

SPRON's Results for 2007

**Net after-tax profit ISK 3.3 billion**  
**Return on equity (ROE) 11.5%**

**Highlights from the year 2007:**

---

- Pre-tax profit of ISK 3.3 billion
- Return on equity after-tax was 11.5%
- Net interest income amounted to ISK 9.2 billion
- Core earnings ISK 4.9 billion and pre-tax ROE 17.1%
- Customer deposits 53% of loans to customers
- Customer deposits increased by 51% from year end 2006
- Total assets amounted to ISK 224.2 billion at year end 2007, an increase of 22% from year end 2006
- Loans to customers amounted to ISK 161.6 million, an increase of 26% from year end 2006
- Equity at year end amounted to ISK 27.8 billion
- The bank's capital adequacy ratio was 13.4% at year end. Tier 1 capital was 19.9%
- A solid loan portfolio – 60% of loan portfolio are loans to individuals and 80% of the portfolio are mortgages
- Strong funding position – no refinancing of larger loans until september 2009
- SPRON converted into a public limited company and listed on OMX Nordic Exchange in October 2007
- 19.4% share in Icebank sold in November 2007
- Office opened in Berlin, Germany

Gudmundur Hauksson CEO:

“With a profit of ISK 3.3 billion the results for 2007 are satisfactory given the difficult circumstances in the financial markets. The Group's core business has improved and both interest and commission income have increased year on year. Customer deposits have increased by 51% and both SPRON's commercial banking unit and Netbankinn, a wholly owned subsidiary, are financed entirely through deposits from customers. For the Group as a whole customer deposits represent 53% of loans to customers. The Group's liquidity position is strong and only one long-term loan will mature during the year, amounting to EUR 20 million, which we have already financed. The CAD ratio is 13.4% and a decrease in market value of our strategic holding in Exista has an insignificant effect on the ratio. During 2008 our focus is on streamlining the business after significant growth in recent years as well as decreasing costs and improving efficiency. We are therefore in a strong position to meet the adverse circumstances in the financial markets and take advantage of opportunities that may arise.”

## Key figures from SPRON's consolidated financial statements

Income statement	2007	2006	Diff.	2007	2007	Diff.
	1.1.-31.12.	1.1.-31.12.		4Q 2007	3Q 2007	
Interest income .....	20.932	14.537	44,0%	5.714	5.009	14,1%
Interest expense .....	(18.286)	(12.123)	50,8%	(4.915)	(4.263)	15,3%
<b>Net interest income.....</b>	<b>2.646</b>	<b>2.415</b>	<b>9,6%</b>	<b>800</b>	<b>746</b>	<b>7,2%</b>
Fee and commission income .....	1.936	1.307	48,2%	598	477	25,3%
Fee and commission expense .....	(405)	(331)	22,3%	31	(117)	-
<b>Net fee and commission income.....</b>	<b>1.531</b>	<b>975</b>	<b>57,0%</b>	<b>629</b>	<b>360</b>	<b>74,6%</b>
Net gains on fin. assets and fin. Liabilities .....	4.603	10.115	-54,5%	(5.540)	205	-
Share of profit of associates .....	(3.259)	1.407	-	(5.411)	(1.100)	-
Other operating income .....	3.695	284	-	3.440	112	-
<b>Operating income.....</b>	<b>5.039</b>	<b>11.806</b>	<b>-57,3%</b>	<b>(7.510)</b>	<b>(783)</b>	<b>-</b>
<b>Net Operating income.....</b>	<b>9.216</b>	<b>15.196</b>	<b>-39,4%</b>	<b>(6.082)</b>	<b>324</b>	<b>-</b>
Salaries and related expenses .....	(2.398)	(1.926)	24,5%	(588)	(592)	-0,7%
Administrative expenses .....	(2.845)	(1.974)	44,1%	(953)	(658)	44,7%
Depreciation .....	(175)	(109)	61,0%	(57)	(48)	20,2%
<b>Operating cost .....</b>	<b>(5.419)</b>	<b>(4.009)</b>	<b>35,2%</b>	<b>(1.598)</b>	<b>(1.298)</b>	<b>23,1%</b>
Impairment losses on loans and advances .....	(498)	(308)	61,6%	(139)	(75)	86,5%
<b>Profit (Loss) before income tax.....</b>	<b>3.299</b>	<b>10.879</b>	<b>-69,7%</b>	<b>(7.819)</b>	<b>(1.049)</b>	<b>-</b>
Income tax .....	(12)	(1.869)	-	1.826	200	-
<b>Net profit (loss) .....</b>	<b>3.287</b>	<b>9.010</b>	<b>-63,5%</b>	<b>(5.993)</b>	<b>(850)</b>	<b>-</b>
<b>Attributable to:</b>						
Shareholders of SPRON hf. ....	3.281	9.010	-63,6%	(5.998)	(850)	-
Minority interest .....	5	0	-	5	0	-
	<b>3.287</b>	<b>9.010</b>	<b>-63,5%</b>	<b>(5.993)</b>	<b>(850)</b>	<b>-</b>
<b>Balance sheet</b>						
	31.12.07	31.12.06	Diff.			
<b>Assets</b>						
Cash and cash balances with the Central Bank .....	10.332	2.432	325%			
Loans to credit institutions .....	3.728	7.223	-48%			
Loans to customers .....	161.630	128.296	26%			
Trading financial assets .....	27.508	20.313	35%			
Financ. assets design. at fair value thr. profit/loss .....	12.666	16.749	-24%			
Investment in associates .....	2.575	4.580	-44%			
Intangible assets .....	1.713	1.675	2%			
Property and equipment .....	2.060	992	108%			
Non-current assets and disp. groups held for sale .....	0	105	-			
Other assets .....	1.983	2.136	-7%			
<b>Total Assets</b>	<b>224.196</b>	<b>184.501</b>	<b>22%</b>			
<b>Liabilities</b>						
Deposits from credit inst. and the Central Bank .....	8.513	11.524	-26%			
Other deposits .....	85.410	56.592	51%			
Trading financial liabilities .....	725	361	101%			
Borrowings .....	89.097	69.642	28%			
Subordinated loans .....	5.433	5.216	4%			
Post-employment obligations .....	714	646	10%			
Tax liabilities .....	2.905	3.013	-4%			
Other liabilities .....	3.639	2.731	33%			
<b>Total Liabilities</b>	<b>196.435</b>	<b>149.726</b>	<b>31%</b>			
<b>Equity</b>						
Primary Capital .....	0	19.454	-			
Retained earnings .....	0	15.292	-			
Share capital .....	4.877	-	-			
Reserves .....	1.250	-	-			
Retained earnings .....	21.604	-	-			
Total Shareh. Equity/Total Prim.Cap. and ret.earn.	27.732	34.746	-20%			
Minority interest .....	29	29	0%			
<b>Total Equity</b>	<b>27.761</b>	<b>34.775</b>	<b>-20%</b>			
<b>Total Liabilities and Equity</b>	<b>224.196</b>	<b>184.501</b>	<b>22%</b>			

## Quarterly overview

<b>Income statement</b>	<b>4Q 2007</b>	<b>3Q 2007</b>	<b>2Q 2007</b>	<b>1Q 2007</b>	<b>4Q 2006</b>	<b>3Q 2006</b>
Interest income .....	5.714	5.009	5.671	4.538	3.069	3.794
Interest expense .....	(4.915)	(4.263)	(5.036)	(4.073)	(2.895)	(3.210)
<b>Net interest income</b> .....	<b>800</b>	<b>746</b>	<b>635</b>	<b>465</b>	<b>174</b>	<b>584</b>
Fee and commission income .....	598	477	444	418	348	315
Fee and commission expense .....	31	(117)	(214)	(106)	(83)	(100)
<b>Net fee and commission income</b> .....	<b>629</b>	<b>360</b>	<b>230</b>	<b>312</b>	<b>265</b>	<b>215</b>
Net gains on fin. assets and fin. Liabilities .....	(5.540)	205	4.857	5.081	74	7.681
Share of profit of associates .....	(5.411)	(1.100)	2.444	808	(109)	1.108
Other operating income .....	3.440	112	95	48	0	74
<b>Operating income</b> .....	<b>(7.510)</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>(6.082)</b>	<b>324</b>	<b>8.260</b>	<b>6.714</b>	<b>404</b>	<b>9.661</b>
Salaries and related expenses .....	(588)	(592)	(681)	(537)	(645)	(397)
Administrative expenses .....	(953)	(658)	(748)	(486)	(678)	(430)
Depreciation .....	(57)	(48)	(41)	(30)	(40)	(25)
<b>Operating cost</b> .....	<b>(1.598)</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 .....	(139)	(75)	(173)	(112)	21	(96)
<b>Profit (Loss) before income tax</b> .....	<b>(7.819)</b>	<b>(1.049)</b>	<b>6.618</b>	<b>5.549</b>	<b>(938)</b>	<b>8.714</b>
Income tax .....	1.826	200	(1.179)	(859)	175	(1.568)
<b>Net profit (loss)</b> .....	<b>(5.993)</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. ....	(5.998)	(850)	5.439	4.690	(761)	7.146
Minority interest .....	5	0	0	0	(2)	1
	<b>(5.993)</b>	<b>(850)</b>	<b>5.439</b>	<b>4.690</b>	<b>(763)</b>	<b>7.147</b>
<b>Balance sheet</b>	<b>31.12.07</b>	<b>30.09.07</b>	<b>30.06.07</b>	<b>31.03.07</b>	<b>31.12.06</b>	<b>30.09.06</b>
<b>Assets</b>						
Cash and cash balances with the Central Bank .....	10.332	3.611	721	4.672	2.432	961
Loans to credit institutions .....	3.728	5.349	10.047	2.393	7.223	7.461
Loans to customers .....	161.630	148.583	138.237	134.536	128.296	116.268
Trading financial assets .....	27.508	29.276	27.200	22.534	20.313	16.502
Financ. assets design. at fair value thr. profit/loss .....	12.666	15.131	14.691	17.147	16.749	17.090
Investment in associates .....	2.575	11.896	12.966	7.740	4.580	3.574
Intangible assets .....	1.713	1.775	1.811	1.664	1.675	1.676
Property and equipment .....	2.060	1.496	1.150	983	992	923
Non-current assets and disp. groups held for sale .....	0	434	303	181	105	84
Other assets .....	1.983	1.637	1.403	2.301	2.136	1.560
<b>Total Assets</b>	<b>224.196</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 .....	8.513	5.688	3.063	12.098	11.524	13.071
Other deposits .....	85.410	74.625	66.635	58.336	56.592	60.241
Trading financial liabilities .....	725	506	438	192	361	127
Borrowings .....	89.097	88.553	88.634	72.354	69.642	56.193
Subordinated loans .....	5.433	5.476	5.311	5.200	5.216	4.435
Post-employment obligations .....	714	727	704	664	646	629
Tax liabilities .....	2.905	4.906	5.083	3.946	3.013	3.239
Other liabilities .....	3.639	3.601	2.706	10.845	2.731	1.852
<b>Total Liabilities</b>	<b>196.435</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 .....	4.877	5.000	5.000			
Reserves .....	1.250	1.250	1.250			
Retained earnings .....	21.604	28.826	29.676			
Total Shareh. Equity/Total Prim.Cap. and Retained earn. ....	27.732	35.076	35.926	30.487	34.746	26.296
Minority interest .....	29	30	29	29	29	17
<b>Total Equity</b>	<b>27.761</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>224.196</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 3.3 billion

SPRON's pre-tax profit for the year totalled ISK 3,299 million compared to ISK 10,879 million for 2006. After-tax profit amounted to ISK 3,287 million compared to ISK 9,010 million in 2006. After-tax ROE was 11.5% in 2007. SPRON reported a loss of ISK 5,993 million in the fourth quarter due to turbulent conditions in financial markets.

### Net operating income ISK 9.2 billion

Net operating income for the year amounted to ISK 9,216 million and increased by 39.4% compared with 2006. Net operating income for the fourth quarter was negative by ISK 6.082 million.

### Net interest income ISK 2.6 billion

Net interest income amounted to ISK 2,645 million in 2007 compared with ISK 2,415 million in 2006. Interest income for the year amounted to ISK 20,932 million compared with 14,537 million in 2006 and increased by 44%. Interest expenses amounted to ISK 18,286 million in comparison with ISK 12,123 million in the same period in 2006 and increased by 51%. Net interest income amounted to ISK 800 million in the fourth quarter which is the highest for any quarter in 2007.

Net interest income as a percentage of interest bearing assets was 1.3% compared with 1.6% in 2006. Net interest income as a percentage of total assets was 1.7% in 2007 compared with 2.2% in 2006. SPRON's interest margin is negatively affected by inflation during 2007 which explains partly a decline in the interest margin in 2007 in comparison with 2006. This is due to an imbalance between index-linked assets (tied to the CPI) and index-linked liabilities – where the former outweigh the latter.

### Net commission income ISK 1.5 billion

Net commission income amounted to ISK 1.531 million in 2007 compared with ISK 975 million in 2006 and has increased by 57%. Net commission income amounted to ISK 629 million in the fourth quarter which is the highest yet recorded.

### Other net operating income ISK 5.0 billion

Other net operating income in 2007 amounted to ISK 5.039 million and decreased by 57.3% compared with last year. Other net operating income was negative by ISK 7.510 million in the fourth quarter. Net financial income amounted to ISK 4.602 million compared with ISK 10.115 in 2006 and decreased by 54%. Share of profit of associates was negative by ISK 3.259 compared with an ISK 1.407 million profit in 2006.

The Group's share in Exista through direct ownership was 3% at year end 2007. During the period SPRON sold a part of its shares in Exista to Kista Investments. Kista's shares in Exista amounted to 8.9% at year end 2007. Kista Investments is an associate of SPRON and SPRON's share in Kista was 48.4% at year end 2007.

In October SPRON sold 19.4% of its stake in Icebank. After the sale SPRON's share in Icebank is 5.2%. The profit from the sale is accounted for in the fourth quarter in 2007 and amounted in total to ISK 3.1 billion.

### Operating expenses ISK 5.4 billion

The operating expenses for 2007 amounted to ISK 5,419 million and increased by 35% from 2006. Increased expenses are largely due to strengthening of the Group's core operations during the year but also due to some one off costs related to the Group's listing on the OMX Nordic Exchange. Salaries and related expenses were ISK 2,398 million compared with ISK 1,926 in 2006 which is due to an increase in the number of employees and a change in the employee composition as the Group has focused on building up areas which generate fees and

commissions. The number of employees on average in 2007 was 286 compared with 245 in 2006. Other operating expenses amounted to ISK 2,845 million in 2007 with ISK 1,974 million in 2006.

#### **Impairment on loans and advances ISK 498 million**

The impairment on loans and advances in 2007 amounted to ISK 498 million compared with ISK 308 million in 2006.

#### **Income tax expenses**

Income tax expense amounted to ISK 12 million compared with 1,898 million in 2006. The Group delayed payment of tax expenses due to profit from sales of associates, including investments in subsidiaries. Tax expenses for subsidiaries are not accounted for.

### **The balance sheet**

---

#### **Total assets ISK 224.2 billion**

Total assets amounted to ISK 224,196 million at year end 2007 compared with ISK 184,501 million at year end 2006 and have increased by 22% during the year.

#### **Cash and balances with the Central Bank ISK 10.3 billion**

Cash and balances with the Central Bank amounted to ISK 10,332 million compared with ISK 2,432 million

#### **Loans to credit institutions ISK 3.7 billion**

Loans to credit institutions totalled ISK 3,728 million at year end 2007 compared with ISK 7,223 million at year end 2006.

#### **Loans to customers ISK 161.6 billion**

Loans to customers amounted to ISK 161,630 at year end compared with ISK 128,296 million at year end 2006. Loans to customers have increased by 26% from 2006. Loans to individuals amount to 60% of total loans to customers and 80% of loans are mortgages.

#### **Trading assets ISK 27.5 billion**

Trading assets amounted to ISK 27,507 million at year end 2007 and increased by 35% from year end 2006. Financial assets designated at fair value amounted to ISK 12,666 million at year end 2007 and have decreased by 24% from year end 2006. Investments in associates amounted to ISK 2,575 million at year end 2007 compared with ISK 4,580 million at year end 2006. During the year SPRON sold a part of its share 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 8.5 billion**

Deposits from credit institutions and the Central bank of Iceland amounted to ISK 8,513 million at year end 2007 in comparison with ISK 11,524 at year end 2006.

#### **Deposits from customers ISK 85.4 billion**

Deposits from customers ISK 85,410 million at year end 2007 and have increased by 51% from year end 2006.

#### **Customer deposits represent 53% of loans to customers**

Deposits from customers represent 53% of loans to customers compared with 44.1% at year end 2006.

#### **Borrowings ISK 89.1 billion**

Borrowings amounted to ISK 86,910 million at year end 2007 compared with ISK 69,642 million at year end 2006.

### Subordinated loans ISK 5.4 billion

Subordinated loans amounted to ISK 5,433 million at year end 2007 compared with ISK 5,216 million at year end 2006.

### Capital adequacy ratio 13.4%

SPRON's equity amounted to ISK 27,761 million at year end 2007 compared 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 13.4% at the end of the period. Tier 1 capital was 19.9%.

On 31 December issued share capital in SPRON amounted to 5,004,000,000 in nominal terms. Shareholders at year end 2007 were 2,231. The only shareholder in SPRON owning more than 10% was the SPRON Fund with a 14.59% stake at year end 2007.

### Financing and liquidity

SPRON is largely financed through deposits from customers. SPRON's commercial banking unit and Netbankinn are financed entirely through deposits. For the Group, customer deposits represent 53% of loans to customers. Special emphasis was placed on increasing deposits during the year and from year end 2006 they have increased by 51%. SPRON's liquidity position is strong and the next major obligation which needs refinancing is in September 2009. SPRON has focused on securing its liquidity position further in recent months with special initiatives to increase deposits, diversify funding and secure more long-term funding sources. Furthermore the Group maintains a large position of highly liquid assets.

## Core operations

---

### Profit from core operations ISK 4.9 billion

Profit from core operations in 2007 amounted to ISK 4,859 million compared with ISK 2,366 million in 2006. Pre-tax ROE for 2007 of core operations was 17.1%.

	2007	2006	2005	2004
<b>Profit before income tax</b>	<b>3.298</b>	<b>10.879</b>	<b>4.956</b>	<b>1.984</b>
Trading gains deducted	-4.915	-11.522	-4.963	-1.981
Adjusted net interest income	5.918	2.584	899	224
Cost adjustments	558	426	307	255
<b>Core operations before tax</b>	<b>4.859</b>	<b>2.366</b>	<b>1.198</b>	<b>482</b>
Pre-tax ROE of core operations	17,1%	15,4%	18,1%	9,2%

In calculating SPRON's profit from core operations, trading gains on equities of all types are deducted. The net interest income is increased accordingly to reflect the funding costs related to the Group's bond and equity positions.

### Dividends

SPRON aims to pay dividends each year of 20-50% of after-tax profits. The dividend paid is determined by Icelandic law and other circumstances at the discretion of the Board. The Board of Directors will propose at the annual general meeting that ISK 1,5 billion be paid out to shareholders for 2007 which corresponds to 50% of the annual profit for 2007.

## Prospects

---

Financial markets were turbulent throughout the fourth quarter 2007 and into the first weeks of 2008. Despite adverse circumstances SPRON's position is strong. The Group's liquidity position is good and no major obligations need refinancing until September 2009. The Group will continue to place strong emphasis on customer deposits to secure the Group's liquidity even further. SPRON's loan portfolio is low-risk as it is largely comprised of mortgages to individuals.

SPRON's focus for 2008 is on streamlining the business after significant growth in recent years. Lowering costs and improving efficiency will also be a priority as costs have increased with the Group's focus on building the core business but also due to some one off costs related to listing on the OMX Nordic Exchange. All in all, SPRON is in a strong position to deal with a challenging financial environment and take advantage of the opportunities which may arise.

**Five year overview – Key ratios**

	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
Cost / Income ratio .....	58,8%	26,4%	36,7%	50,3%	55,3%
Net interest margin .....	1,3%	1,6%	2,4%	3,8%	3,8%
ROE .....	11,5%	58,7%	61,5%	36,0%	21,0%
Impairment on loans as a % of loans and guarantees .....	0,3%	0,2%	0,4%	0,9%	1,8%
	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
Capital adequacy ratio .....	13,4%	20,2%	13,6%	10,4%	12,8%
Thereof Tier I ratio .....	19,9%	31,1%	19,6%	12,3%	10,0%
Provisions as a % of loans and guarantees	0,9%	0,9%	1,2%	2,0%	2,8%
Full time equivalent positions at period-end .....	286	245	206	184	183
Deposits as a % of loans to customers .....	52,8%	44,1%	46,3%	72,1%	80,4%

## Five year overview

Million ISK	2007	2006	2005	2004	2003
<b>Income</b>					
Interest income .....	20.932	14.537	7.884	5.547	4.950
Interest expense .....	-18.286	-12.123	-5.659	-3.272	-2.964
Net interest income .....	2.646	2.415	2.225	2.275	1.986
Fee and commission income .....	1.936	1.307	881	859	820
Fee and commission expense .....	-405	-331	-297	-243	-214
Net fee and commission income .....	1.531	975	584	616	606
Net gains on fin. assets and fin. Liabilities .....	4.603	10.115	4.366	1.757	1.114
Share of profit of associates .....	-3.259	1.407	597	224	62
Other operating income .....	3.695	284	576	135	38
Operating income .....	5.039	11.806	5.538	2.116	1.214
<b>Net Operating income</b>	<b>9.216</b>	<b>15.196</b>	<b>8.347</b>	<b>5.007</b>	<b>3.806</b>
<b>Expenses</b>					
Salaries and related expenses .....	-2.398	-1.926	-1.551	-1.299	-1.072
Administrative expenses .....	-2.845	-1.974	-1.433	-1.208	-1.007
Depreciation .....	-175	-109	-81	-45	-48
Operating cost .....	-5.419	-4.009	-3.065	-2.553	-2.127
Impairment losses on loans and advances .....	-498	-308	-327	-470	-668
Amortization of goodwill .....	0	0	0	0	-165
<b>Profit (Loss) before income tax</b>	<b>3.299</b>	<b>10.879</b>	<b>4.956</b>	<b>1.984</b>	<b>846</b>
Income tax .....	-12	-1.869	-863	-355	-42
<b>Net profit (loss)</b>	<b>3.287</b>	<b>9.010</b>	<b>4.092</b>	<b>1.629</b>	<b>804</b>
<b>Assets</b>	<b>31.12.07</b>	<b>31.12.06</b>	<b>31.12.05</b>	<b>31.12.04</b>	<b>31.12.03</b>
Cash and cash balances with the Central Bank .....	10.332	2.432	2.068	1.540	416
Loans to credit institutions .....	3.728	7.223	6.294	5.427	3.283
Loans to customers .....	161.630	128.296	84.950	49.278	37.199
Trading financial assets .....	27.508	20.313	8.367	5.953	6.382
Financ. assets design. at fair value thr. profit/loss .....	12.666	16.749	7.991	3.290	1.438
Investment in associates .....	2.575	4.580	1.647	1.028	804
Intangible assets .....	1.713	1.675	1.619	1.536	1.505
Property and equipment .....	2.060	992	1.016	176	211
Non-current assets and disp. groups held for sale .....	0	105	103	126	343
Other assets .....	1.983	2.136	874	400	321
<b>Total Assets</b>	<b>224.196</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 .....	8.513	11.524	11.210	7.211	1.050
Other deposits .....	85.410	56.592	39.340	35.523	30.180
Trading financial liabilities .....	725	361	120	111	0
Borrowings .....	89.097	69.642	44.445	16.425	13.117
Subordinated loans .....	5.433	5.216	3.918	1.924	1.849
Post-employment obligations .....	714	646	559	509	356
Tax liabilities .....	2.905	3.013	1.249	469	160
Other liabilities .....	3.639	2.731	1.070	763	565
<b>Total Liabilities</b>	<b>196.435</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 .....	4.877				
Reserves .....	1.250				
Retained earnings .....	21.604				
Total Shareh. Equity/Total Prim.Cap. and Ret.Earn.	<b>27.732</b>	<b>34.746</b>	<b>13.016</b>	<b>5.818</b>	<b>4.598</b>
Minority interest .....	29	29	1	1	27
<b>Total Equity</b>	<b>27.761</b>	<b>34.775</b>	<b>13.017</b>	<b>5.819</b>	<b>4.625</b>
<b>Total Liabilities and Equity</b>	<b>224.196</b>	<b>184.501</b>	<b>114.929</b>	<b>68.754</b>	<b>51.902</b>

### **Auditing**

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

### **Presentation to shareholders and market participants**

A presentation for shareholders and market participants will be held on Thursday 7 February at 8:30 a.m. at the Grand Hotel in Reykjavik. Gudmundur Hauksson CEO and Valgeir M. Baldursson CFO will present the bank's results and answer questions. The meeting will be in Icelandic and can be viewed from the Group's website [www.spron.is](http://www.spron.is). 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 1213

Valgeir M. Baldursson CFO, tel: +354 550 1774

### **Publication of interim results for 2008**

Q1 2008	30 April 2008
Q2 2008	30 July 2008
Q3 2008	29 October 2008
Q4 2008	4 February 2009

### **Annual General Meeting**

The Annual General Meeting will be held on 27 February at the City Theatre at Listabraut 1, 108 Reykjavik and starts at 17:00.