



China

– Growing Market for Specialist Banking

Presentation for CBRC & FME

Lárus Welding CEO, Glitnir Bank 2007

GLITNIR IS A STRONG PLAYER

Strong foundation

- Dates back to 1904
- Became Glitnir in March 2006
- 1864 employees
40% outside of Iceland
- Operations in 10 countries

Key facts

- 2nd largest company in OMX Iceland
EUR 4.65 bn market capitalization
- USD 34.3 billion total assets (Q1 2007)
- USD 2.3 billion in equity (Q1 2007)
- Strong credit ratings
S&P: A- / A-2
Moody's: Aa3 / P-1
Fitch: A / F1

Main strategy

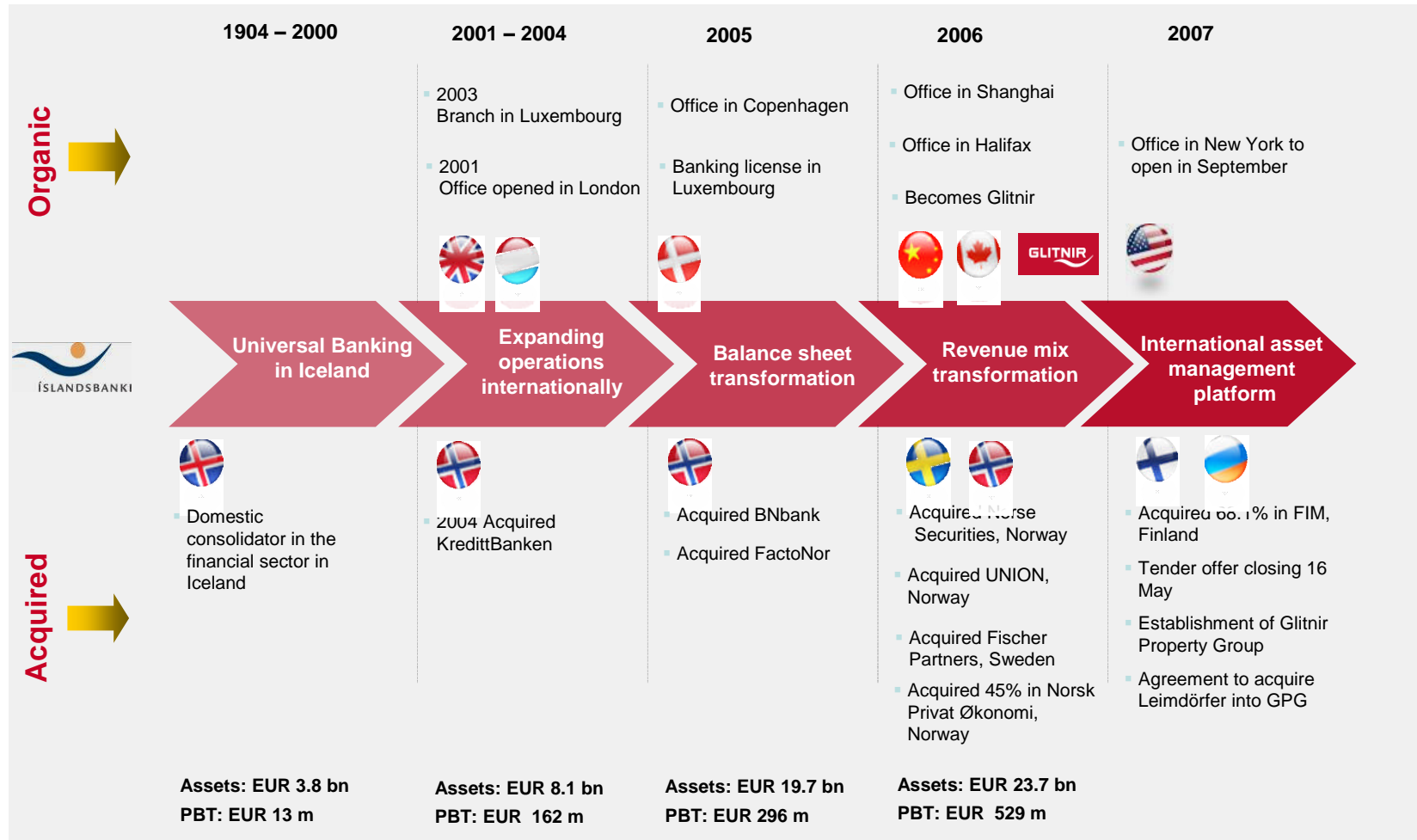
- Remain strong position in home markets
- Focused approach to international markets
- Strengthen position in the Nordics and UK
- Continued diversified funding strategy
- Revenue & geography diversification through organic growth and acquisitions

Shareholders value

- Focused strategy
- Strong ROE history
5 years average ROE is 32.4%
- Dividends: Long term growth 20 to 40% of profit
5 year average: 35.5% of total profit



FAST GROWING NORDIC FINANCIAL GROUP



GLITNIR GLOBAL STRATEGY

Focus on the Niches

- Seafood/Food
- Sustainable Energy
- Offshore Supply Vessels



Utilize the Advantages

- Extensive experience in seafood industry since 1904
- Unique background in Sustainable Energy
- Strong position in Norway and its resourceful capital market
- Increasing Icelandic investment overseas

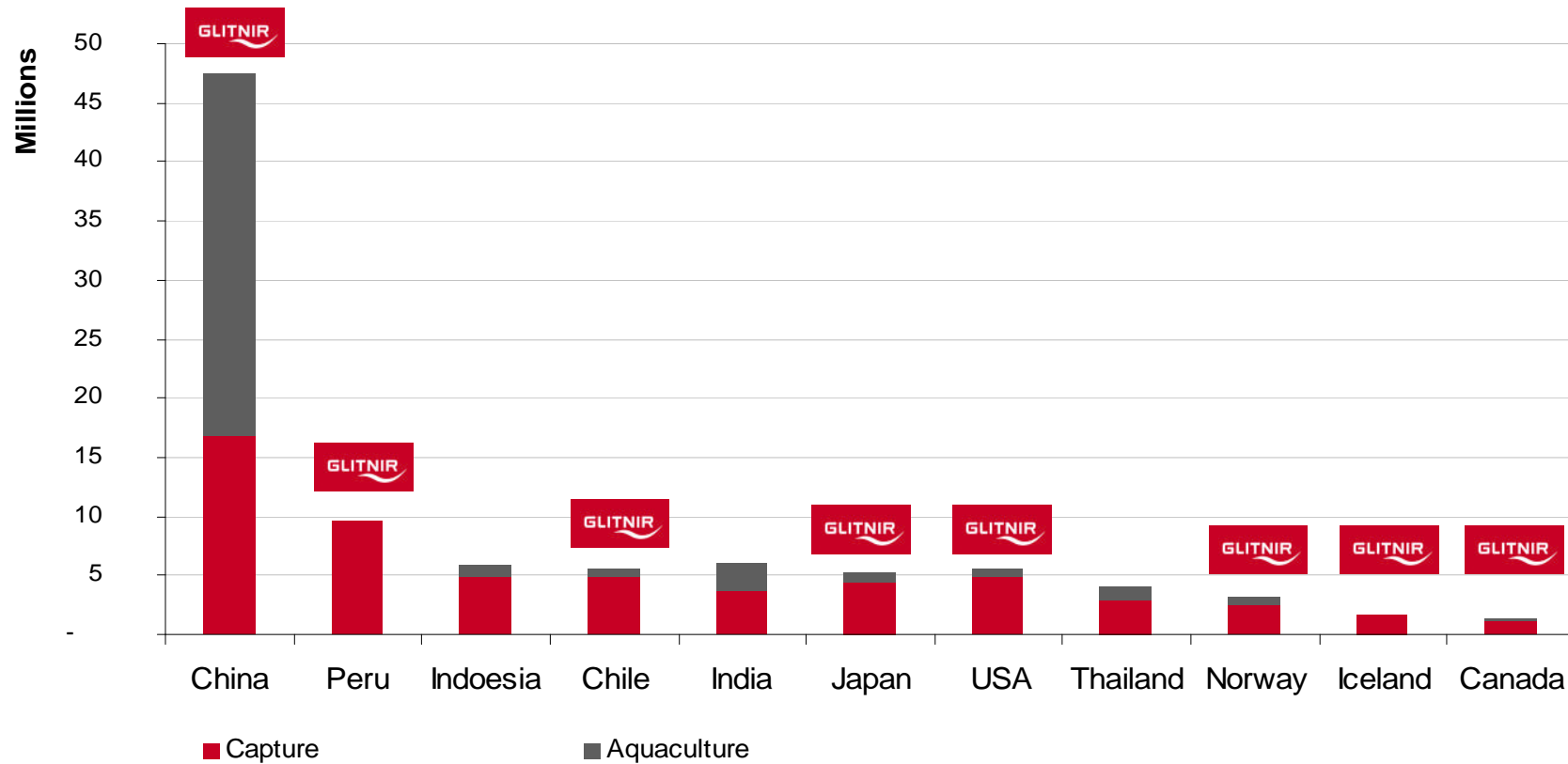


Compete with Knowledge, Service & Innovation

- Follow the resources
- Follow the clients
- Be a part of the industries




OCEANS OF OPPORTUNITIES



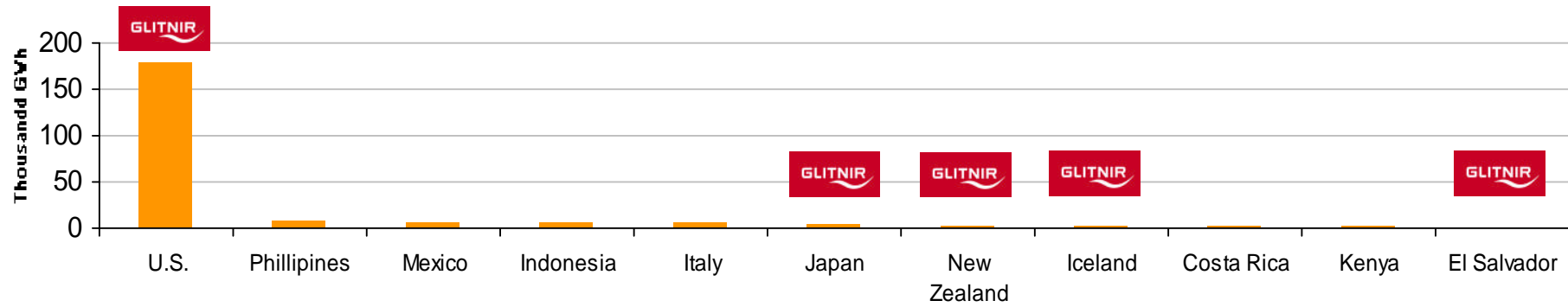
2004 World's Aquatic Supply (in million tonnes)



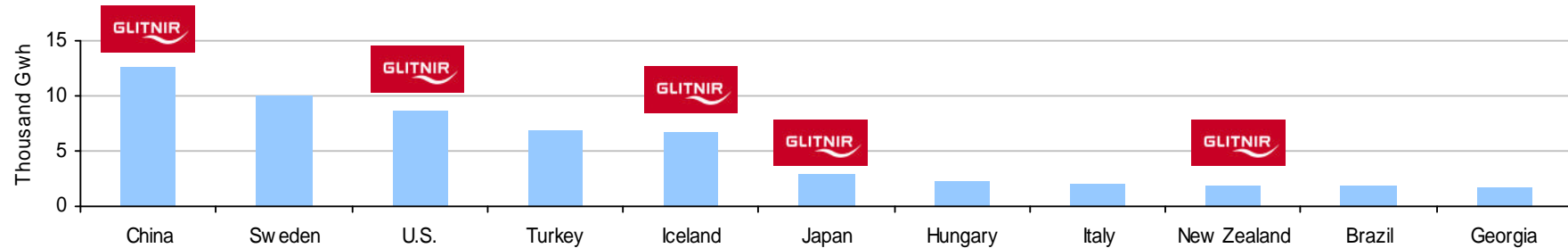
 indicates Glitnir has active clients in the seafood industry in those countries

RAISING THE HEAT

Geothermal Resources for Electricity Production (Energy produced/year)



Geothermal Resources for Direct Use (*e.g. heating, use/year)



indicates Glitnir is either currently participating in geothermal projects or actively developing business leads

GLITNIR GLOBAL PRESENCE



Branches and Offices of Glitnir Bank and subsidiaries



Other Glitnir business focal points



GLITNIR CHINA PHILOSOPHY

- ☯ To enhance Glitnir's Global Niche Strategy, particularly in seafood/food and geothermal
- ☯ To support home-market and other international clients to enter and operate in China
- ☯ To differentiate from competitors at home
- ☯ To assist Chinese investment overseas
- ☯ To seek opportunities in the Chinese investment and capital market



IMPORTANT ROLE OF THE REP OFFICE

Glitnir Bank Shanghai Office

- Provides proximity to customers
- Increases Glitnir brand awareness
- Understands the environment of the fast growing market
- Employs local knowledge and network



THE 1STs IN 2006

the **1st** successful M&A deal in China

- Assisting Bakkvör Group in acquiring shares in Creative Foods, a Chinese Salad Company

the **1st** successful seafood industry show in China

- Being the only financial exhibitor in the China's Largest Fisheries & Seafood Expo

the **1st** Glitnir China Seafood Report in English and Chinese

the **1st** sustainable energy project in China

- Xianyan Geothermal District Heating Project
- Nominated for FT's Sustainable Banking Award of the Year

the **1st** Icelandic bank in China

- Glitnir Shanghai Office Opened in December

