

Tryggingamiðstöðin hf.

**Interim Consolidated Financial Statements
March 31st 2007**

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The Board of Directors and President & CEO's report

These Condensed Consolidated Interim Financial Statements of Tryggingamiðstöðin hf. for the period January 1 to March 31, 2007 consists of the Interim Financial Statement of Tryggingamiðstöðin hf, and its subsidiaries, Nemi Forsikring ASA, Trygging hf. and TM fé ehf, which is wholly owned by Tryggingamiðstöðin hf. and Líftryggingamiðstöðin hf., which Tryggingamiðstöðin hf. has 51% ownership of.

The Board of Directors and President & CEO of Tryggingamiðstöðin hf. hereby ratify the Condensed Consolidated Interim Financial Statements of Tryggingamiðstöðin hf. for the period January 1 to March 31, 2007 with their signatures.

Reykjavík, May 8, 2007.

Board:

Gunnlaugur Sævar Gunnlaugsson, chairman.

Guðbjörg M. Matthíasdóttir

Geir Zoëga

Páll Magnússon

Sigurður G. Guðjónsson

President & CEO

Óskar Magnússon

Independent Auditor's Report

To the Board of Directors and shareholders of Tryggingamiðstöðin hf.

We have assisted in preparing the Condensed Consolidated Interim Financial Statements of Tryggingamiðstöðin hf. and its subsidiaries for the period January 1st to March 31st 2007. The Consolidated Interim Financial Statements include a board of directors and president and CEO's report, income statement, balance sheet, statement of cash flows and notes. These Consolidated Interim Financial Statements are the responsibility of the company's management. These Consolidated Interim Financial Statements are prepared in accordance with international financial accounting standards, IFRS nr. 34 Interim Financial Reporting, and are based on data and information provided by the management

Our assistant is limited to the presentation of the Condensed Consolidated Interim Financial Statements of Tryggingamiðstöðin hf. and we have not performed any audit or review of these statements. Assisting with preparing the Condensed Consolidated Interim Financial Statements does not consist of the same working procedures as when reviewing or auditing in order to express an opinion of the financial statements as a whole. We have neither performed an audit nor a review and, accordingly, we do not express an audit or review opinion.

Reykjavík, May 8th 2007

Deloitte hf.

Sigrún Ragna Ólafsdóttir
State Authorized Public Accountant

Birkir Leósson
State Authorized Public Accountant

Consolidated Income Statement

	Note	2007 Q1	2006 Q1
Insurance premium revenue.....		4.322.620	1.584.859
Insurance premium ceded to reinsurers.....		(1.944.815)	(202.095)
Net insurance premium revenue	13	<u>2.377.804</u>	<u>1.382.764</u>
Interest - and dividend income.....		528.754	314.293
Net realised gains (losses) on financial assets.....		9.185	0
Net fair value gains on assets at fair value through income.....		1.355.895	1.396.901
Investment income		<u>1.893.834</u>	<u>1.711.194</u>
Net income		4.271.638	3.093.958
Insurance claims and loss adjustment expenses.....		(3.617.601)	(1.577.596)
Insurance claims expenses recovered from reinsurers.....		1.255.838	55.839
Net insurance claims	14	<u>(2.361.763)</u>	<u>(1.521.757)</u>
Other operating expenses.....		(540.875)	(421.215)
Total expenses		<u>(2.902.639)</u>	<u>(1.942.972)</u>
Results of operating activities		1.369.000	1.150.986
Finance costs.....	16	(324.197)	(6.594)
Share of profit (loss) of associates.....	6	3.922	(413.664)
Profit before tax		1.048.725	730.728
Income tax	19	<u>(162.421)</u>	<u>(104.684)</u>
Profit for the period	3,21	<u>886.304</u>	<u>626.043</u>
Attributable to:			
Equity holders of the Parent Company.....		882.524	625.742
Minority interest.....		3.780	301
		<u>886.304</u>	<u>626.043</u>
Earnings per share (ISK per share)	17	0,82	0,69

Consolidated Balance Sheet

		31/03 2007	31/12 2006
Assets	Note		
Property, plant and equipment.....	4	559.540	537.925
Intangible assets.....		21.338	30.602
Goodwill.....	5	5.299.498	5.617.841
Investments in associates.....	6	163.589	179.929
Financial assets:			
Available for sale.....	7	2.960.684	2.402.019
At fair value through income.....	7	24.895.976	22.831.361
Held to maturity.....	7	2.497.266	2.632.399
Short term receivable.....	8	8.990.151	7.126.953
Loans.....	8	7.790.107	7.638.120
Deferred tax asset.....	15	452.652	385.131
Reinsurance contracts.....	11	12.937.905	11.295.344
Cash and cash equivalents.....		7.243.072	8.701.700
Total assets		<u>73.811.779</u>	<u>69.379.324</u>
Equity			
Share capital.....	9	1.081.639	1.081.639
Share premium.....	10	6.614.725	6.614.725
Reserves.....		69.184	69.184
Translation reserves.....		(166.638)	416.787
Retained earnings.....		13.522.493	13.638.497
Total equity of the Parent Company's holders		<u>21.121.403</u>	<u>21.820.831</u>
Minority interest.....		155.329	151.549
Total equity		<u>21.276.732</u>	<u>21.972.380</u>
Liabilities			
Insurance liability.....	11	29.951.580	26.105.579
Borrowings.....	12	11.151.027	11.977.858
Accounts payable and other liabilities.....		7.634.702	5.734.980
Deferred income tax.....	15	3.797.737	3.588.528
Total liabilities		<u>52.535.047</u>	<u>47.406.944</u>
Total equity and liabilities		<u>73.811.779</u>	<u>69.379.324</u>

Consolidated cash flow statement

	1/1 -31/3 2007	1/1 -31/3 2006
Cash flows from (to) operating activities		
Insurance premium received.....	5.088.941	1.748.341
Reinsurance premium paid.....	(2.348.741)	(364.700)
Insurance claims paid.....	(3.207.321)	(1.249.443)
Reinsurance claims received.....	1.015.242	87.763
Operating expenses paid.....	(787.699)	(583.357)
Interest - and dividends received.....	519.648	264.418
Other operating cash flows.....	0	(1.718)
Net sale (purchase) of equity securities.....	(1.744.025)	2.304.955
Net purchase of debt security held to maturity.....	(483)	(97.502)
Net (increase) decrease of loans to customers.....	(89.124)	(834.583)
Cash generated (to) from operations excluding interest and taxes:	<u>(1.553.562)</u>	<u>1.274.175</u>
Interest paid.....	(12.519)	(2.901)
Taxes paid.....	0	(376.437)
Cash flows (to) from operating activities	<u>(1.566.081)</u>	<u>894.836</u>
Cash flows from investing activities		
Purchases of property, plant and equipment.....	(42.709)	(25.730)
Sale of property, plant and equipment.....	4.151	0
	<u>(38.558)</u>	<u>(25.730)</u>
Cash flow from financing activities		
Repayments of borrowings.....	(1.046.788)	0
Dividend payments.....	(180.020)	(528.806)
Collection of share capital issued in 2006.....	1.420.227	0
	<u>193.419</u>	<u>(528.806)</u>
Decrease (increase) in cash and cash equivalents	(1.411.220)	340.300
Cash and cash equivalents at beginning of year.....	8.701.700	786.104
Translation difference of cash and cash equivalents.....	(47.408)	0
Cash and cash equivalents at end of period	<u><u>7.243.072</u></u>	<u><u>1.126.404</u></u>

Consolidated interim statement of changes in equity

	Share capital	Share premium	Other reserves	Retained earnings	Minority interest	Total
31.3.2007						
Equity 1 January 2007	1.081.639	6.614.725	485.971	13.638.497	151.549	21.972.380
Dividend to shareholders				(998.529)		(998.529)
Translation difference			(583.425)			(583.424)
Profit for the period January-March 2007				882.524	3.780	886.304
Equity 31 March 2007	<u>1.081.639</u>	<u>6.614.725</u>	<u>(97.454)</u>	<u>13.522.493</u>	<u>155.329</u>	<u>21.276.732</u>
2006						
Equity 1 January 2006	904.341	283.882		14.759.842	142.789	16.090.854
Dividend to shareholders				(1.808.682)		(1.808.682)
Purchase of treasury shares.....	(3.990)	(154.403)				(158.393)
Sales of treasury shares	28.055	1.110.471				1.138.526
Treasury shares classified as debts because of a clause in a stock option contract	(4.662)	(198.134)				(202.796)
Fair value adjustment of investment properties			69.184			69.184
Translation difference			416.787			416.787
Issued new share capital	157.895	5.572.910				5.730.804
Profit for the year 2006				687.336	8.760	696.096
Equity 31 December 2006	<u>1.081.639</u>	<u>6.614.725</u>	<u>485.971</u>	<u>13.638.497</u>	<u>151.549</u>	<u>21.972.380</u>

Notes

1. General information

Tryggingamiðstöðin hf. and its subsidiaries, together referred to as TM, operate in the insurance business as well as in financial business. TM mainly operates business in Iceland and Norway.

Tryggingamiðstöðin hf. the parent company, is a limited liability company incorporated and domiciled in Iceland. The address of its registered office is Aðalstræti 6, Reykjavík. TM's stock is listed on the Icelandic Stock Exchange.

These condensed interim consolidated financial statements have been approved for issue by the Board of Directors on the 8th of May 2007.

2. Summary of significant accounting policies

2.1 Basis of presentation

The condensed interim consolidated financial statements of TM have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The condensed interim consolidated financial statements have been prepared under the historical cost basis, except for revaluation of certain properties and financial instruments.

The accounting policies adopted are consistent with those followed in the preparation of the company's annual financial statements for the year 2006.

In accordance with IAS 34, Interim financial reporting, these condensed interim consolidated financial statements do not include all of the information required for disclosure in annual financial statements, e.g. a detailed summary of significant accounting policies. These condensed interim consolidated financial statements should therefore be read in conjunction with the consolidated financial statements of the company for year 2006.

The following are new and updated standards and interpretations that are effective for annual financial statements 2007:

- IAS 32, Financial instruments, presentation
- IFRS 7, Financial instruments, disclosures
- IFRIC 7, Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies
- IFRIC 8, Scope of IFRS 2
- IFRIC 9, Reassessment of Embedded Derivatives
- IFRIC 10, Interim Financial Reporting and Impairment

The adoption of those new and updated standards and interpretations has not resulted in changes of accounting policies applied in recognition and measurement.

Adoption of IFRS 7 in annual financial statements for 2007 will in relation to financial statements for 2006 result in changes and addition to information disclosed in notes regarding financial instruments. IFRS 7 is not applicable for interim reports.

3. Segment information

The Group is organised into three business segments:

1. Non-life insurance business
2. Life insurance business
3. Financial business

The segments results for the period January to March 2007 are as follows:

	Non-life insurance	Life insurance	Financial business	Group
Net insurance premium revenue.....	2.345.364	32.440		2.377.804
Investment income.....	433.048	1.640	1.459.146	1.893.834
Net income	2.778.412	34.080	1.459.146	4.271.638
Net insurance claims.....	(2.358.454)	(3.309)		(2.361.763)
Other operating expenses.....	(428.623)	(26.823)	(85.429)	(540.875)
Expenses	(2.787.077)	(30.132)	(85.429)	(2.902.638)
Results of operating activities	(8.665)	3.948	1.373.717	1.369.000
Finance costs.....			(324.197)	(324.197)
Share of profit/(loss) of associates.....			3.922	3.922
Profit (loss) before tax	(8.665)	3.948	1.053.442	1.048.725
Income tax				(162.421)
Profit for the period January to March 2007				886.304
Attributable to:				
Equity holders of the Parent Company.....				882.524
Minority interest.....				3.780
				886.304

The segments results for the period January to March 2006 are as follows:

	Non-life insurance	Life insurance	Financial business	Group
Net insurance premium revenue.....	1.366.653	16.111		1.382.764
Investment income.....	263.450	970	1.446.774	1.711.194
Net income	1.630.103	17.081	1.446.774	3.093.958
Net insurance claims.....	(1.515.462)	(6.294)		(1.521.756)
Other operating expenses.....	(326.444)	(13.518)	(81.253)	(421.215)
Expenses	(1.841.906)	(19.812)	(81.253)	(1.942.971)
Results of operating activities	(211.803)	(2.731)	1.365.521	1.150.987
Finance costs.....			(6.594)	(6.594)
Share of profit/(loss) of associates.....			(413.664)	(413.664)
Profit (loss) before tax	(211.803)	(2.731)	945.262	730.729
Income tax expense.....				(104.684)
Profit for the period January to March 2007				626.043
Attributable to:				
Equity holders of the Parent Company.....				625.742
Minority interest.....				301
				626.043

Geographical segment breakdown of revenues 1Q 2007:

	Iceland	Norway
Net insurance premium revenue.....	1.690.537	687.267
Investment income.....	1.749.383	144.451
Net income	<u>3.439.920</u>	<u>831.718</u>

4. Property, plant and equipment

	Buildings and sites	Furniture and equipment	Vehicles	Total
At January 1st 2006				
Cost or valuation.....	703.230	303.408	34.652	1.041.290
Accumulated depreciation.....	(284.130)	(243.495)	(7.272)	(534.897)
Net book amount at January 1st 2006.....	419.100	59.913	27.380	506.393
At December 31st 2006				
Net book amount at January 1st 2006.....	419.100	59.913	27.380	506.393
Accounting for Nemi's property, plant and equipment at September 1st, 2006.....		13.560	8.532	22.092
Additions.....	4.269	74.741	11.885	90.894
Sold.....		(1.053)	(10.155)	(11.208)
Depreciation charge.....	(21.239)	(45.728)	(3.279)	(70.245)
Net book amount at December 31st 2006.....	402.130	101.433	34.363	537.926
At December 31st 2006				
Cost or valuation.....	707.499	460.679	48.591	1.216.769
Accumulated depreciation.....	(305.369)	(359.247)	(14.227)	(678.844)
Net book amount at December 31st 2006.....	402.130	101.432	34.364	537.925
At March 31st 2007				
Net book amount at January 1st 2007.....	402.130	101.432	34.363	537.924
Translation difference		(1.176)	(78)	(1.254)
Additions.....	37.047	5.661		42.708
Sold.....			(4.248)	(4.248)
Depreciation charge.....	(5.204)	(9.454)	(946)	(15.604)
Translation difference		13	2	14
Net book amount at March 31st 2007.....	433.973	96.475	29.092	559.540
At March 31st 2007				
Cost or valuation.....	744.545	465.164	43.100	1.252.809
Accumulated depreciation.....	(310.573)	(368.689)	(14.007)	(693.269)
Net book amount at March 31st 2007.....	433.972	96.475	29.093	559.540

Depreciation expenses have been charged in other operating expenses.

No mortgages are on the parent company's assets.

No mortgages nor liabilities, other than those presented in the balance sheet, are on the Group's property, plant and equipments.

	Property tax value	Insurance value	Book value
Property tax value, insurance value and book value of buildings and sites:	732.903	923.960	433.972

5. The Group

The Consolidated Financial Statements of TM pertain to the following subsidiaries

	Country	Ownership	Principal activity
Nemi Forsikring ASA.....	Norway	100%	Insurance
Líftryggingamiðstöðin hf.....	Iceland	51%	Life-insurance
Trygging hf.....	Iceland	100%	Insurance
TM fé ehf.....	Iceland	100%	Holding company

Nemi ASA and TM fé ehf. are included in TM's consolidated statements from September 1st 2006. The comparative figures in the income statement of the condensed interim consolidated financial statement of TM for March 31 st 2007 therefore only include Tryggingamiðstöðin hf, Líftryggingarmiðstöðin hf and Trygging hf.

Nemi's financial statements have been prepared in accordance with generally accepted accounting principles in Norway, Norwegian GAAP. When accounted for in TM's consolidated statements for March 31st 2007, Nemi's financial statements were adjusted to IFRS based on a high level review of the IFRS taking into account material differences between Norwegian GAAP and IFRS. In year 2007 Nemi projects to adopt IFRS. The projected transition to IFRS will most probably have some effect on the goodwill accounted for by TM in relation to the acquisition of Nemi. At the end of march 2007 the purchase price of NEMI, in excess of the equity of Nemi at the acquisition date of September 1st 2006, had not been allocated to the net identifiable assets of the company and is therefore accounted for as unallocated Goodwill among assets in the Balance sheet. The amount will be allocated according to IFRS 3 in the year 2007.

6. Investments in associates

Investments in associates at 31 March, 2007 are as follows:

	Share	Net book amount
Íslensk endurtrygging hf., evaluated.....	38,32%	<u>163.589</u>
		<u>163.589</u>

7. Financial assets

Available-for-sale

Financial assets available-for-sale, are as follows:

	% interest	Par value	Net book amount
Samherji hf., Akureyri	9,10%	80.051	863.898
Ísfélag Vestmannaeyja hf., Vestmannaeyjum	9,59%	55.210	743.138
Vísir hf. Grindavík.....	10,51%	1.916	607.201
Other assets.....			<u>746.447</u>
			<u>2.960.684</u>

At fair value through profit or loss

	Share	Net book amount
Shares in other companies at fair value through profit or loss, are as follows:		
Landsbanki Íslands hf.....	0,83%	2.896.566
Kaupþing hf.....	0,36%	2.738.745
Icelandic Group hf.....	13,02%	2.581.304
Glitnir banki hf.....	0,32%	1.274.005
Bakkavör-Group hf.....	0,83%	1.170.535
H.B. Grandi hf.....	5,42%	1.157.047
Invik & Co AB.....	2,20%	837.906
Storebrand ASA.....	0,27%	713.031
Actavis-Group hf.....	0,23%	587.850
Sampo A.....		516.230
Kinnevik B.....	0,18%	485.548
Straumur-Burðarás Fjárfestingabanki hf.....	0,23%	474.327
Other financial assets at fair value through profit or loss.....		<u>1.354.246</u>
		<u>16.787.341</u>

Fund securities and certificates at fair value through profit or loss, are as follows:

Mutual-fund certificate.....	1.454.623
Equity securities.....	3.472.811
Debt securities.....	3.181.200
	<u>8.108.634</u>
	<u>24.895.975</u>

Held-to maturity

Financial assets held to maturity, are as follows:

	31/3 2007	31/12 2006
Securities with government guarantee.....	198.799	203.358
Securities with letter of credit.....	2.217.588	2.349.250
Bonds payable with municipality guarantee.....	2.300	2.588
Bonds payable with company guarantee.....	78.578	77.202
	<u>2.497.266</u>	<u>2.632.399</u>

Fair values for held-to-maturity financial assets are based on market prices or broker/dealer price quotations. Where this information is not available, fair value has been estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

8. Loans and short term receivables

	31/3 2007	31/12 2006
Short term receivables		
Receivables due from insurers.....	7.602.073	4.406.441
Other receivables due from first insurers.....	133.582	79.824
Other receivables.....	1.254.496	2.640.688
	<u>8.990.151</u>	<u>7.126.953</u>
Loans		
Mortgage loans:		
Bonds payable with mortgage in ships.....	302.370	283.760
Bonds payable with mortgage in real estates.....	312.559	273.876
Bonds payable with mortgage in vehicles.....	6.410.255	6.315.218
Bonds payable with mortgage in machines.....	115.486	112.604
Bonds payable with self debt.....	649.437	652.662
	<u>7.790.107</u>	<u>7.638.120</u>

Provisions for impairment of loans and short term receivables at March 31st 2007 amounts to 316.697 thousands ISK.

9. Share capital

	Number of shares (thousands)	Ordinary shares	Share premium	Treasury shares
At 1 January 2006	904.341	932.396	225.582	(28.055)
Treasury shares sale (purchase).....	19.403	0	757.934	19.403
Issued new share capital.....	157.895	157.895	5.572.910	0
At December 31st 2006	1.081.639	1.090.291	6.556.426	(8.652)
At March 31st 2007	1.081.639	1.090.291	6.556.426	(8.652)

10. Reserves

	31/3 2007	31/12 2006
Legal reserve.....	58.300	58.300
Share premium.....	6.556.426	6.556.426
	<u>6.614.725</u>	<u>6.614.725</u>

11. Insurance liabilities and reinsurance assets

	31/3 2007	31/12 2006
Insurance liabilities:		
Unearned premium.....	9.495.968	5.384.695
Claims provisions.....	20.455.612	20.720.884
	<u>29.951.580</u>	<u>26.105.579</u>
Reinsurance assets		
Reinsurers' share of insurance liabilities:		
Unearned premium.....	4.107.037	2.279.034
Claims provisions.....	8.556.215	8.810.768
Reinsurance receivable and retention money.....	274.653	205.542
	<u>12.937.905</u>	<u>11.295.344</u>
Net liability due to insurance contracts		
Premium reserve.....	5.388.931	3.105.661
Claims provisions.....	11.899.397	11.910.116
Reinsurance receivable and retention money.....	(274.653)	(205.542)
	<u>17.013.675</u>	<u>14.810.235</u>

12. Borrowings

	31/3 2007
Remaining balance	
Subordinated bonds.....	6.208.570
Loans from credit institutions.....	4.942.457
	<u>11.151.027</u>

Subordinate bonds were issued in year 2006 and have annual interest dates in August every year, but the capital matures in year 2016. The company is permitted to retire the bonds on it's interest dates for the next five years after the date of issue.

13. Net insurance premium revenue

	1/1-31/3 2007	1/1-31/3 2006
Written premium.....	8.674.842	4.081.646
Changes in unearned premium provision.....	(4.352.223)	(2.496.787)
Insurance premium revenue	<u>4.322.620</u>	<u>1.584.859</u>
Reinsurer's part of written premium	(3.850.270)	(635.407)
Reinsurer's part of changes in unearned premium provision.....	1.905.455	433.312
Insurance premium ceded to reinsurers	<u>(1.944.815)</u>	<u>(202.095)</u>
Net insurance premium revenue	<u>2.377.804</u>	<u>1.382.764</u>

14. Net insurance claims

	1/1-31/3 2007	1/1-31/3 2006
Claims and loss adjustment expenses.....	3.271.976	1.250.561
Changes in claims provisions.....	345.625	327.035
Insurance claims and loss adjustment expenses	3.617.601	1.577.596
Reinsurers' claims and loss adjustment expenses.....	(1.107.496)	(51.231)
Changes in reinsurers' part of claims provisions.....	(148.343)	(4.608)
Insurance claims and loss adjustment exp. recovered from reinsurers	(1.255.839)	(55.839)
Net insurance claims	2.361.762	1.521.757

15. Deferred income tax

Deferred income tax evolves as follows:	31/3 2007	31/12 2006
At the beginning of the year.....	3.588.528	3.075.248
Translation difference of Nemi.....	(20.450)	0
Effects of error of previous years.....	0	(8.922)
Deferred income tax of Nemi as of 1.9.06.....	0	357.116
Translation difference of deferred income tax of Nemi ASA.....	0	12.690
Effects of fair value changes through equity.....	0	15.187
Calculated income tax.....	229.941	137.209
Translation difference of Nemi ASA.....	(281)	0
Income tax payable.....	0	0
Balance at March 31st 2007.....	3.797.737	3.588.528

Deferred income tax analyses as follows

Property, plant and equipment.....	21.714	22.412
Financial assets.....	3.721.378	3.470.630
Claims provision.....	364.559	360.884
Other items.....	18.275	11.082
Loss carried forward.....	(328.190)	(276.479)
Deferred income tax at March 31st 2007.....	3.797.737	3.588.529

Deferred tax assets are as follows:

Deferred tax asset of TM fé ehf. as of September 1st, 2006.....	385.131	330.827
Calculated income tax.....	67.521	54.304
Balance at March 31st, 2007.....	452.652	385.131

16. Finance cost

	1/1-31/3 2007	1/1-31/3 2006
Interest expense.....	324.197	6.594

17. Earnings per share

Basic earnings per share is calculated by dividing the profit by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Company and held as treasury shares.

	1/1-31/3 2007	1/1-31/3 2006
Profit attributable to the Parent Company's equity holders.....	886.304	626.043
Weighted average number of ordinary shares in issue (thousands).....	1.081.639	904.341
Basic earnings per share (in ISK per share).....	0,82	0,69

18. Dividends per share

At the company's annual meeting, held on the 15th of March 2007, a payment of dividend amounting ISK 998 millions, or 0,92 ISK per share, was agreed on. The dividend is due on april 11th 2007 and is accounted for amongst current liabilities in the interim financial statement for 31st. March 2007.

19. Income tax expense

Income tax to be paid in 2008.....	0
Deferred tax (Note 15).....	162.421
	<u>162.421</u>

Income tax of profit before taxes is different from calculated income tax as follows:

Calculated income tax of profit before taxes.....	178.662
Reversal of associates from deferred income tax.....	27.183
Effects of paid dividends.....	(18.170)
Other permanent differences.....	(25.254)
Calculated income tax.....	<u>162.421</u>

20. Contingencies and other matters

A severance agreement with former Nemi CEO remains to be settled. The settlement amount is uncertain, but due to conservatism Nemi has provided for the maximum amount expected to be settled on.

21. Quarterly report

	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1
Net insurance premium revenue.....	2.377.804	2.149.252	1.733.702	1.386.083	1.382.764
Investment Income.....	1.893.834	1.292.049	2.126.418	(321.933)	1.711.194
Net income	4.271.638	3.441.301	3.860.120	1.064.150	3.093.957
Net insurance claims.....	(2.361.763)	(1.967.219)	(1.509.538)	(1.377.761)	(1.521.756)
Other operating expenses.....	(540.875)	(924.711)	(474.237)	(443.446)	(421.215)
Expenses	(2.902.639)	(2.891.930)	(1.983.776)	(1.821.207)	(1.942.972)
Results of operating activities	1.369.000	549.371	1.876.344	(757.057)	1.150.986
Finance costs.....	(324.197)	(306.096)	(402.799)	(71.320)	(6.594)
Share of (loss)/profit of associates.....	3.922	5.813	(124.614)	(721.366)	(413.664)
Profit (loss) before tax	1.048.725	249.088	1.348.931	(1.549.743)	730.728
Income tax	(162.421)	(17.469)	(260.592)	299.840	(104.684)
Profit (loss) for the period	<u>886.304</u>	<u>231.618</u>	<u>1.088.339</u>	<u>(1.249.903)</u>	<u>626.043</u>
Attributable to:					
Equity holders of the Company.....	882.524	230.744	1.085.411	(1.254.862)	625.742
Minority interest.....	3.780	874	2.928	4.959	301
	<u>886.304</u>	<u>231.618</u>	<u>1.088.339</u>	<u>(1.249.903)</u>	<u>626.043</u>