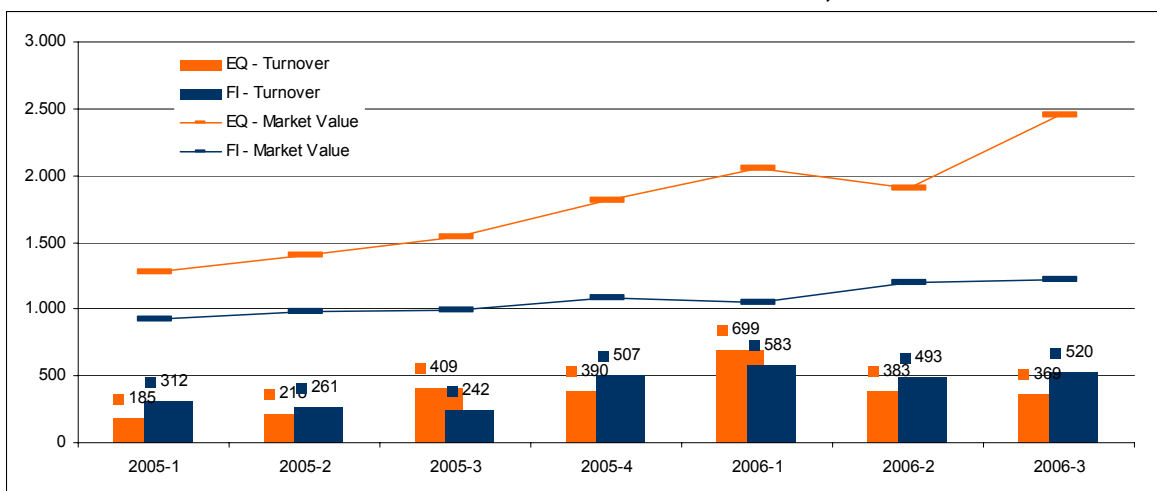


- Trading on the Iceland Stock Exchange (ICEX) in Q3 2006 totalled ISK 922 billion (bn), bringing the total nine-month turnover this year to ISK 3,082 bn. Turnover during the first 9M of 2005 was ISK 1,630, resulting in a trading increase of 89%.
- The increase in turnover on the equity market was 82% and 95.7% on the bond market.
- Average daily turnover during the first 9M of this year is ISK 16.6 bn, as compared to ISK 10.1 bn during 2005 as a whole.
- Trading in the ETF, ICEQ, was ISK 9.3 bn during the first nine months of this year and the value of the fund was ISK 3.7 bn at the end of September.
- Trading on the iSEC market (the ICEX secondary market, an MTF) has begun gradually, with only one company listed so far, Hampidjan. Shares of HB Grandi will be listed on this market as of 2 October.
- The ICEX-15 index has risen by 14.82% since the beginning of this year and closed at 6,286.16 at the end of September.
- At the end of September there were 22 companies listed on the ICEX Main List, one on the ICEX Alternative Market and one on iSEC.
- Total turnover for bonds and bills in September was 229 bn. and has never been so high in one month.
- Turnover in bonds issued by commercial and savings banks amounted to ISK 17 bn and has never been higher in a single quarter.
- On 19 September this year, turnover in bonds and bills was ISK 28.7 bn, a record for bond and money-market turnover in a single day since records of statistics have been kept.
- The total market value of bonds and bills is ISK 1,236 bn, another record.
- Yield on the 10Y indexed bond index reached its low on 22 September when it closed at 4.05%.
- The yield on the 3M non-indexed bond index has risen by 414 bp since the beginning of this year.

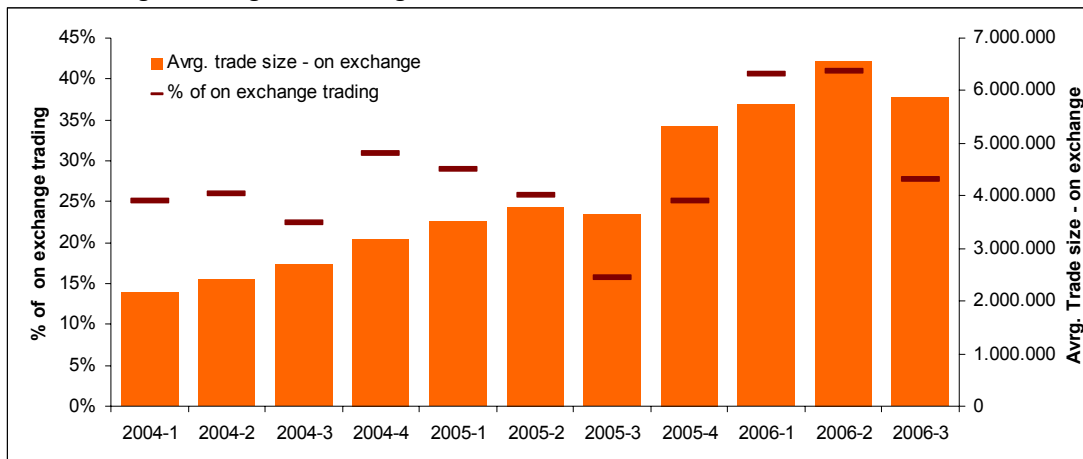
Turnover and market value of listed securities on ICEX 2005-2006, ISK bn


Thordur Fridjonsson, CEO and President of ICEX: "Various positive events characterised the 3rd quarter of this year. The market has been vital and growing, in both turnover and number of trades, with trading volume at the end of September already exceeding that of last year in its entirety. One new company, Exista, was listed on ICEX, and this single addition boosted the total market cap of listed companies by more than 10%. Finally, ICEX and OMX have agreed to merge and a Letter of Intent to this effect has been signed. The merger will create a favourable environment for the continuing growth of the Icelandic securities market and marks one further step towards a common Nordic securities market."

Equities

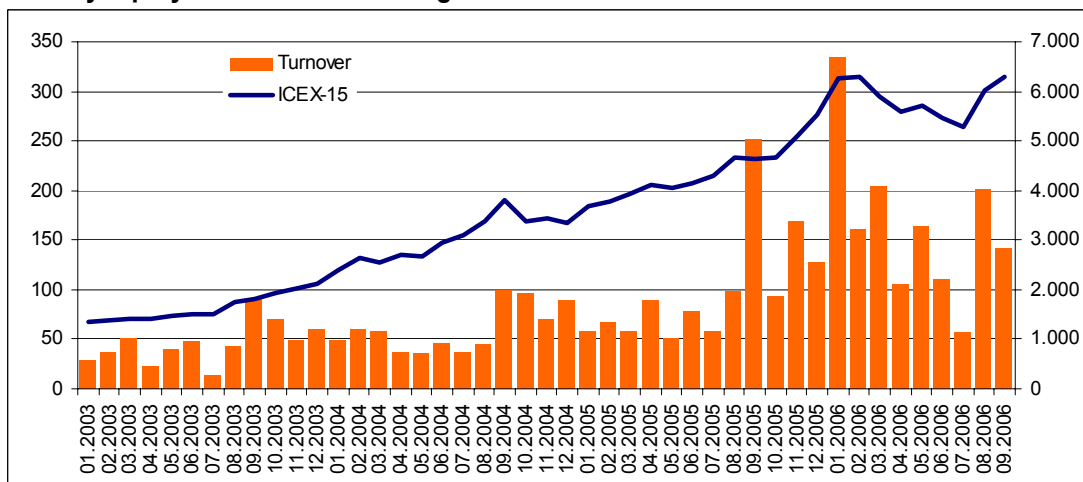
- Q3 equity trading amounted to ISK 399 bn, which is slightly less than that of Q2 (ISK 381 bn). Turnover this past quarter was also somewhat below that of Q3 last year, when turnover was ISK 409 bn. The decrease in turnover as compared to Q3 2005 can be explained by major transactions in September last year in connection with the delisting of Burdarás and the privatisation of Iceland Telecom.
- Equity trading during the first 9M of this year amounted to ISK 1,479 bn.
- This is a 82% increase over the 9M turnover in 2005, and already exceeds turnover for all of last year by 23%.
- The number of equity transactions during the first 9M of this year was 101,707, as compared to 77,483 transactions during all of 2005.
- On-exchange trading comprised 27.7% of total Q3 trading, a substantially lower proportion than in Q1 and Q2. However, YtD on-exchange trading is 37.2% of total trading, compared to 22.6% for all of 2005.

On-exchange trading and average transaction size



- The average equity turnover velocity during the first 9M of this year was 96% on an annualised basis, as compared to 85% for all of last year.

Monthly equity turnover and closing value of ICEX-15



- Two new companies were listed on ICEX this year, Avion Group on 23 January and Exista, which was listed on 15 September.
- Four companies have been delisted this year: Jardboranir (30 January), Kögun (22 May), Fiskmarkadur Íslands (9 June) and Fiskeldi Eyjafjardar (30 June).

- On 3 July, the new iSEC market, which is mainly intended for SMEs with growth potential, commenced operation. Hampidjan was listed on the market as of that date, and delisted from the Main List. On 2 October, it was joined by HB Grandi, which was from the same time delisted from the Main List.
- So far this year, shares of Kaupthing Bank have been the most-traded, with transactions totalling ISK 318.1 bn. 79% of total trading was in the shares of the four listed banks.

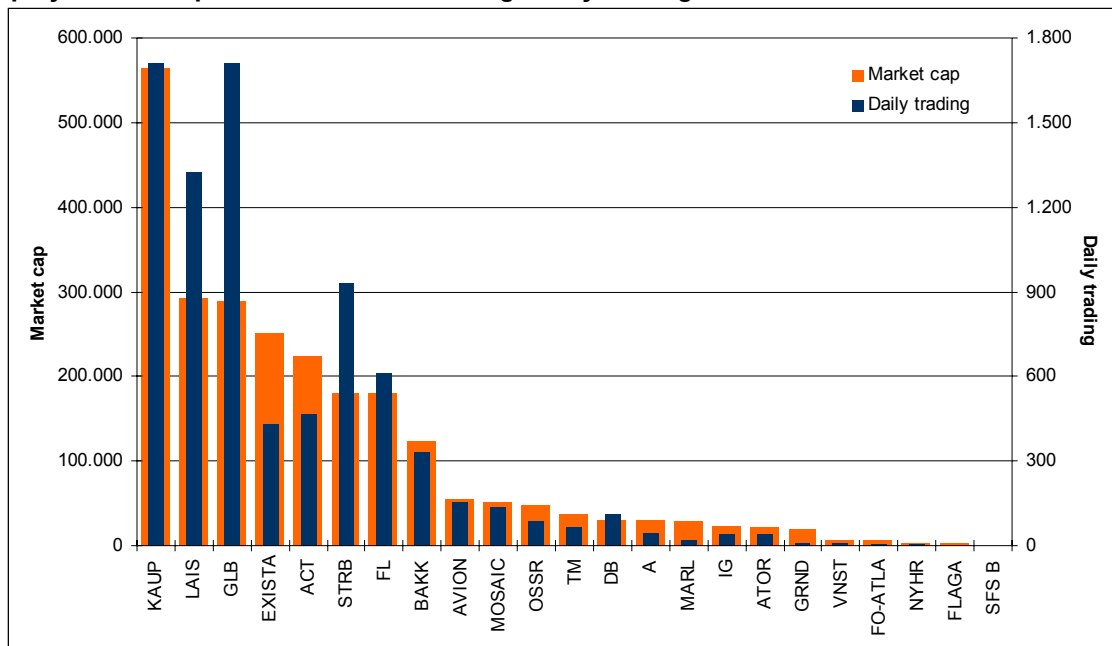
Five most-traded equities in first 9M of 2006

	Kaupthing Bank	Glitnir	Landsbanki Íslands	Straumur-Burdarás	FL Group
Trading (ISK bn)	318.1	318.0	246.1	173.3	114.0
% on-exchange trading	36.4	26.5	51.6	34.6	52.2
No. of trades	17,294	16,295	19,290	10,863	9,274
Avg. amt. of on-exchange trades	7,952,900	5,572,314	7,192,305	5,951,838	6,927,081
Market cap (ISK bn)	564.9	289.6	293.2	181.3	181.1
Market cap at beginning of year (ISK bn)	495.8	227.2	278.8	164.7	111.6
Spread, %	0.46	0.55	0.66	0.66	0.79
Depth of best bids and offers	22,364,124	37,466,329	30,768,155	36,264,530	20,106,530
Share price 29 Sept. 2006	850.0	20.3	26.6	17.5	22.8
Share price 31. Dec. 2005*	737.56	16.97	25.03	15.36	18.30

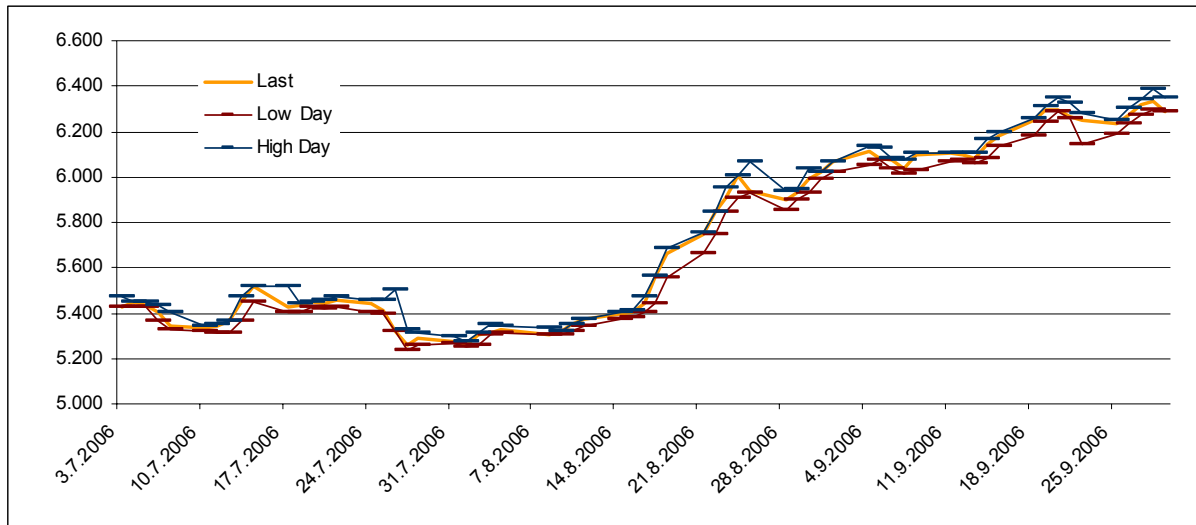
* Share price on 31 Dec. 2005 adjusted for dividends, bonus shares and pre-emptive share offers in 2005.

- The total equity market cap at the end of Q3 was ISK 2,476 bn, as compared to ISK 1,816 bn at year-end 2005.

Equity market cap at end of Q3 and average daily trading, ISK bn

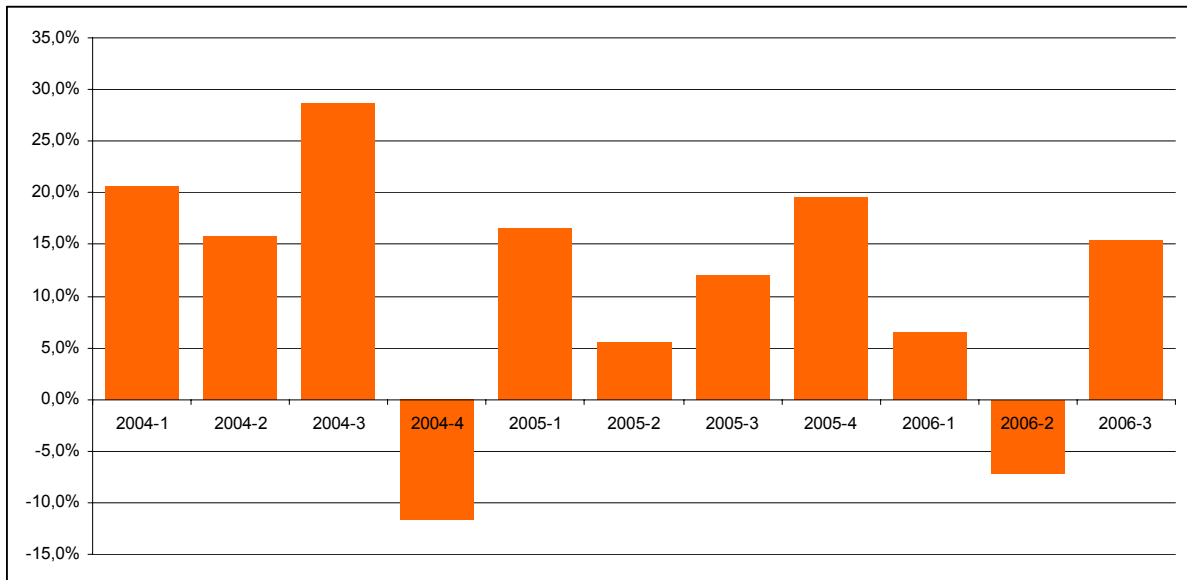


ICEX-15 closing value and highest and lowest daily levels in Q3



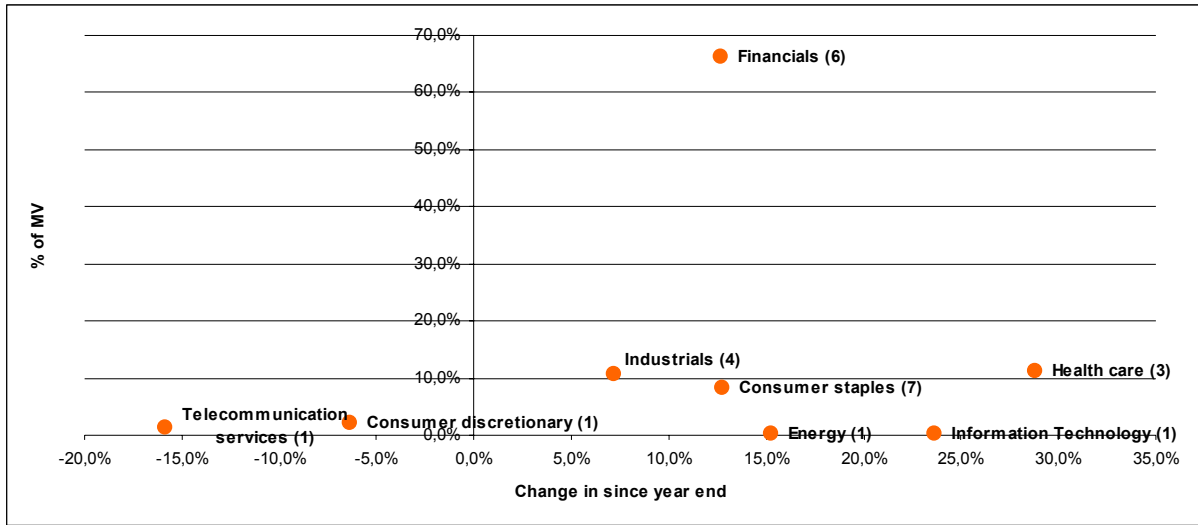
- At the end of September, the ICEX-15 closed at 6,286.16, rising by 14.82% during Q3. The index has risen by 13.58% since the beginning of this year and the 12-month increase is 37.19%.
- The ICEX-15 index peaked on 16 February this year at 6,995.58.

Quarterly changes in the ICEX-15 index since 2004

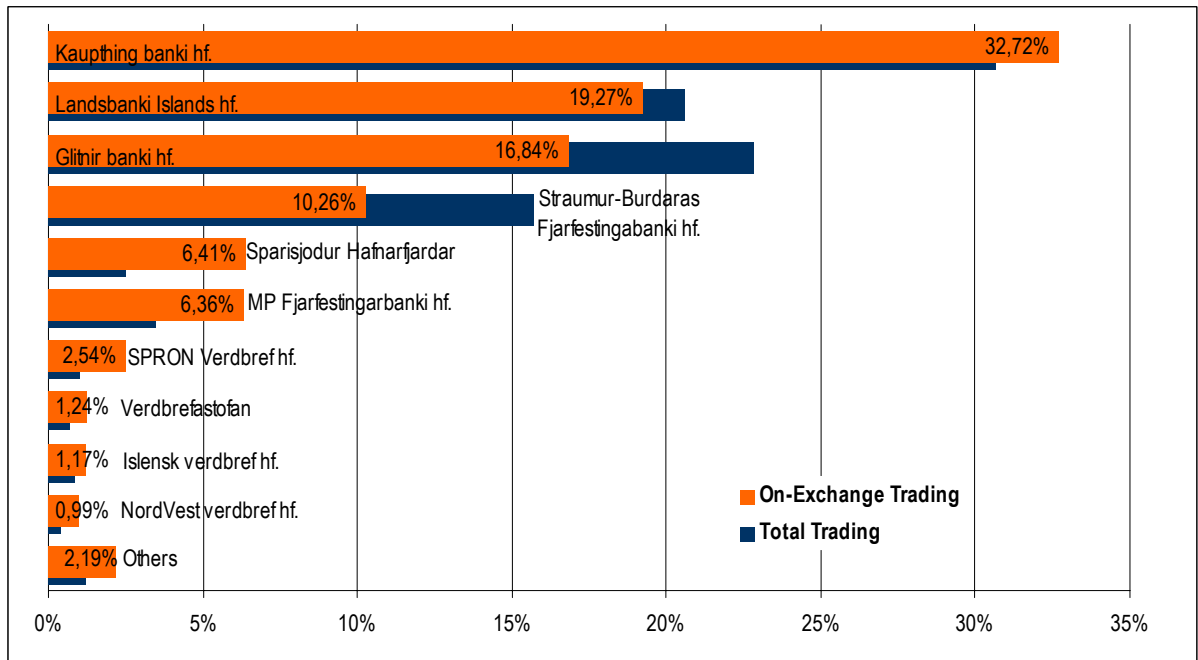


- Six of the eight sector indices have risen since the beginning of this year. This reflects the general turnaround since the end of Q2, when five of these indices were lower than at the beginning of the year. The healthcare index has increased the most, by 28.8%.

ICEX sector indices (GICS), changes since the beginning of 2006 and proportion of total market cap



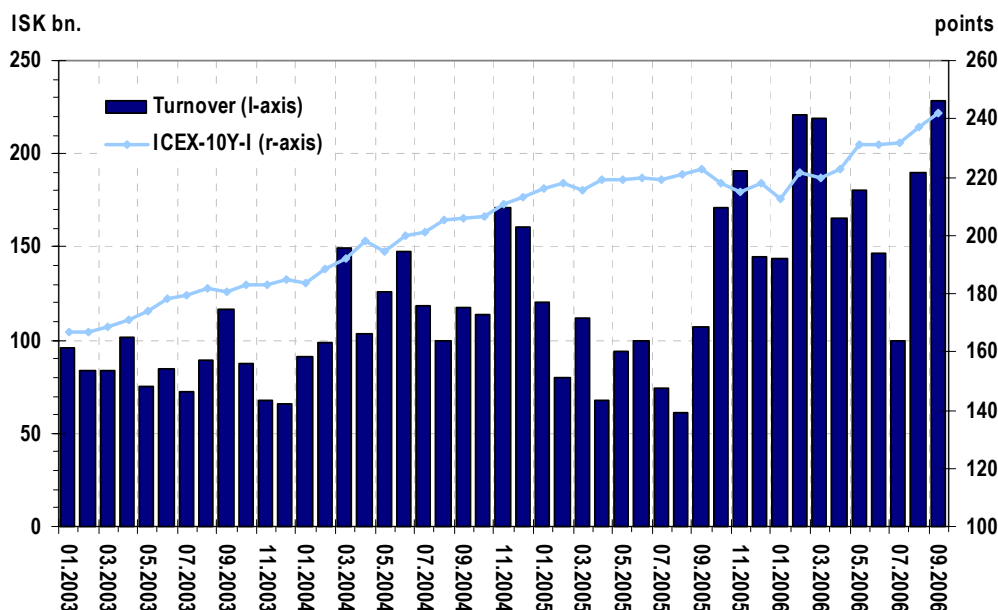
• Share of ICEX members in 9M equity trading



Bonds and bills

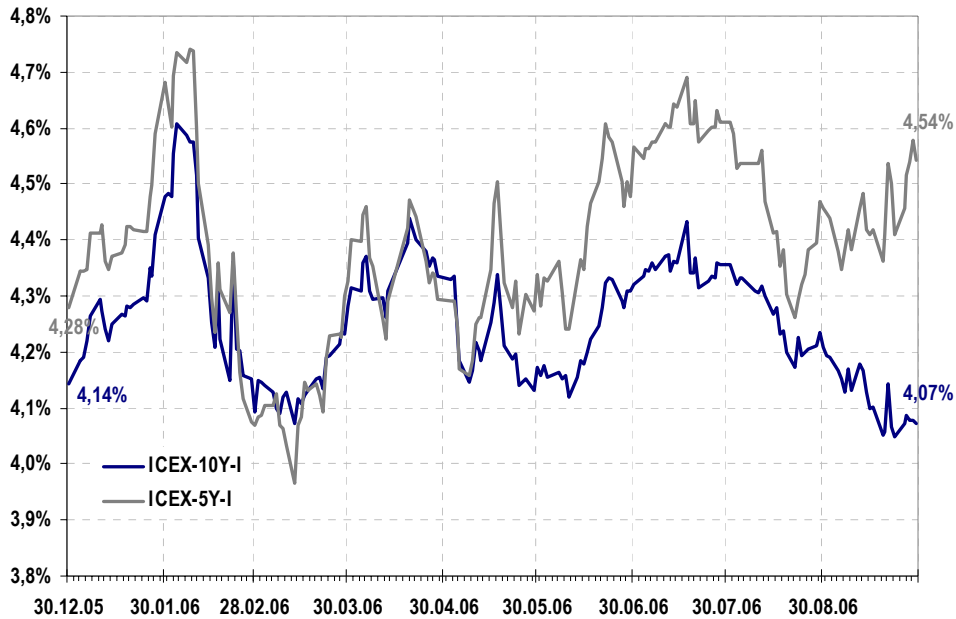
- ICEX began once more to calculate the three-month non-indexed bond index (ICEX-3M-NI) at the end of August. The period from 1 March to 1 June this year was interpolated using 3M REIBOR interbank rates.
- Turnover with commercial and savings banks' bonds was close to ISK 17 bn, a record high for a single quarter.
- Total turnover for September amounted a record-high 228.7 bn.
- A new record for a single day's trading was set on 19 September this year, when bond market trading was ISK 28.7 bn. The previous record, set on 3 December 2004, was ISK 25.3 bn.
- The market value of bonds, ISK 1.236 bn, has never been higher and has risen by 14.5% since the beginning of this year.
- Turnover velocity of bonds and bills during the first 9M of this year was 143.2%, or 57 percentage points higher than for the same period in 2005 (86.1%).
- Total turnover this year has now reached ISK 1,594.9 bn, which is an increase of 95.7% YoY. At the same time the total no. of trades was 13,523 and has grown by close to 91%.
- The share of on-exchange trading has fallen somewhat from that of the past quarter, it was 55.3% in Q3 as compared to 63.4% in Q2.

- **Monthly bond market turnover and the closing value of the 10Y indexed bond index**



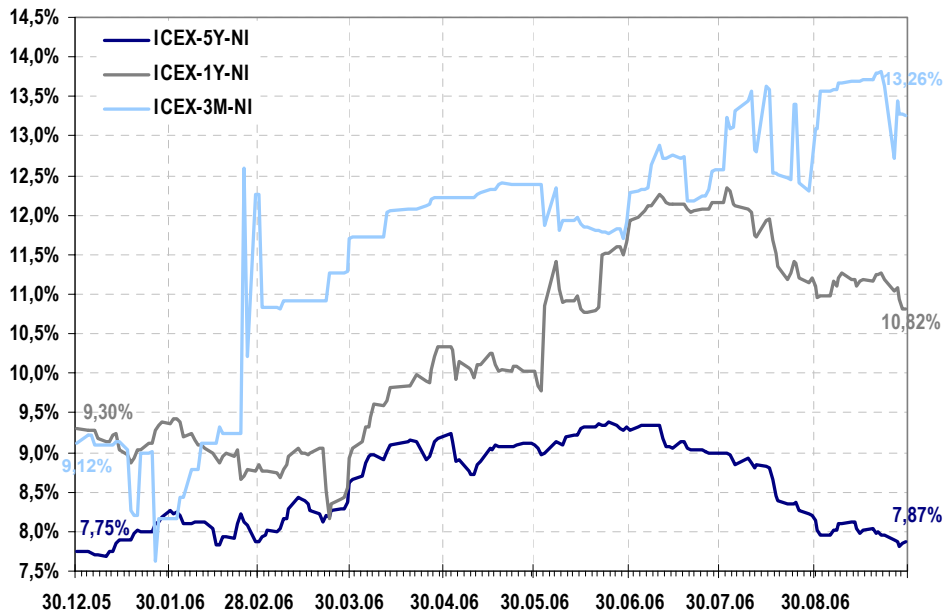
- A turnaround has taken place in the development of yields of bond indices in Q3, since with the exception of the 3M index most indices were decreasing. The yield on the indexed 10Y bond index (ICEX-10Y-I) reached a low for this year on 22 September, when it was 4.05%. It ended the quarter at 4.07%, which is a drop of 25 bp from the previous quarter and a decrease of 7.3 bp since the beginning of this year.
- Up until 21 August, the yield on the 5Y indexed bond index (ICEX-5Y-I) had decreased by 31 bp since 30 June, when it began to climb once more and by the end of Q3 had increased by 28 bp. As a result, the drop in the index yield since the end of Q2 is only 3 bp.

- **Yields on indexed bond indices**



- The trend of nominal yield development of the 5Y (ICEX-5Y-NI) and 1Y (ICEX-1Y-NI) non-indexed bond indices in Q3 was downward, unlike that of the 3M index (ICEX-3M-NI) which rose fairly steeply and has increased by 414 bp since the beginning of this year in tandem to the rising policy rate.

- **Yields on non-indexed bond indices**



- The ICEX-10Y-I has risen most of all the bond indices during the year, or by 11%, in parallel to a 7.3 bp drop in the index yield. This is followed by the ICEX-5Y-I, which rose by 8.8%. The money market return has also been substantial this year, as is evident from the 7.8% rise in the ICEX-3M-NI.

- **Bond indices**

Index	Value 29.9.2006	Change from beginning of year (%)	Yield 29.9.2006 (%)	Change from beginning of year (bp)	No. of bonds in index
ICEX-10Y-I	242.11	11.02	4.07	-7.30	3
ICEX-5Y-I	228.11	8.79	4.54	26.27	2
ICEX-5Y-NI	208.58	5.67	7.87	11.61	2
ICEX-1Y-NI	200.17	6.60	10.82	152.08	5
ICEX-3M-NI	202.27	7.84	13.26	414.02	4

- Turnover in commercial and savings bank bonds has never been as high in a single quarter. It was almost ISK 17 bn, primarily as a result of turnover of ISK 13.7 bn in Kaupthing Bank's series KAUP 00 1A, which is ISK 16.5 bn in size at nominal value.
- The record turnover in Treasury notes in Q3 of ISK 176.9 bn supports the conclusion, bearing in mind the drop in yields of non-indexed indices in the longer term, that there is considerable interest in the non-indexed Treasury bond classes.
- Turnover in HFF fell by 10% from that of the previous quarter.

- **Turnover by type of instrument (ISK bn)**

	Q3	Q2	2006 Q1	Q4	2005 Q3	MV (M.ISK) 29.9.2006	YtD %
Bank bills	8.9	7.1	9.9	18.4	7.9	23,948	-55.05
Housing bonds (IBH)	0.2	0.0	0.1	1.1	0.1	42,447	-21.06
HFF and housing authority bonds (IBN)	294.4	327.6	375.0	326.9	130.1	431,048	3.40
T-notes (RIKB)	176.9	116.7	114.2	92.6	66.2	82,925	25.33
T-bills	2.7	1.6	3.5	23.2	19.4	12,374	-10.64
T-bonds (RIKS)	12.0	32.6	68.1	33.5	12.2	24,167	-5.11
Bonds of commercial and savings banks	16.8	6.4	9.6	11.0	5.3	267,204	69.30
Bonds of leasing cos.	0.1	0.0	0	0	0	1,622	-50.20
Corporate bonds	6.8	0.4	2.6	0.3	0.9	251,338	23.47
Bonds of credit institutions	0.0	0.4	0.3	0	0	28,879	-7.23
Municipal bonds	0.0	0.0	0	0	0	21,071	21.77
Foreign bonds	0.0	0.0	0.1	0	0.0	49,210	32.59
Total	518.9	492.8	583.3	506.9	242.1	1,236,234	

*Primarily HFF bonds as of Q3 2004.

- The bond series with the highest turnover in Q3 was HFF150224, amounting to ISK 83.6 bn, which is a 0.4% contraction compared to turnover of this series in Q2.

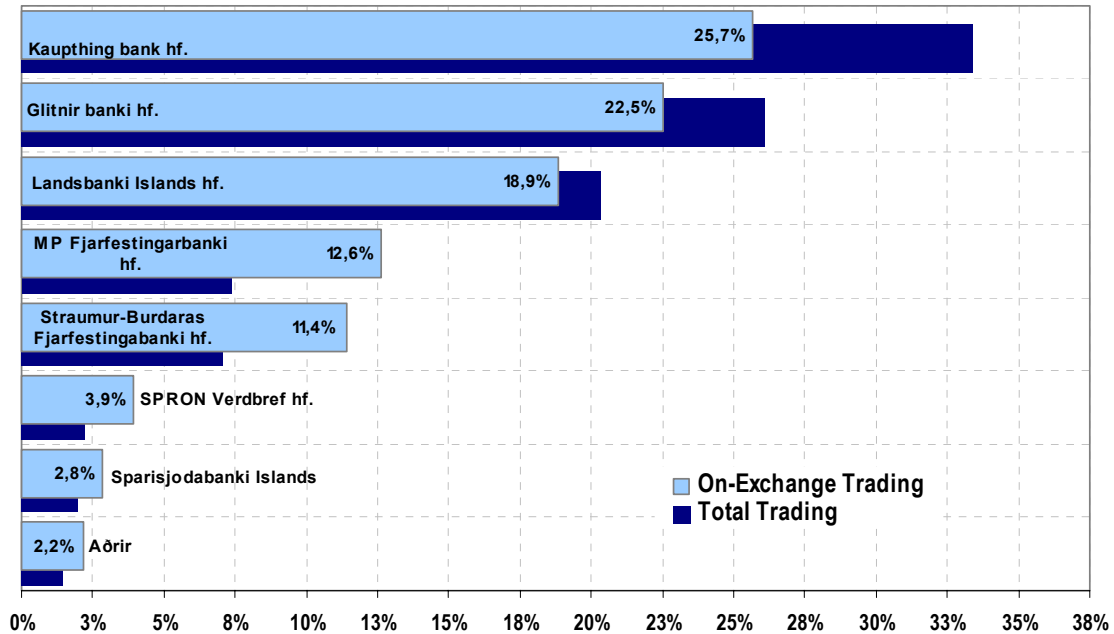
- **Five most-traded bonds during Q3**

	Turnover ISK bn	% of total	Relative proportion (%) on-exch.	Avg. daily turnover (mISK)		Yield (%)		Duration (yrs.) 29.9.2006
				2006	2005	29.9.2006	30.12.2005	
HFF150224	83.6	16.10	50.1%	1,324.5	719.9	4.39	4.28	7.78
HFF150644	81.7	15.75	53.4%	1,595.6	1,235.5	3.83	4.07	14.57
HFF150434	81.1	15.64	50.6%	1,425.0	711.8	3.95	4.13	11.31
RIKB 10 0317	61.3	11.80	70.3%	849.4	372.7	8.62	4.13	3.07
RIKB 13 0517	59.1	11.39	64.3%	811.1	374.4	7.79	7.72	5.33

- Kaupthing Bank has the highest share of ICEX members in on-exchange trading in bonds and bills in Q3. Kaupthing Bank's double-counted turnover in on-exchange trading was ISK 148 bn, and its share 25.7%. Most of Kaupthing Bank's trading, or ISK 216 bn, was in HFF bonds,

followed by trading in Treasury notes for ISK 106.6 bn. Kaupthing's share in traded bonds of commercial and savings banks was 77.4%.

- **Share of ICEX members in bond and money-market trading**



- On 23 August, ICEX published on its website Recommendations Concerning the Principal Characteristics and Calculation Conventions of Listed Bonds and Bills. The Recommendations deal with aspects which ICEX encourages issuers to take into consideration when issuing new bonds and bills, i.e. concerning instalments, interest payments, pricing and day count conventions. The Recommendations are available on:
<http://news.icex.is/newsservice/MMIcexNSWeb.dll/newspage?language=IS&pagetype=newstypes&newslst&primarylanguagecode=IS&newsnumber=35319>