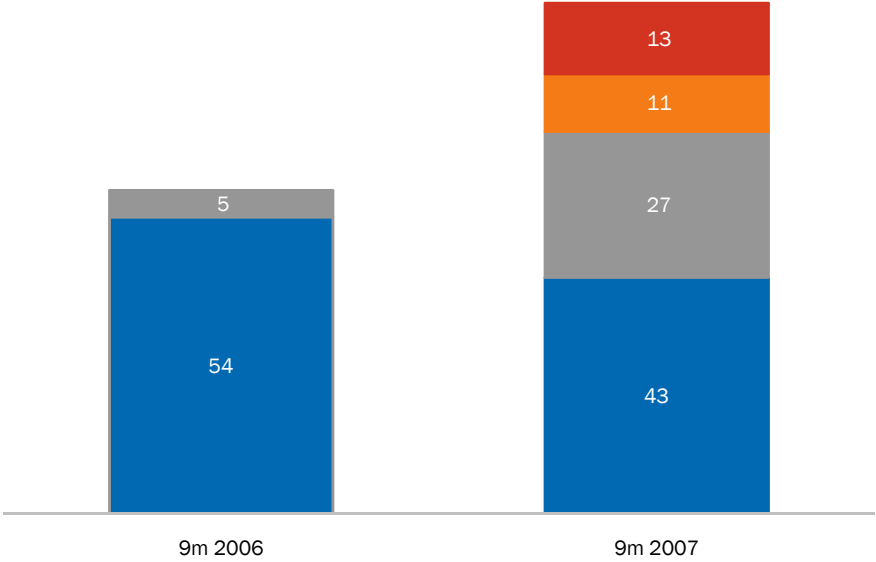
► Net fee income – breakdown by type EUR m

- Brokerage
- M&A advisory
- Underwriting fee
- Asset management fee
- Fee & commission cost



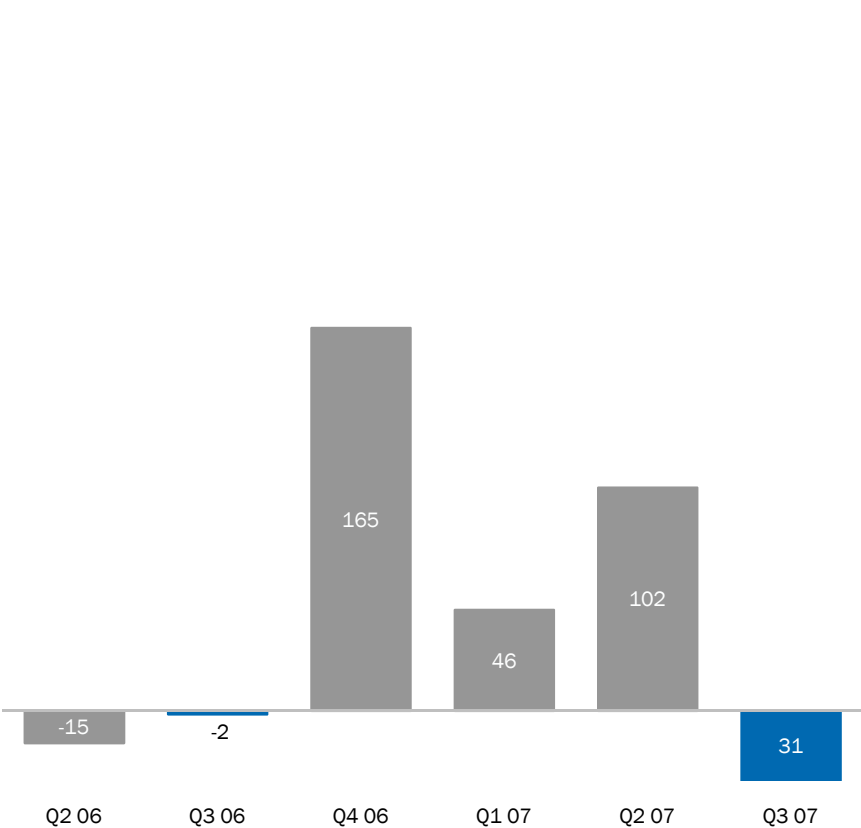
► Net fee income – geographical breakdown EUR m

- Iceland
- Denmark
- Finland
- UK

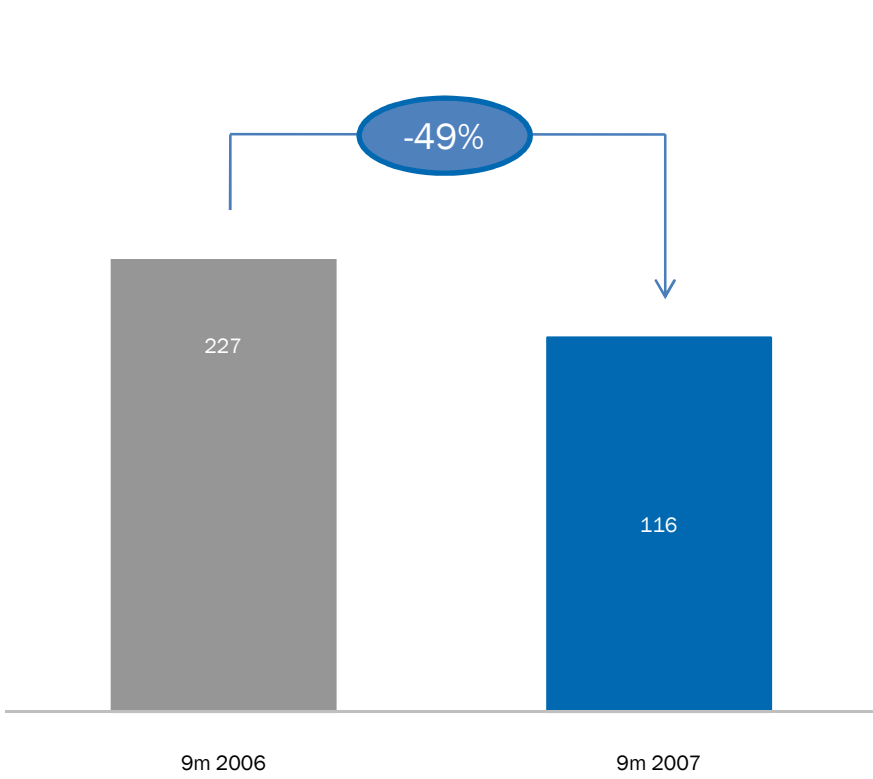


Trading income

▶ Trading income- quarterly EUR m



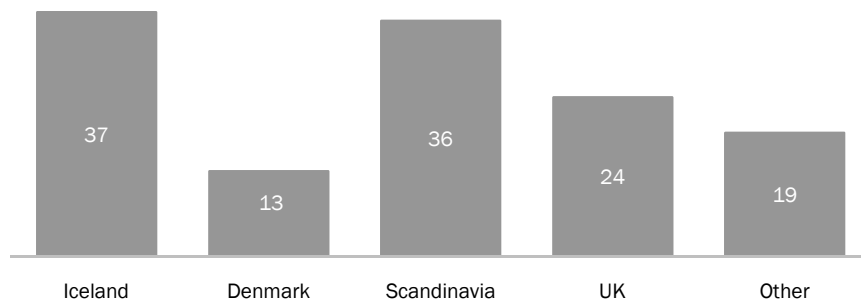
▶ Trading income- 9m EUR m



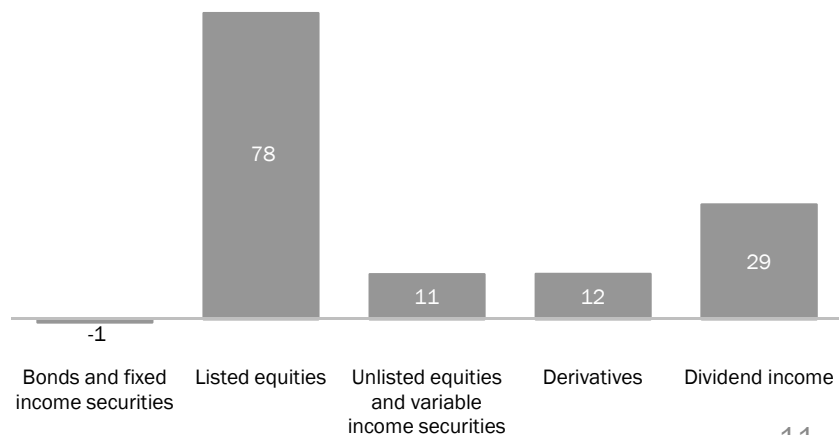
Breakdown of trading income

9m 2007 - EUR m	Iceland	Denmark	Scandinavia	UK	Other	Total
Net gain from bonds and fixed income securities	-0.58	-	-0.60	-	0.34	-0.84
Net gain from listed equities	47.26	9.44	11.62	5.16	5.01	78.49
Unlisted equities and variable income securities	-5.70	3.55	-	7.77	5.81	11.43
Net gain from derivatives	-	-	-	11.45	0.07	11.52
Dividend income	-3.52	0.05	25.11	-	7.73	29.37
	37.46	13.04	36.13	24.38	18.96	129.97

► Breakdown by geography EUR m



► Breakdown by type EUR m



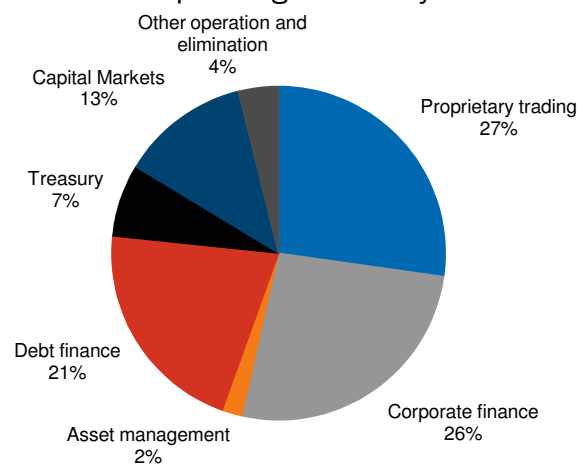
Business units



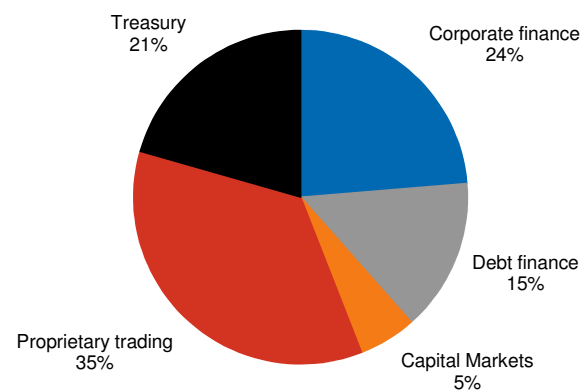
Breakdown of operating income by business units

9m 2007 - EUR thousands	Proprietary trading	Corporate finance	Debt finance	Treasury	Capital Markets	Asset management	Other operation and elimination	Total
Net interest income	(8,457)	(4,091)	42,973	12,177	-55	2,597	685	45,828
Net fee and commission income	(415)	47,747	14,531	(1,384)	30,526	3,464	(1)	94,468
Dividend income	25,769	45	-	-	48	-	3,512	29,374
Net gains on financial assets and liabilities held for trading	80,491	3,096	341	-	3,570	(849)	1,038	87,687
Net gains on financial assets designated at fair value through profit and loss	-	8,813	3	17	(36)	93	3,968	12,858
Net foreign exchange gains (losses)	(22,875)	380	-	8,361	28	-	-	(14,105)
Other operating income	-	15,981	-	-	13	7	1,377	17,378
Net operating income	74,513	71,971	57,848	19,171	34,094	5,312	10,580	273,489
Net operating expense	(4,913)	(18,726)	(11,041)	(11,191)	(13,920)	(4,398)	(8,053)	(72,242)
Impairment	-	(2,147)	(9,494)	-	2	-	-	(11,638)
Effects of related parties	-	-	-	-	-	(16)	(6)	(22)
Pre-tax profit	69,600	51,098	37,313	7,980	20,176	898	2,521	189,587

► Breakdown of operating income by business units 9m 2007



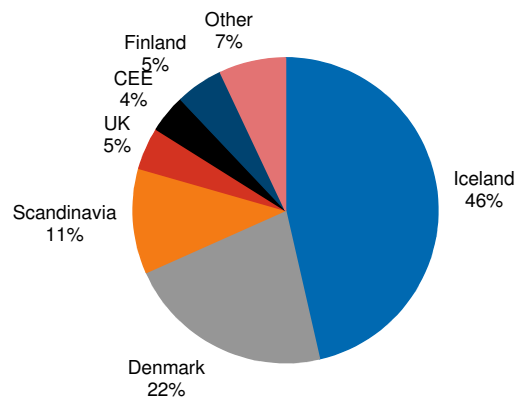
► Breakdown of operating income by business units 9m 2006



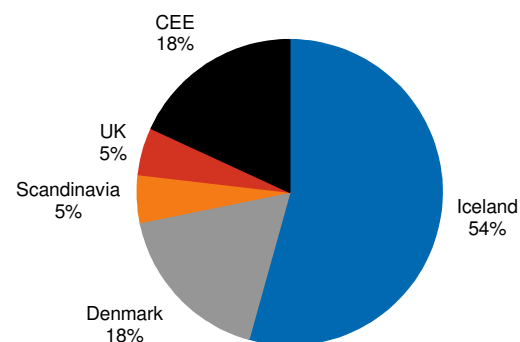
Breakdown of operating income by business units

9m 2007 - EUR thousands	Corporate finance	Debt finance	Capital Markets	Asset management	Proprietary trading	Treasury	Other operation and elimination	Total
Iceland	18,058	29,196	21,786	-	40,082	8,242	9,317	126,681
Denmark	36,970	8,763	2,542	-	7,177	3,887	-	59,339
Scandinavia	567	2,660	231	-	22,105	4,286	1,115	30,964
Finland	-	-	9,140	5,312	-	-	-	14,452
UK	7,915	6,303	232	-	-3,232	797	146	12,161
CEE	3,312	873	-	-	5,998	714	-	10,897
Other	5,150	10,053	164	-	2,384	1,244	-	18,995
	71,972	57,848	34,095	5,312	74,514	19,169	10,578	273,489

► Breakdown of operating income by countries 9m 2007



► Breakdown of operating income by countries 9m 2006

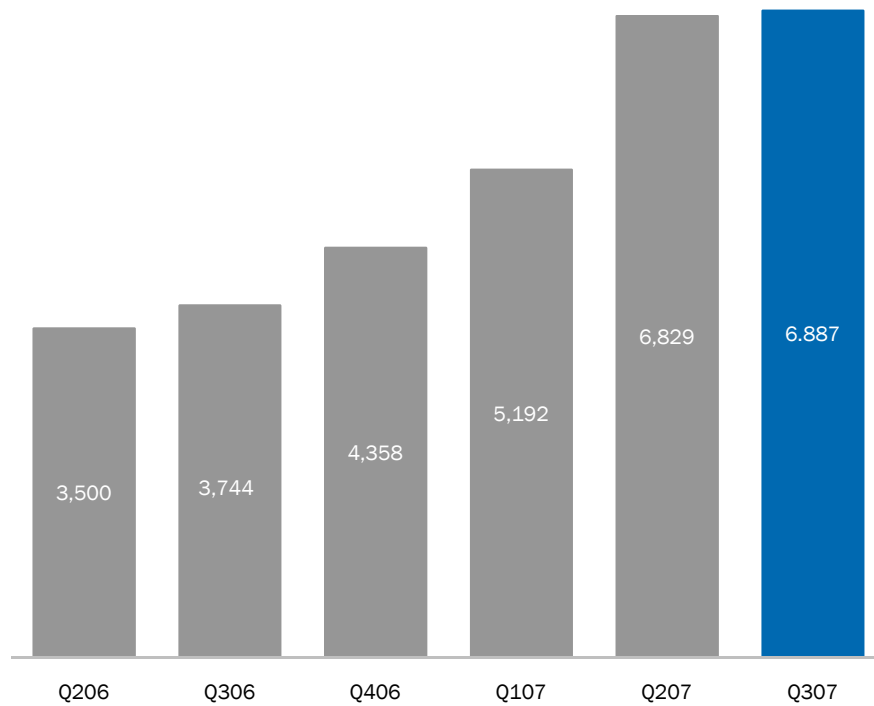




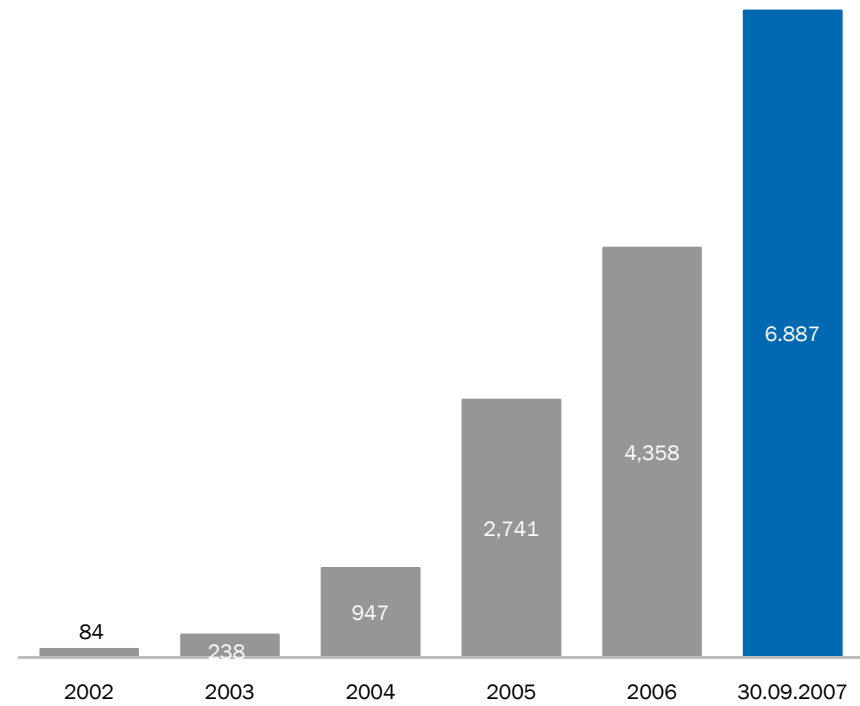
Balance sheet

Balance sheet growth

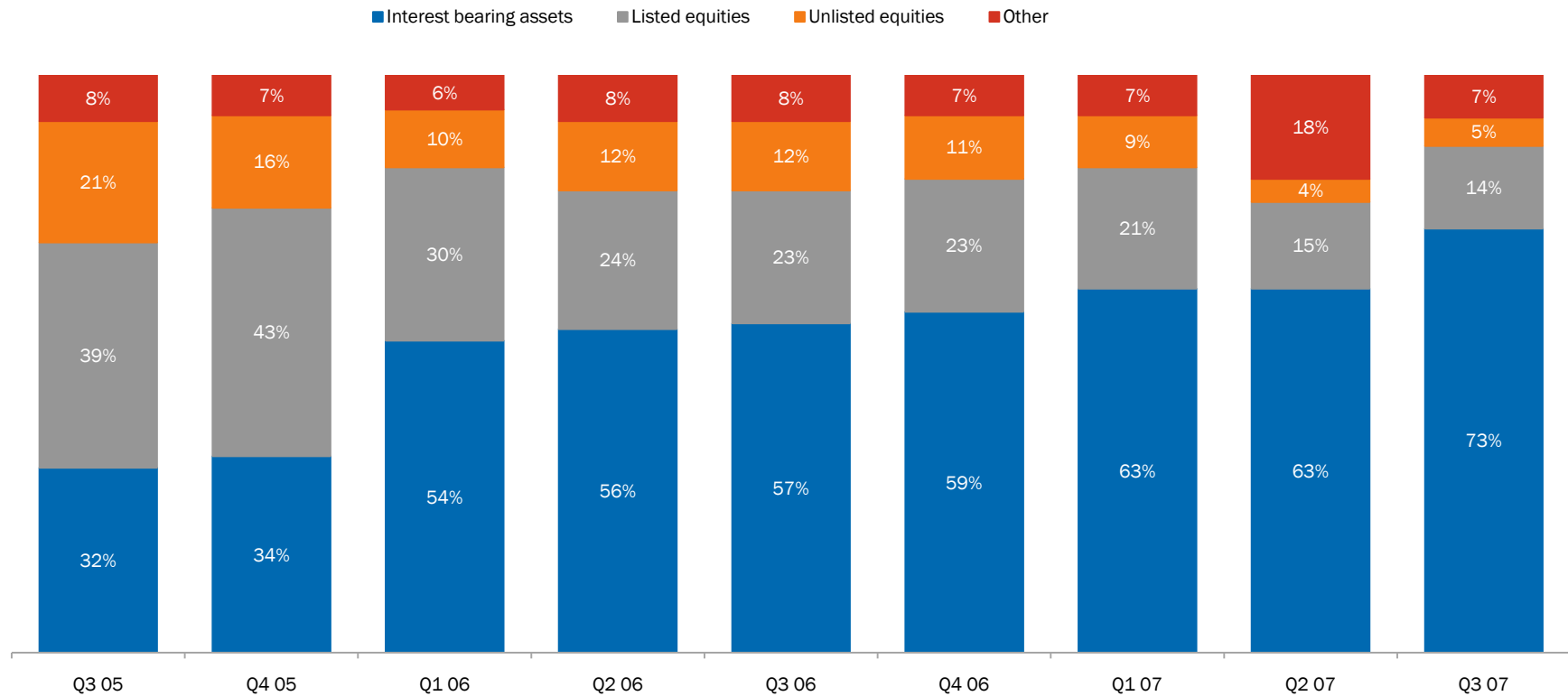
► Balance sheet- quarterly EUR m



► Balance sheet - 9m EUR m

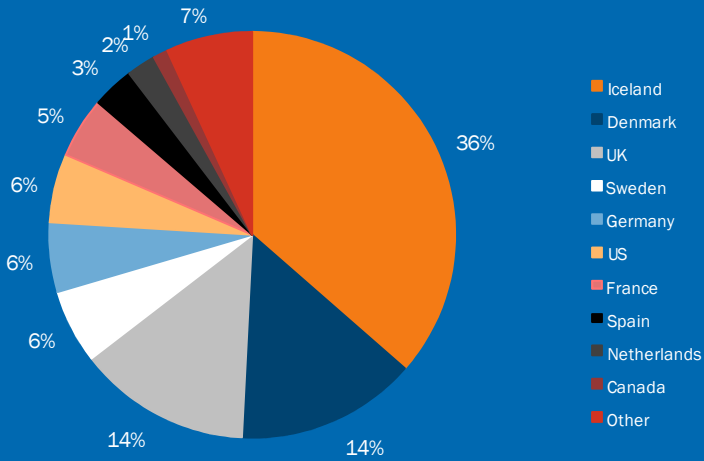


Shift in the balance sheet compositions reflects a successful implementation of strategy

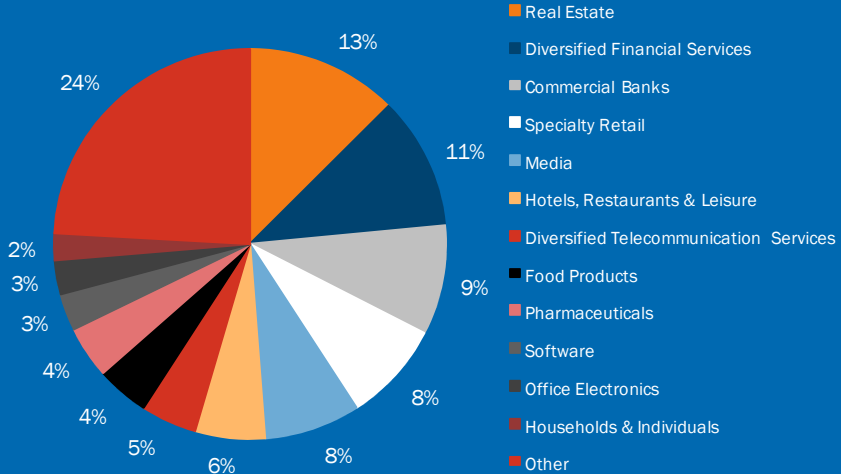


Healthy sector split

▶ Loans – country risk breakdown 30.9.2007

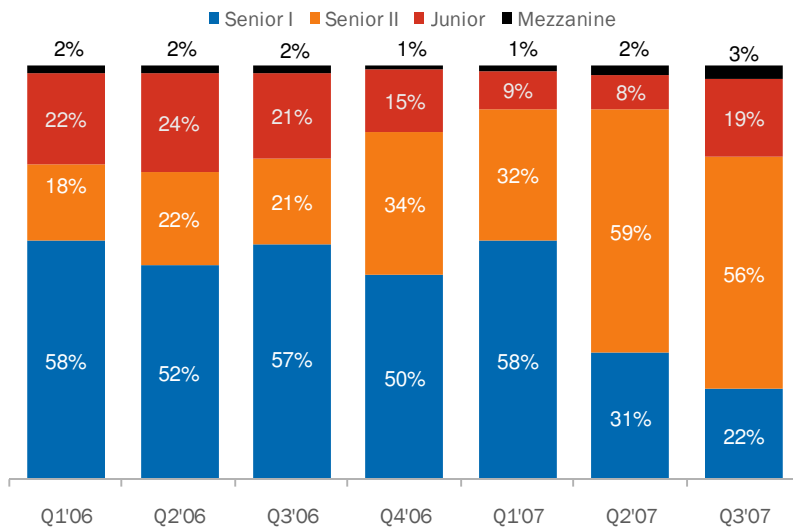


▶ Loans – sector split 30.9.2007

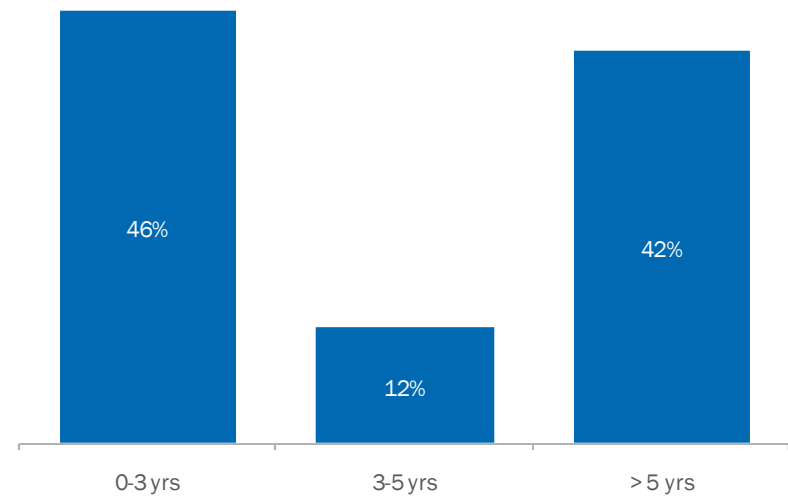


Loan portfolio breakdown by type and maturity

► Risk Category breakdown as of 30.9.2007



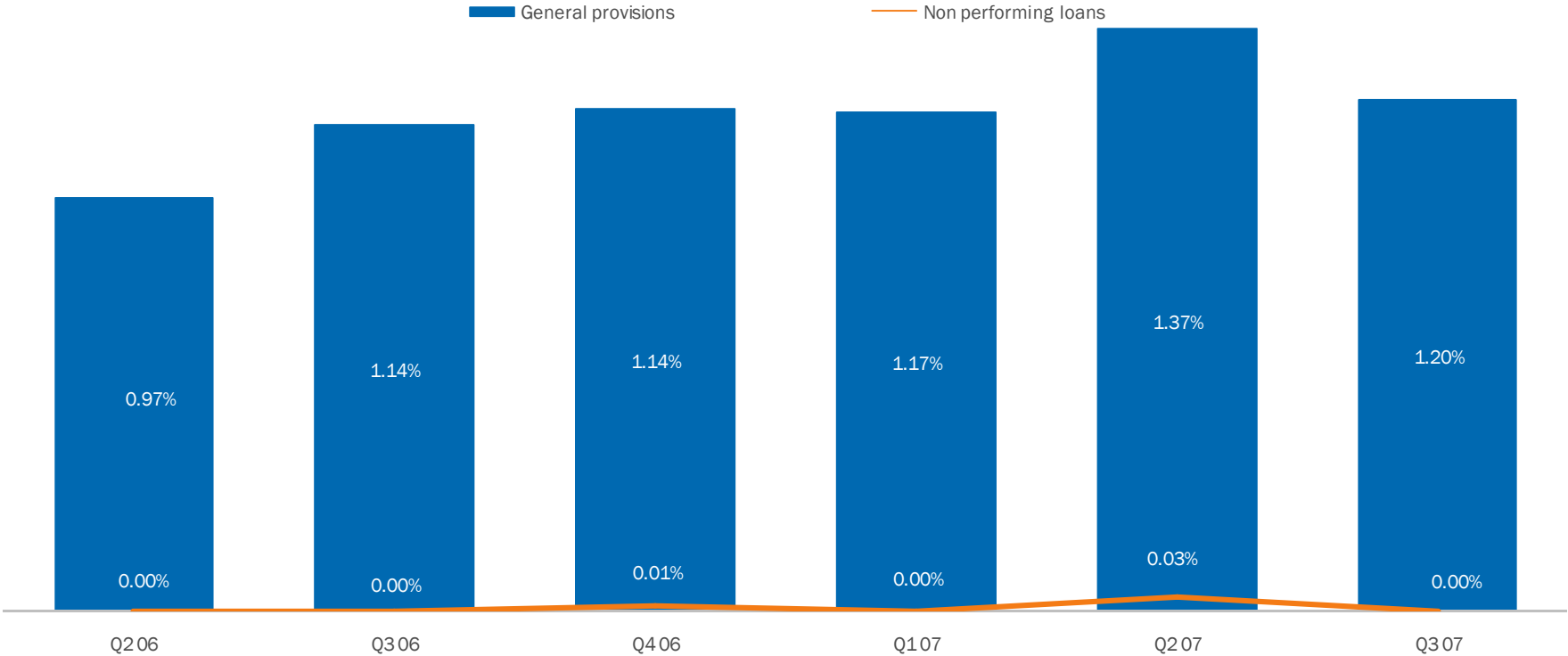
► Maturity breakdown as of 30.9.2007



Category	Provisioning Ratio	Types of Loan
Senior I	0.5% - 1.0%	Over 100% asset cover or satisfactory guarantees
Senior II	1.0% - 2.0%	Up to 100% asset cover
Junior	2.0% - 3.0%	2nd lien or no security
Mezzanine	3.0% - 5.0%	No security, subordinated to all liabilities

Healthy loan portfolio

► Provisions and performance ratio %

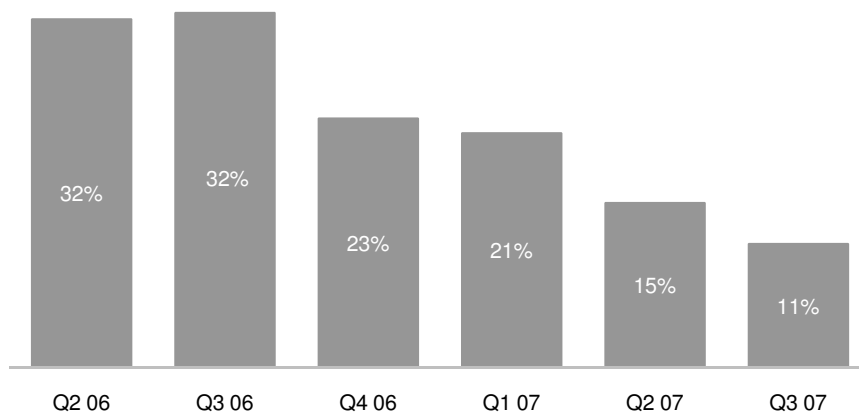


*Provision ratio represents provisioning account as a percentage of the loan portfolio, excluding loans that are valued mark to market

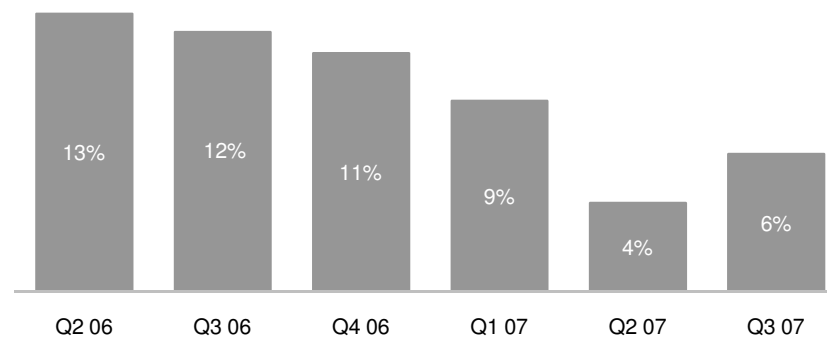
Financial assets

30.9.2007 - EUR m	30.9.2007	31.12.2006	Chg.	%
Bonds and fixed income securities	1,214,027	484,018	730,009	150.82%
Listed equities	778,589	994,072	(215,483)	(21.68%)
Unlisted equities and variable income securities	434,171	476,228	(42,057)	(8.83%)
Derivatives	118,836	34,140	84,696	248.08%
Total	2,545,623	1,988,458	557,165	

▶ Listed equities of total assets

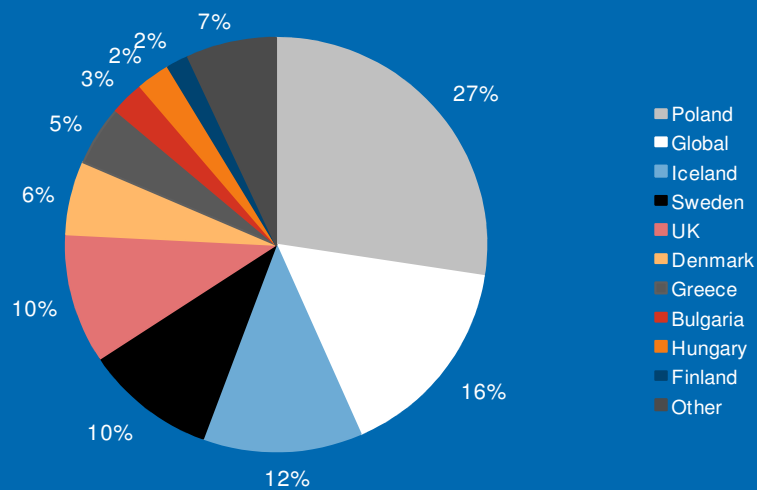


▶ Unlisted equities of total assets

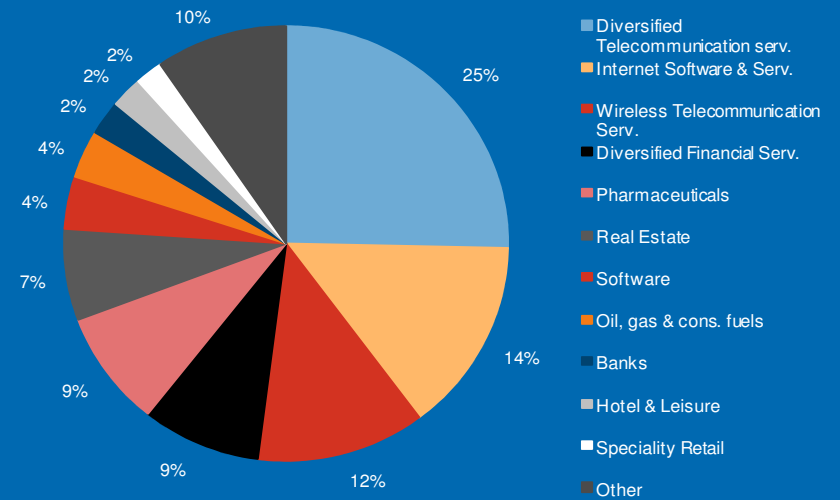


Well diversified equity exposure

Geographical distribution of equities



Distribution of equities according to sector



Largest listed and unlisted equity investments

► Five largest listed equity exposures as of 30.9.2007 EUR m

Rank	Counterparty	Exposure	Country	Industry
1	Netia *	134	Poland	Diversified Telecommunication Services
2	QXL *	71	Global	Internet Software & Services
3	Forthnet *	44	Greece	Diversified Telecommunication Services
4	Tanganyika Oil Company Ltd.	32	Sweden	Oil, Gas & Consumable Fuels
5	Hungarian Telephone & Cable	24	Hungary	Diversified Telecommunication Services

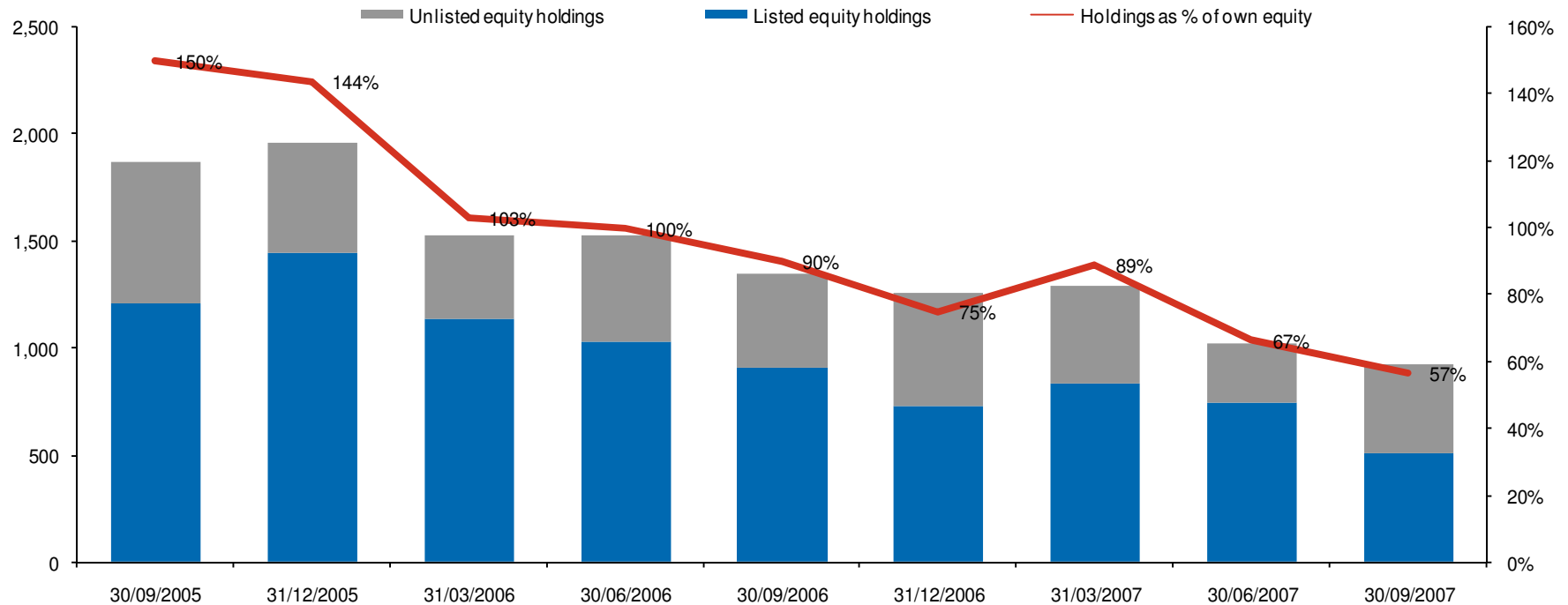
► Five largest unlisted equity exposures as of 30.9.2007 EUR m

Rank	Counterparty	Exposure	Country	Industry
1	P4 *	114	Poland	Diversified Telecommunication Services
2	Novator Pharma Holding 1 hf.	80	Iceland	Pharmaceuticals
3	CCP *	29	Global	Internet Software & Services
4	Carera Global Investments Ltd.	25	Bulgaria	Diversified Telecommunication Services
5	TM Software hf.	22	Iceland	Software

*NovatorOne holding

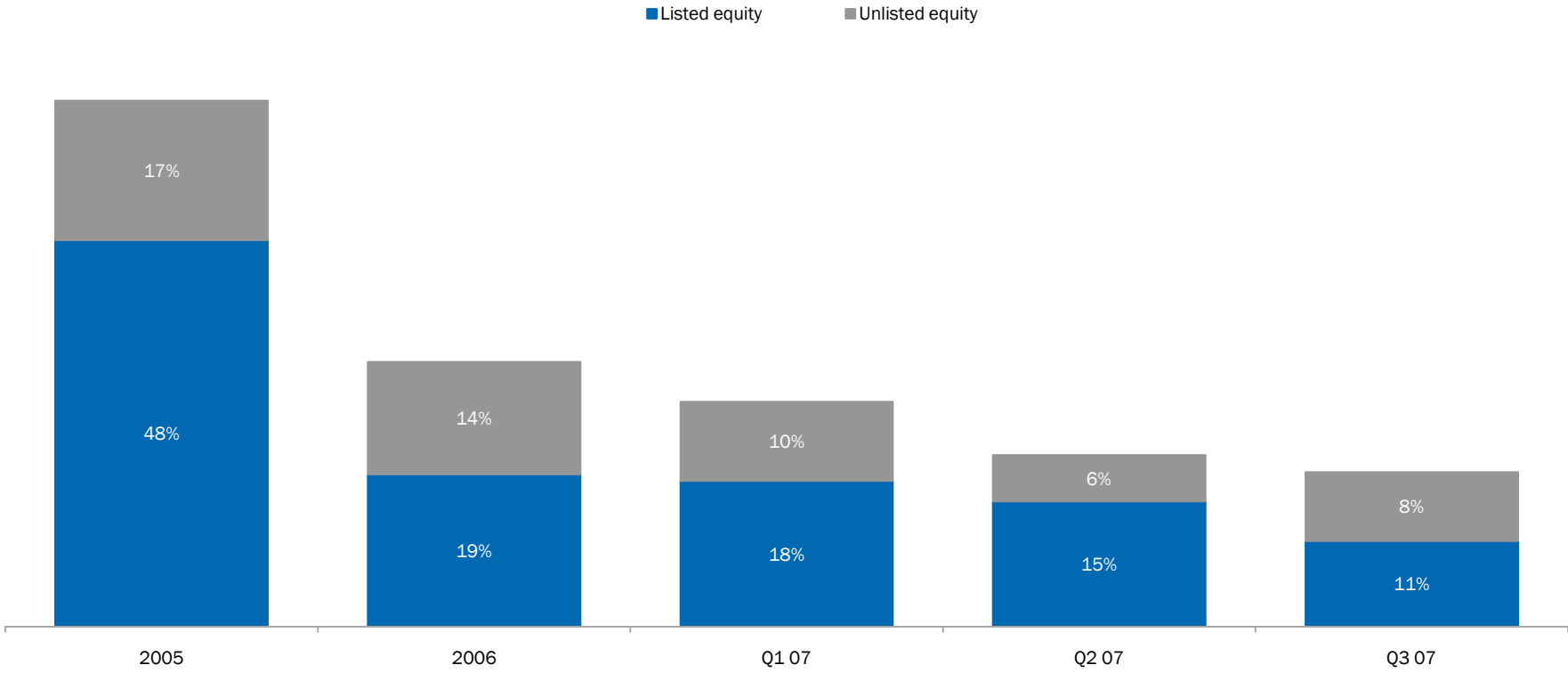
The Bank has successfully met strategic goals of decreasing equity exposure

► Equity exposure from a historical perspective EUR m



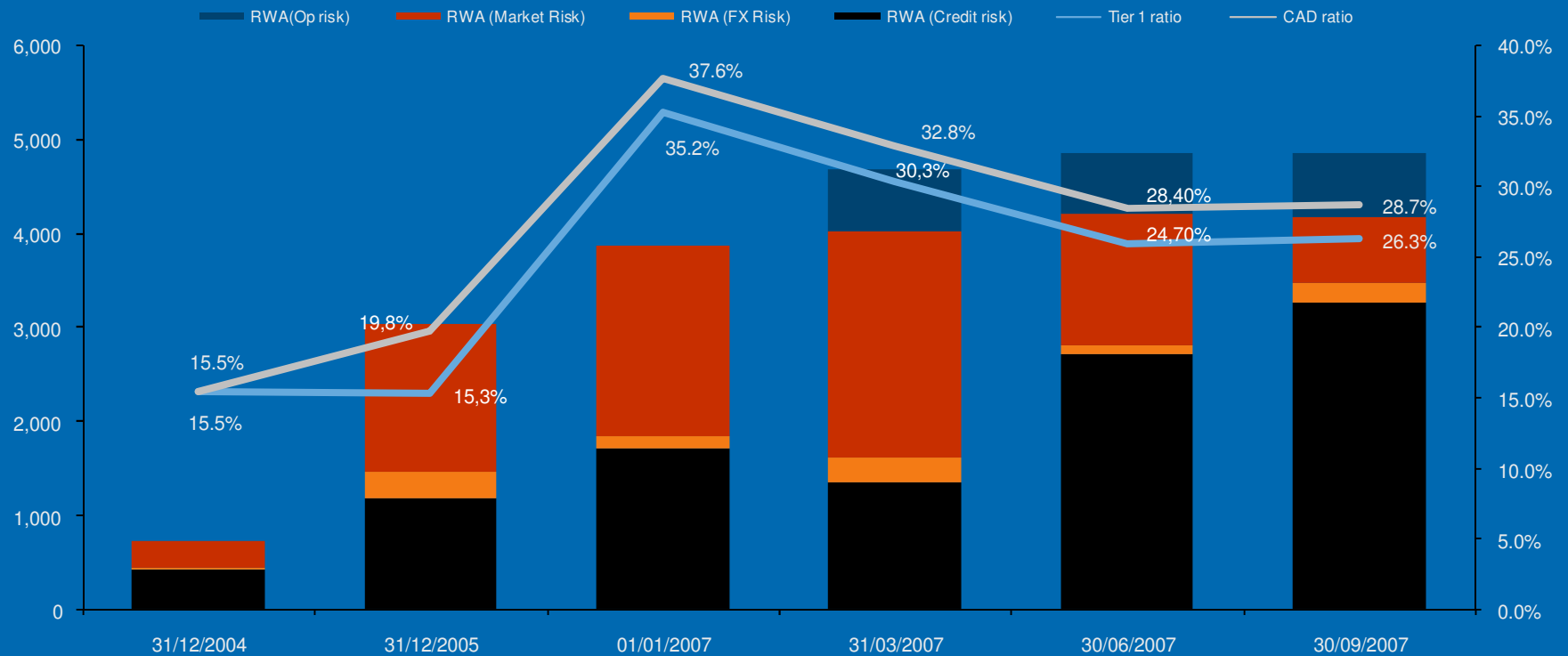
Equity exposure

▶ Equity exposure as % of Risk capital



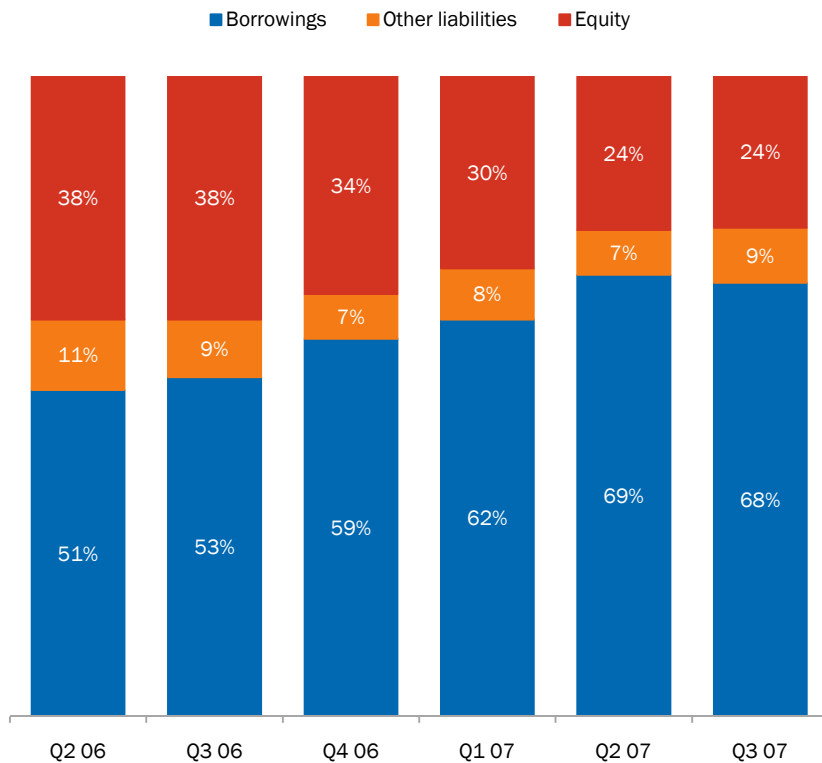
Risk attribution according to regulatory CAD

Change in CAD ratio and RWA_{EUR m}

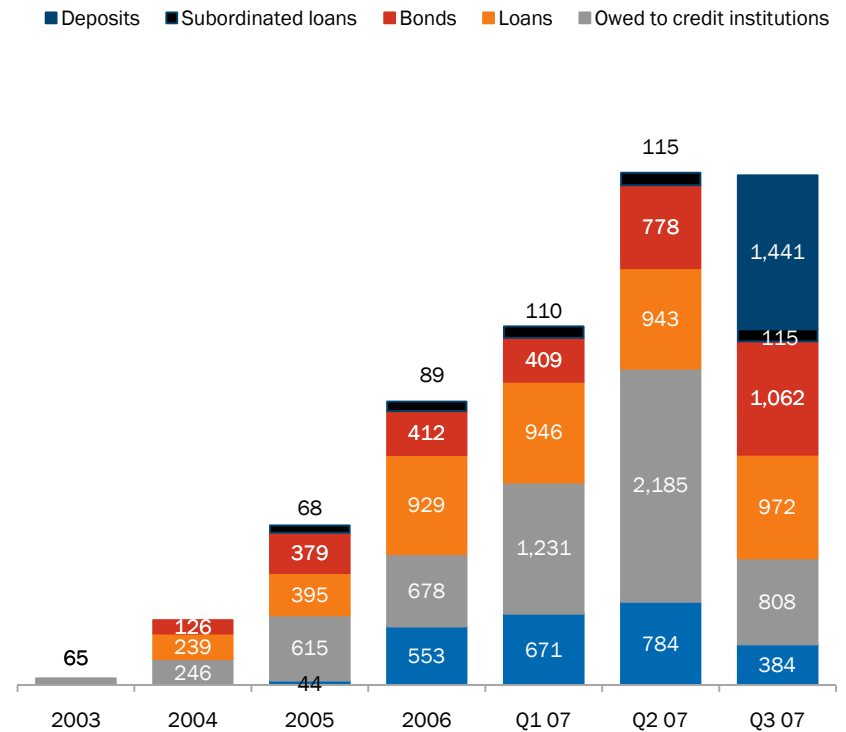


Increased gearing of balance sheet with growing borrowings and other funding

► Liabilities and equity – 30.09.2007

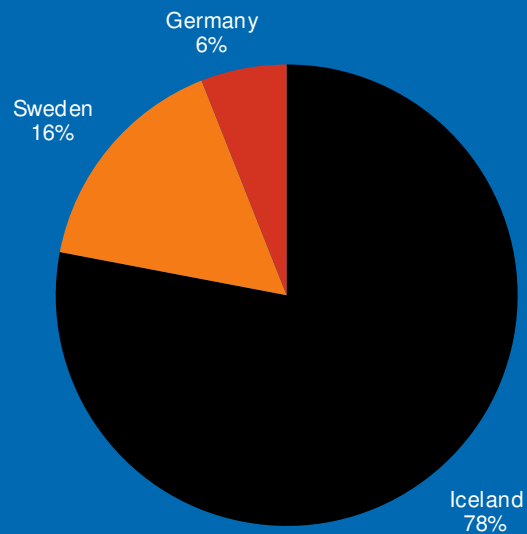


► Borrowings and other funding – 30.09.2007

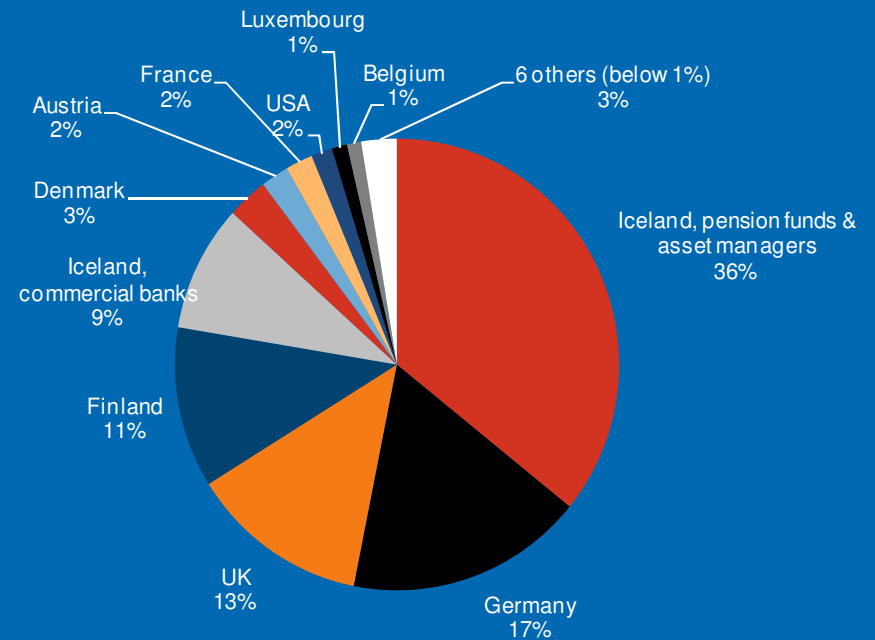


Successful diversification in funding sources

Geographical composition 2005

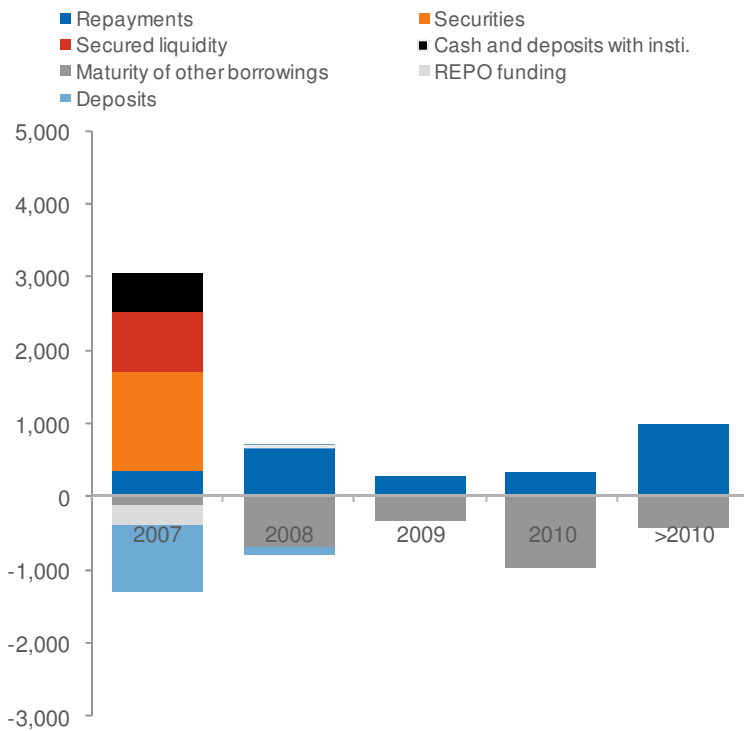


Geographical composition 1H 2007

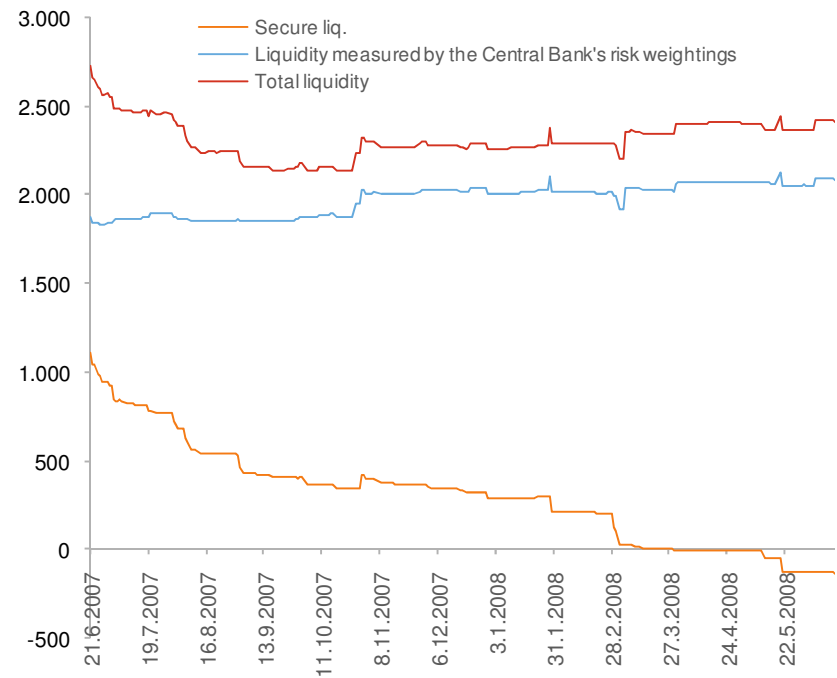


Liquidity profile

Liquid assets over liabilities

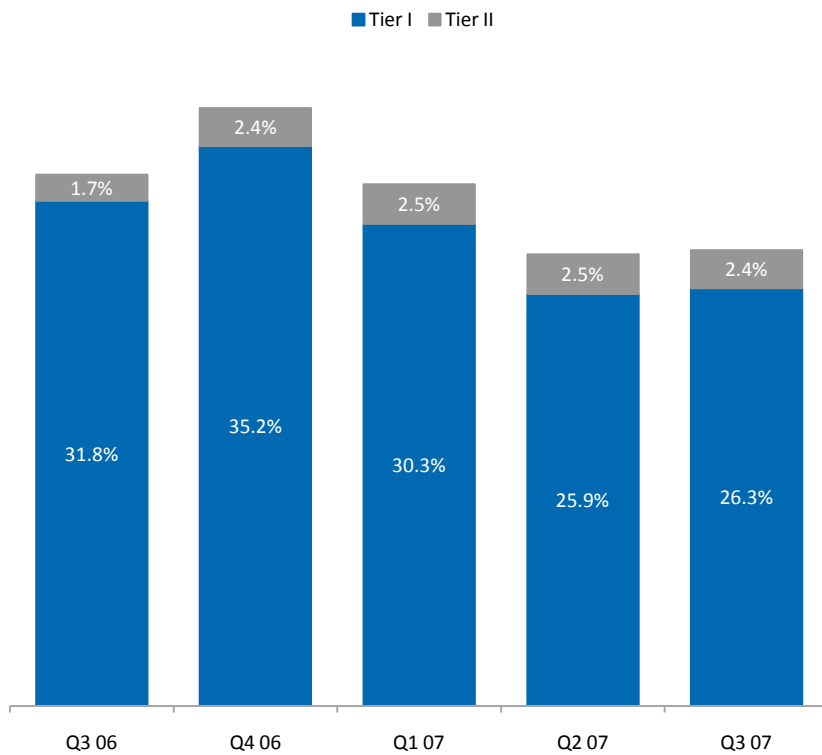


Bank liquidity

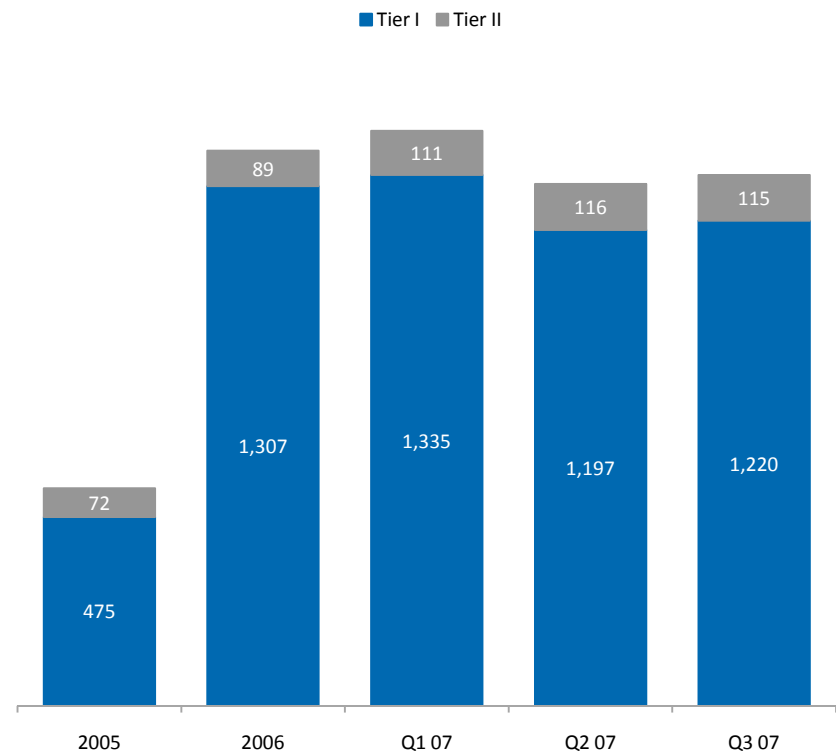


Capital adequacy ratio and risk capital

▶ Capital adequacy ratio – 30.09.2007



▶ Risk capital – 30.09.2007



Q4 goals and strategic objectives

Building revenues by meeting client needs

- Establish a Corporate Finance team in London with target revenues of €10M in Q4
- Integrate the client-driven units in Wood and eQ into the group's product lines. In Q4, we estimate at least five transactions will be driven by these units and supported by Straumur's balance sheet
- Define a strategy for Asset Management and start to build the business across the platform
- Achieve critical mass in Capital Markets in London and initiate a build into at least one other Northern European centre
- Establish a pan-regional distribution and institutional sales network across our current footprint
- Strengthen and redefine the Proprietary Trading team with expected revenues of €10m in Q4

Q4 goals and strategic objectives

Building the platform to support business growth across increasingly complex products and multiple locations

- Recruit a Chief Financial Officer
- Establish a Portfolio Management Group to develop consistent counterparty exposure analysis and monitoring
- Initiate a corporate identity review - a new brand will be rolled out in Q1 2008
- Significantly enhance Investor Relations capabilities
 - Improve information flow and transparency in financials
 - List shares in EURO on ICEX
- Upgrade associate compensation and performance programme and roll out a firm-wide share option scheme
- Revamp external website and build platform-wide intranet to enhance formal and informal internal communication flow

Key ratios

	30/09/2007	30/09/2006
ROE (annualised)	15.50%	19.40%
Earnings per share EUR	0.017	0.023
Cost income - Group	26.41%	7.80%
Price / earnings	7,40	8,45
Price / book	1,356	1,390
Non-performing loans	0.00%	0.00%
Provision ratio	1.20%	1.14%

	30/09/2007	30/09/2006
CAD	28.70%	33.40%
Tier I	26.30%	31.75%
Deposits / Loans to customers	61.00%	-
Loans to customers / Assets	73.00%	57.00%
Listed equity as % of Risk capital	11.00%	19% (2006)
Unlisted equity as % of Risk capital	8.00%	14% (2006)

Thank you

A graphic consisting of two overlapping triangles pointing right: a black one in front of a white one.