

MP Fjárfestingarbanki hf.

(MP Investment Bank)

Annual Accounts

2004

MP Fjárfestingarbanki hf.
Skiopholt 50d
105 Reykjavík
Iceland

Reg. no. 540599-2469

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Endorsement by the Board of Directors and the Managing Director

The Annual Accounts are prepared in accordance with the Annual Accounts Act and Rules on the Financial Statements of Credit Institutions and are based on the same accounting policies as for the previous year.

The year 2004 was the Bank's first whole operating year as an investment bank. The Bank received a license to operate as an Investment Bank on October 15, 2003. Operating results for 2004 were excellent, due to very favourable conditions on the financial market. Domestic long-term interest decreased, the price of domestic shares increased considerably and the foreign markets on which the Bank operates proved to be also very favourable for the Bank.

The Bank undertook several large new bond issues and underwriting projects regarding bonds during the year. The most significant of those was a new bond issue in the amount of ISK 8,000.0 million for Meidur hf. This was the largest single new bond issue of an Icelandic company, in Icelandic krona during the year. The transactions of MP Fjárfestingarbanki hf. on the domestic market were mostly with bonds. The bank undertook the role of being the primary dealer of government securities and became a market maker for housing bonds, which are the categorized with the highest turnover in the Iceland Stock Exchange. An increased emphasis in the operations on bond trading and foreign transactions proved very successful.

Despite a considerable doubt regarding the present exchange rate of the Icelandic krona and the price of domestic shares existing for a long time the Bank's management believes that the future prospects of the Bank are very good. Powerful marketing abroad is very well suited to increase the diffusion of its risk.

MP Fjárfestingarbanki hf. acquired the majority of the shares in Heildun ehf. during the year. The Company was merged with the Bank effective as of July 1, 2004.

According to the Profit and Loss Account, the Bank's net profit for the year amounted to ISK 1,013.5 million according to the Balance Sheet the Bank's capital amounted to ISK 1,919.0 million. Return on equity amounted to 102.7% for the year. The capital ratio calculated in accordance with the Act on Financial Institutions is 21.1% whereas the minimum ratio according to the Act is 8.0%. The Bank's Board of Directors propose that a dividend of 50.0% be paid to the shareholders in the year 2005 for operations in 2004, but allocation of profit and changes in equity are further explained in the Annual Account.

The Bank's share capital amounted to ISK 284.6 million at the end of the year 2004 but it was increased by ISK 12.0 million during the year. At year-end shareholders in the Bank numbered 42 compared to 38 at the beginning of the year. Five shareholders held more than 10.0% of the shares in the Bank at year-end 2004. Their shareholding is specified as follows:

	Ownership
Margeir Pétursson and and companies under his control	32.6%
Sparisjóður véltjóra	14.4%
Sigurður Gísli Pálmason and company under his control	14.2%
Jón Pálmason and company under his control	14.2%
Jón Hjartarson	10.2%

The Bank's Board of Directors and Managing Director hereby confirm the Bank's Annual Accounts for the year 2004 by means of their signatures.

Reykjavík, March 18, 2005.

Board of Directors:

Sigfús Ingimundarson
Gunnar Arnason

Margeir Pétursson

Ágúst Sindri Karlsson
Jón Hjartarson

Managing Director:

Sigurður Valtýsson

Auditors' Report

To the Board of Directors and Shareholders of MP Fjárfestingarbanki hf. (MP Investment Bank).

We have audited the accompanying Balance Sheet of MP Investment Bank as of December 31, 2004, and the related Profit and Loss Account and Statement of Cash Flows for the year then ended. These Annual Accounts are the responsibility of the Bank's management. Our responsibility is to express an opinion on these Annual Accounts based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the Annual Accounts are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Annual Accounts. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Annual Accounts. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Annual Accounts give a true and fair view of the financial position of MP Investment Bank as of December 31, 2004, and the results of its operations and its cash flows for the year then ended, in accordance with the law and generally accepted accounting principles in Iceland.

Reykjavik, March 18, 2005.

Sæmundur Valdimarsson

KPMG Endurskoðun hf.

Profit and Loss Account for the Year 2004

	Notes	2004	2003
Financial Income:			
Interest from credit institutions		41,723	2,078
Interest on loans		78,722	42,703
Interest on market securities		166,259	1,730
Other interest income		172,625	70,193
	3	459,329	116,704
Financial Expenses:			
Interest to credit institutions		20,130	7,707
Interest on borrowings		420,210	68,711
Interest on subordinated loans		3,117	1,423
Other interest expenses	16	79	11
	3	443,536	77,852
Net interest income		15,793	38,852
Other Operating Income:			
Income from shares and other holdings	4	13,162	6,598
Fee and commissions	5	429,883	255,464
Commissions expenses		(17,588)	(8,248)
Net trading	17	955,948	173,649
Sundry operating income		35,232	3,266
		1,416,637	430,729
Net operating income		1,432,430	469,581
Other Operating Expenses:			
Salaries and related expenses	18-20	158,718	126,253
Other operating expenses		92,996	60,984
Depreciation	10.31	5,468	5,723
		257,182	192,960
Provision for losses on the loan portfolio	8.27	0	(28,937)
Profit before income tax		1,175,248	247,684
Income tax	11,36	(161,767)	(44,300)
Net profit for the year	40	1,013,481	203,384
Earnings Per Share			
Earnings per share	6.23	3.60	0.78

Balance Sheet

Assets

	Notes	2004	2003
Cash and Amounts due from Credit Institutions:			
Cash		3	3
Amounts due from credit institutions	24	733,955	255,795
		733,958	255,798
Loans	7,25-27	2,323,458	609,397
Market Securities and Shares in Other Companies:			
Bonds and other fixed-income securities	9,28	5,078,442	1,270,629
Shares and other variable-income securities	9,29,30	3,572,053	2,379,593
		8,650,495	3,650,222
Other Assets:			
Property and equipment	10,31	65,743	70,828
Sundry assets		79,900	53,076
Prepaid expenses and accrued income		408,576	114,696
		554,219	238,600
		12,262,130	4,754,017

December 31, 2004

Liabilities and Capital

	Notes	2004	2003
Amounts Owed to Credit Institutions	34	<u>2,571,764</u>	<u>1,039,378</u>
Borrowings	35	<u>7,259,493</u>	<u>2,380,081</u>
Other Liabilities:			
Sundry liabilities		292,453	109,707
Accrued expenses		<u>131,271</u>	<u>121,302</u>
		<u>423,724</u>	<u>231,009</u>
Deferred Income Tax Liability	11,36	<u>1,259</u>	<u>1,092</u>
Subordinated Loans	12,37	<u>86,866</u>	<u>101,424</u>
Capital:			
Share capital	38	284,620	272,617
Share premium		535,181	533,492
Statutory reserve		3,566	3,566
Retained earnings		<u>1,095,657</u>	<u>191,358</u>
	38-41	<u>1,919,024</u>	<u>1,001,033</u>
Total Liabilities and Capital		<u><u>12,262,130</u></u>	<u><u>4,754,017</u></u>

Not included in the Balance Sheet:

Obligations on behalf of customers	42
Other obligations	43

Statement of Cash Flows for the Year 2004

	Notes	2004	2003
Cash Flows from Operating Activities:			
Net profit for the year	40	1,013,481	203,384
Difference between net profit and cash from operations:			
Depreciation	31	5,468	5,723
Deferred income tax liability, change		167	2,767
Indexation and exchange rate difference		(11,511)	50,642
Provision for losses on the loan portfolio	27	0	28,937
Gain on sale of fixed assets		0	(108)
Changes in operating assets and liabilities		(283,912)	28,608
Net cash provided by operating activities		723,693	319,953
Cash Flows from Investing Activities:			
Deposits with credit institutions, change		(530,761)	0
Loans, change		(1,872,742)	(250,167)
Trading bonds, change		(3,804,133)	(1,116,849)
Trading shares, change		(882,021)	(1,653,687)
Investment in property and equipment	31	(383)	(904)
Proceeds from sale of property and equipment		0	1,125
Sundry assets, change		3,365	7,115
Net cash used in investing activities		(7,086,675)	(3,013,367)
Cash Flows from Financing Activities:			
Amounts owed to credit institutions		1,532,386	37,604
Borrowings, change		4,705,099	2,541,158
Other liabilities, change		182,673	68,049
Subordinated loans, change		(14,286)	100,000
Dividends paid	40	(109,183)	(17,179)
Capital stock purchased and sold	40	13,692	112,994
Net cash provided by financing activities		6,310,381	2,842,626
(Decrease) Increase in Cash and Cash Equivalents		(52,601)	149,212
Cash and Cash Equivalents at the beginning of the Year		255,798	106,586
Cash and Cash Equivalents at the end of the Year	14	203,197	255,798
Other Information:			
Income tax paid		41,533	1,049
Investment and Financing Activities not affecting Cash Flows:			
Share capital paid with securities		21,548	0

Notes to the Annual Accounts

Summary of Accounting Principles

Basis of Preparation

1. The Annual Accounts have been prepared in accordance with the Annual Accounts Act and the Rules on the Financial Statements of Credit Institutions. It is based on historical cost apart from listed trading securities, which are accounted for at market value. The Annual Accounts are prepared in Icelandic currency and amounts are presented in thousands of ISK. The Annual Accounts are prepared according to the same accounting principles as for the previous year.

Heildun ehf. was merged with the Bank effective as of July 1, 2004 and the take-over of assets, rights, liabilities and commitments are based on that date. The effect of the take-over on the Bank's financial position is insignificant.

Foreign Currency

2. Assets and liabilities in foreign currency are converted to ISK at the year-end 2004 exchange rate which is ISK 83.51 per each EUR 1 and ISK 61.19 per each USD 1. Operational revenue and expenses in foreign currency are converted at the exchange rate on the date of transaction.

Interest Income and Expenses

3. Interest income and interest expenses are entered into the Profit and Loss Account as they accrue based on the actual interest rate. Interest income is calculated on amounts due from other financial institutions, loans, market securities and forwards. Interest expenses are calculated on amounts owed to financial institutions, borrowings and subordinated loans. If loans have been in default for more than three months interest income is no longer calculated. Revenue and expenses equalling interest, such as borrowing charges, are included among interest income and expenses as they accrue.

Income from Shares and Other Holdings

4. The item income from shares and other holdings includes dividend from investment shares and trading shares.

Fee and Commission Income

5. Service income includes income from commissions and service charges. Income from commissions is derived from the handling of securities for the Bank's customers and is accrued evenly over the year. Service charges are derived from special projects and are accrued at the end of the projects.

Earnings per Shares

6. Earnings per share is the ratio between earnings and weighted average share capital during the year and shows the profit per each ISK 1 of share capital.

Loans

7. Loans are capitalised with accrued interest and exchange rate difference at year-end. Loans in foreign currency are based on the exchange rate of the relevant currencies at year-end 2004.

Notes, contd.:

8. Provision for losses on the loan portfolio is made to meet the risk attached to lending operations. The loss provision is based on estimation and does not present a final write-off. In addition to the required contribution, certain risk factors are evaluated to determine the total contribution for this purpose. Firstly, there are specific provisions to adjust for obligations of creditors that have received a poor risk evaluation, and secondly there is a general provision to meet the general risk of lending operations. Interest on loans, the collection of which is uncertain, is not entered as income. The provision has been deducted from loans to customers in the Balance Sheet.

Market Securities and Holdings

9. Fixed-income securities include bonds and other securities with fixed interest or with a specified interest criterion. Variable-income securities include shares and unit shares. The securities are classified as trading securities and investment securities. Listed trading securities are valued at year-end market value whereas unlisted trading shares are entered at the cost price or estimated market price, whichever is lower. Investment shares are valued at cost price.

Property and Equipment

10. Property and equipment are capitalized at cost price less depreciation. Depreciation is calculated as a fixed annual percentage based on the estimated useful life of the property and equipment until a scrap value is reached. Estimated useful life is specified as follows:

Real estate	50 years
Office equipment	5 years
Computers, software and other computer equipment	3 years

Deferred Income-Tax Liability

11. The deferred income-tax liability has been calculated and recorded in the Annual Accounts. The liability is based on the difference between Balance Sheet items as represented in the tax return on the one hand and in the Annual Accounts on the other. This difference is due to the fact that the tax assessment is based on other premises than the Annual Accounts. These are mostly temporary differences because some expenses are expensed earlier in the tax return than in the Annual Accounts.

Subordinated Loans

12. The Bank has borrowed funds by issuing bonds with subordinated terms. The bonds have the characteristics of equity in being subordinate to other liabilities of the Bank. In the calculation of the capital ratio, the bonds are included with equity, as shown in Note 41.

Stock Option Contracts

13. Stock option contracts enable the bank's employees to acquire shares in the Bank. The purchase price equals the estimated market value of the shares at the grant date. The Bank's cost is evaluated as the difference between the call price and the market price of the shares at the Balance Sheet date, considering vested rights of employees. Nothing has been entered due to these stock option contracts in the Profit and Loss Account.

Notes, contd.:

Cash and Cash Equivalents

14. Cash and cash equivalents in the Statement of Cash Flows consist of cash and demand deposits with credit institutions.

Derivatives

15. Derivatives are financial instruments, the contracted or notional amounts of which are not included in the Company's Balance Sheet, either because rights and obligations arise out of one and the same contract or because the notional amounts serve merely as variables for calculating purposes. The notional amounts of derivatives do not necessarily give any indication of the size of the cash flows and the market and credit risk attached to derivatives transactions. Examples of derivatives are forward exchange contracts, swaps and options. The underlying value may involve interest rate, currency rate, bond or equity products.

Derivatives performance is entered in the Profit and Loss Account and in the Balance Sheet. Net asset are capitalized among prepaid expenses and accrued income whereas net obligations are entered among sundry liabilities.

Financial Income

16. Other interest expenses are specified as follows:	2004	2003
Interest from Forward Contracts	152,930	63,130
Other Interest	19,695	7,063
Total other interest income	<u>172,625</u>	<u>70,193</u>

Exchange-rate Gain

17. Exchange-rate gain are specified as follows:		
Exchange-rate gain due to currency	63,920	31,070
Exchange-rate gain due to securities	892,028	142,579
Total exchange-rate gain	<u>955,948</u>	<u>173,649</u>

Personnel

18. The Bank's total number of employees is as follows:		
Average number of employees	17	15
Positions at the end of the year	19	16
19. Salaries and related expenses are specified as follows:		
Salaries	83,101	68,693
Salary-related expenses	21,405	11,219
Accrued performance based salary	54,212	46,341
Total salary and related expenses	<u>158,718</u>	<u>126,253</u>

Notes, contd.:

20. Salaries to the Board of Directors and the Managing Director, their stock options and ownership in the Bank are specified as follows:

Sigurður Valtýsson, Managing Director	21,738 ¹⁾	10,773
Margeir Pétursson, Chairman	4,800	93,095
Sigfús Ingimundarson, Vice-Chairman	1,200	4,000
Ágúst Sindri Karlsson, Board member	5,040 ²⁾	3,500
Sigurður Gísli Pálmason, Board member	240	40,500
Gunnar Árnason, Board member	75	0
Jón Hjartarson, Vice Board member	75	29,000
Sverrir Kristinsson, Vice Board member	180	0
Örn Andrésón, Vice Board member	180	0
Jón Pálmason, Vice Board member	0	40,500
Total	<u>33,528</u>	<u>221,368</u>

1) The Bank's General Manager exercised his stock options during the year apart from stock options for a nominal value of ISK 0.1 million which are exercisable until 2007. There are restrictions on the sale of shares for a nominal value of ISK 6.8 million, which are lifted linearly from March 1, 2005 until March 1, 2008. The difference between the exercise price and the market price is included in salary.

2) This is Director's fees and legal fees.

3) Salaries of other Directors than the Chairman are determined by the Annual General Meeting for the previous operating year.

21. The Bank has granted Vice Board members and companies owned by them loans amounting to ISK 28.6 million. These loans are granted under the same conditions and terms as to other customers of the Bank.

Auditors' Fees

22. Remuneration to the Bank's Auditors is specified as follows:	2004	2003
Audit of Annual Accounts	2,436	1,860
Review of Interim Accounts	1,618	1,423
Other services	<u>1,263</u>	<u>1,013</u>
Total	<u>5,317</u>	<u>4,296</u>

Earnings per Share

23. Calculation of earnings per share is based on profit and the weighted average share capital at year end:

Profit according to the Annual Accounts	<u>1,013,481</u>	<u>203,384</u>
Calculated average share capital:		
Share capital according to the Annual Accounts at the beginning of the year	272,617	244,415
Impact of increase of share capital during the year	9,444	18,105
Impact of purchase and sale of own shares	<u>(328)</u>	<u>(1,760)</u>
Calculated average share capital	<u>281,733</u>	<u>260,760</u>
Earnings per share	3.60	0.78

Notes, contd.:

Amounts due from Credit Institutions

24. Amounts due from credit institutions are specified as follows:	2004	2003
On demand	203,194	255,795
Over 5 years	530,761	0
Total	<u>733,955</u>	<u>255,795</u>

Loans

25. Loans to customers are specified by types of loans as follows:

Bills of exchange	54,120	48,490
Debentures	<u>2,269,338</u>	<u>560,907</u>
Loans total	<u>2,323,458</u>	<u>609,397</u>

26. The Bank's loans are divided into domestic loans and loans in foreign currencies. The loans are specified as follows:

Loans in ISK	1,778,115	301,008
Loans in foreign currencies	<u>545,343</u>	<u>308,389</u>
Total	<u>2,323,458</u>	<u>609,397</u>

27. Provision for losses has been deducted from the Loans to customers in the Balance Sheet. Changes in the provision are specified as follows:

	Provision for losses		2004	2003
	Specific	General	Total	Total
Provision at the beginning of the year	9,937	25,000	34,937	6,000
Provision for losses during the year	<u>1,923</u>	<u>(1,923)</u>	<u>0</u>	<u>28,937</u>
Provision at year-end	<u>11,860</u>	<u>23,077</u>	<u>34,937</u>	<u>34,937</u>

Provisions for losses on the portfolio, as a

percentage of loans and issued guarantees	0.4%	1.0%	1.4%	4.1%
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Bonds and Shares in Other Companies

28. Bonds and other fixed-rate securities are specified as follows:

	Market value	Book value
Trading bonds:		
Listed on the Iceland Stock Exchange	4,992,529	4,992,529
Listed foreign bonds	44,237	44,906
Unlisted bonds		<u>41,007</u>
Total fixed-rate securities		<u>5,078,442</u>

contd.:

Notes, contd.:

28. Contd.:

The Bank has entered into forward contracts, swaps and repo with the Central Bank of Iceland amounting to ISK 2,925.2 million against its securities.

Bonds and other fixed-rate securities are specified by issuers as follows:

Bonds issued by public organisations	4,992,529
Bonds issued by others	85,913
Total fixed-rate securities	<u>5,078,442</u>

29. Shares and other variable-income securities are specified as follows: Market value Book value

Trading shares and unit shares:

Shares listed on Iceland Stock Exchange	1,833,125	1,833,125
Listed foreign shares	838,187	838,188
Listed domestic unit shares	548,544	548,544
Listed foreign unit shares	8,662	8,662
Unlisted domestic shares		236,719
Unlisted foreign shares		57,912
Unlisted unit shares		48,903
Total trading shares		<u>3,572,053</u>

The Bank has entered into forward contracts and swaps amounting to ISK 2,141.2 million against its shares and other variable-income securities.

30. The Bank owns 10.8% of the shares in Líftækni sjóðurinn hf. (Biotech fund), but controls 34.1% of the voting power in the company. The Bank owns 49.0% of the shares in Hraunbjarg ehf., 40.0% of the shares in Talsímafélagið ehf. and 21.9% of the shares in Langvinn ehf., which are all unlisted. Shares in other unlisted companies are less than 10.0% of their stockholders' equity.

Other Assets:

31. Property and equipment are specified as follows:

	Buildings and land	Office equipment and vehicles	Total
Total value 1.1.2004	68,538	29,375	97,913
Additions during the year	0	383	383
Total value 31.12.2004	<u>68,538</u>	<u>29,758</u>	<u>98,296</u>
Previously depreciated	5,026	22,059	27,085
Depreciation during the year	1,371	4,097	5,468
Total depreciation 31.12.2004	<u>6,397</u>	<u>26,156</u>	<u>32,553</u>
Book value 31.12.2004	<u>62,141</u>	<u>3,602</u>	<u>65,743</u>
Depreciation ratios	2%	20-33%	

The official real estate value of buildings owned by the Bank is ISK 44.2 million and the fire insurance value of buildings is ISK 57.8 million.

Notes, contd.:

Assets and Liabilities Index-linked or in Foreign Currencies

32. The total amount of indexed assets amounted to ISK 5,548.8 million, and the total amount of indexed liabilities amounted to ISK 1,594.4 million at year end.
33. The total amount of assets in foreign currencies in the Annual Accounts amounted to ISK 1,778.7 million and the total amount of liabilities amounted to ISK 2,133.8 million at year end. Among assets and liabilities are forward contracts as shown in Note 43.

Amounts Owed to Credit Institutions

34. Amounts owed to credit institutions is specified as follows:	2004	2003
Amounts owed to the Central Bank	2,569,436	969,260
Amounts owed to other credit institutions	2,328	70,118
Total amounts owed to credit institutions	<u>2,571,764</u>	<u>1,039,378</u>

Amounts owed to the Central Bank is due to repo transactions.

Borrowings

35. The Bank's borrowings consist solely of amounts owed to credit institutions whereof ISK 6,491.9 million will mature within one year. This amount includes loans in the amount of ISK 2,696.4 million that may be extended.

Deferred Income Tax Liability

36. The change in the deferred income tax liability is specified as follows:	2004	2003
Deferred tax liability at the beginning of the year	1,092	(1,675)
Income tax for the year	161,767	44,300
Income tax payable	(161,600)	(41,533)
Income tax liability at the year end	<u>1,259</u>	<u>1,092</u>

The deferred income-tax liability is specified as follows:

Property and equipment	557	621
Other assets	702	471
Income tax liability at the year end	<u>1,259</u>	<u>1,092</u>

Subordinated Loans

37. The subordinated loans are in ISK with six months REIBOR interest. The loan is non-indexed and is due 2010, with yearly payments.

Notes, contd.:

Capital

38. The Bank's share capital amounts to ISK 285.0 million. One vote is attached to each share of ISK 1 in the Bank. At the end of the year, own shares amounted to ISK 0.4 million. The share capital was increased by a nominal value of ISK 12.0 million during the year. The sale price was ISK 47.8 million.

39. The Bank has granted its employees stock options. According to the stock option contracts the Bank has committed itself to allow its employees to purchase shares in the Bank for nominal value of ISK 23.6 million at the price of ISK 169.6 million. The stock option rate is between 3.5 to 11.0. The employees have accrued stock options amounting to a nominal value of ISK 1.7 million. No entries have been made in the Bank's Profit and Loss Account due to these stock option contracts.

40. Capital is specified as follows:

	Share capital	Share premium	Statutory reserve	Retained earnings	Total
Capital 1.1.2004	272,617	533,492	3,566	191,358	1,001,033
Sold shares	20,673	120,126			140,799
Purchased shares	(8,670)	(118,437)			(127,107)
Dividend paid				(109,182)	(109,182)
Net profit for the year				1,013,481	1,013,481
Capital 31.12.2004	<u>284,620</u>	<u>535,181</u>	<u>3,566</u>	<u>1,095,657</u>	<u>1,919,024</u>

41. Capital at year end amounts to ISK 1,919.0 million which is 15.7% of the total assets in the Balance Sheet. The capital adequacy ratio, which may not be lower than 8.0% according to Article 84 of the Act on Financial Institutions, is 21.1%. The ratio is calculated as follows:

	Weighted value
Risk base:	
Risk base due to credit risk in items not included in the trading book	3,009,371
Risk base due to currency fluctuations	2,097,144
Risk base due to position and counter-party risk in the trading book.	<u>3,587,478</u>
Risk base, total	<u>8,693,993</u>
Tier I capital:	
Recorded capital	1,919,023
Tier II capital:	
Subordinated loans	55,745
Ownership in other credit institutions	(140,951)
Total capital	<u>1,833,817</u>
Capital adequacy ratio	21.1%

Notes, contd.:**Off-Balance Sheet Obligations**

42. The Bank has granted its customers guarantees amounting to ISK 101.4 million.

43. Derivatives, remaining maturity period of principal and book value are specified as follows:

	P r i n c i p a l			B o o k v a l u e	
	Up to 3 months	Over 3 months and up to 1 year	Total	Assets	Liabilities
Foreign exchange rate contracts:					
Forward exchange rate contracts	256,826	0	256,826	687	0
Interest rate contracts:					
Swaps	250,390	0	250,390	47,310	29,997
Securities contracts:					
Securities contracts	1,040,318	1,197,791	2,238,109	301,284	33,036
Derivatives, total	1,547,534	1,197,791	2,745,325	349,281	63,033

The book value of derivatives contracts is specified by counter parties as follows:

	Assets	Liabilities
Credit institutions	687	0
Other customers	349,073	63,033
Total	349,760	63,033

The objective of the above-mentioned agreements is to reduce the currency and interest rate risk of the Bank. The Bank's risk due to these contracts includes interest and currency rate differential.