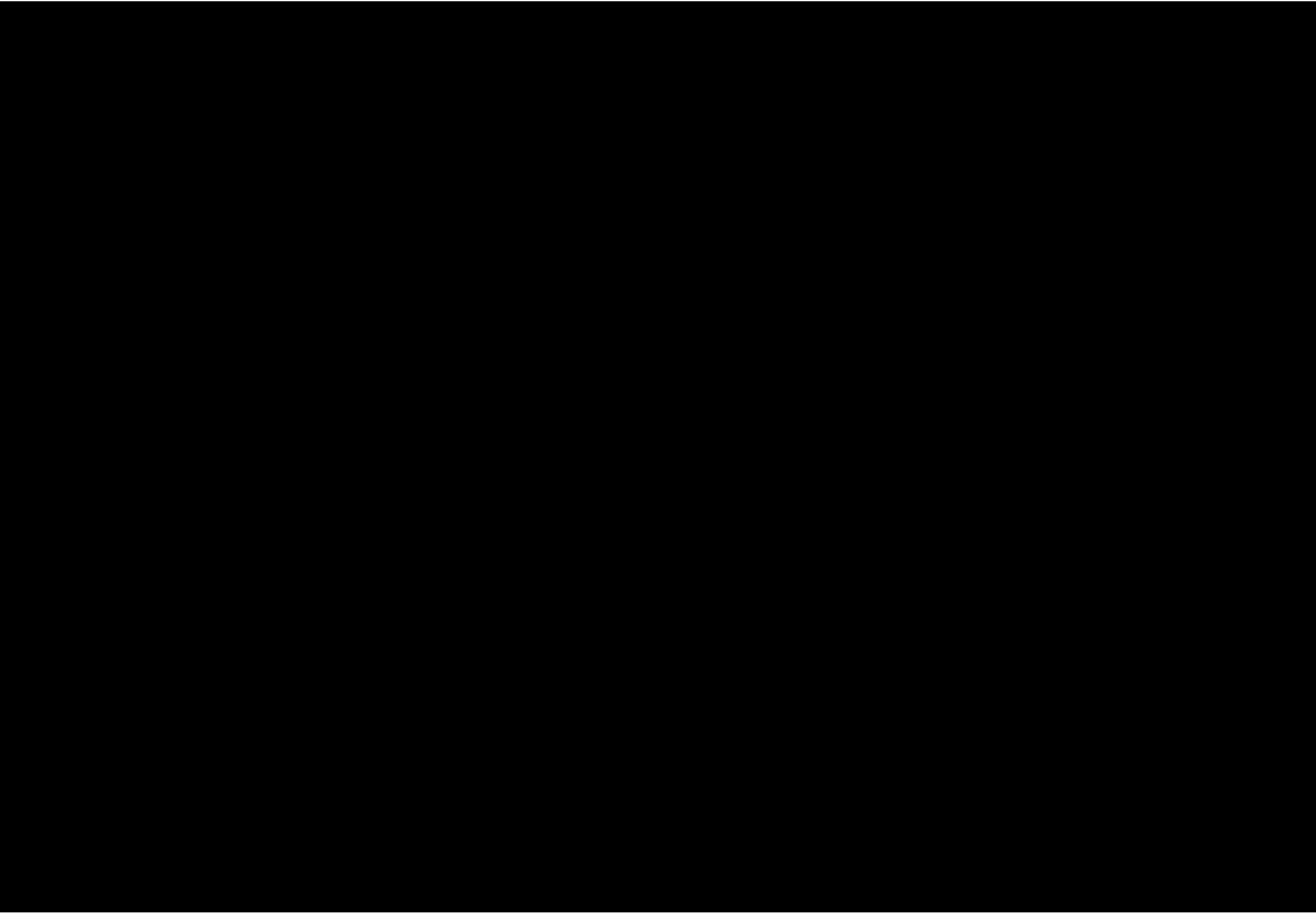




Sustainable Banking

Árni Magnússon
Director | Sustainable Energy

September 29, 2006

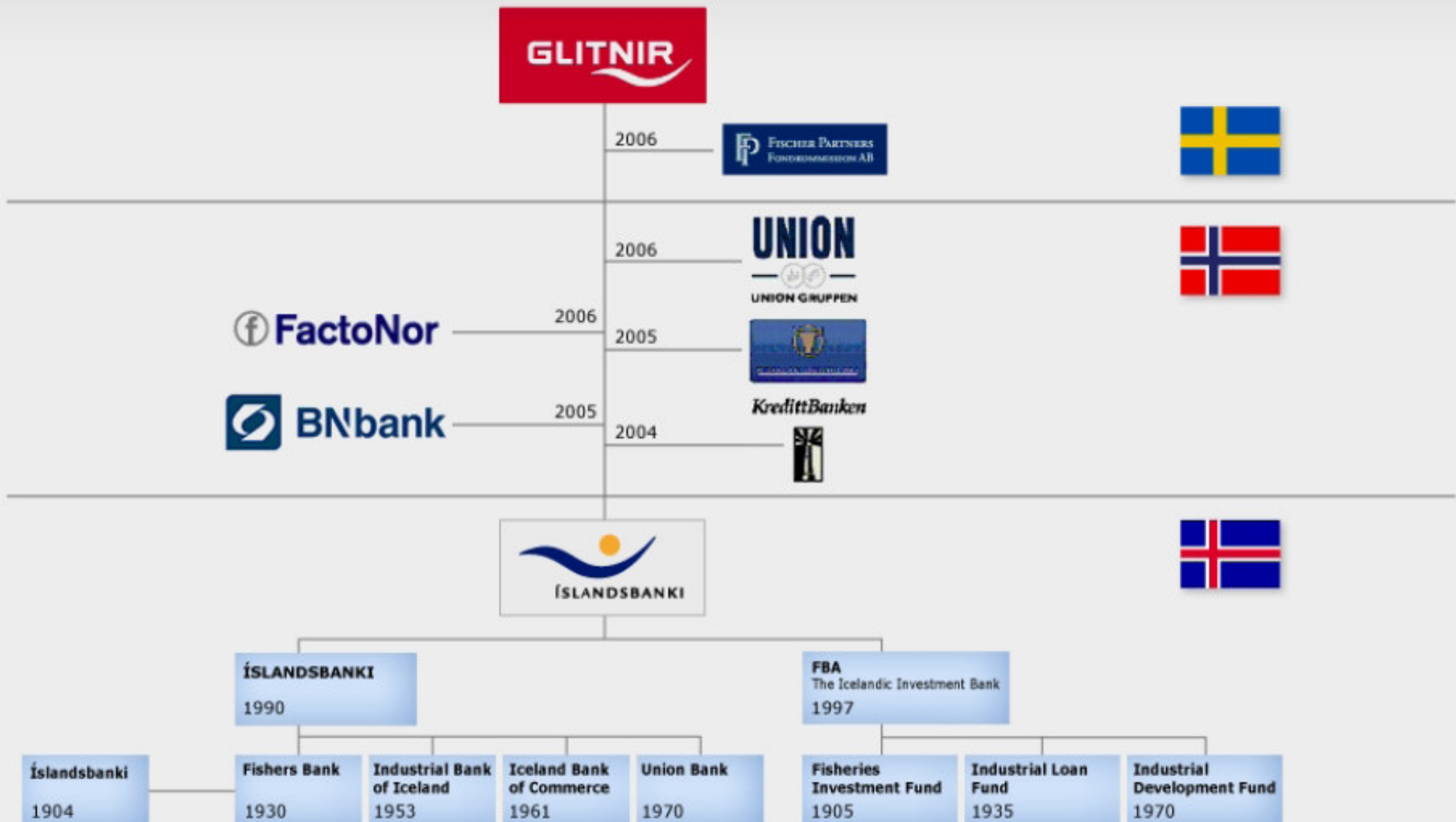


Overview

- Glitnir Bank
- Sustainable energy sector in home markets
- Geothermal market, development & potential
- The global energy industry – the role of private sector



Long history of consolidation & diversification



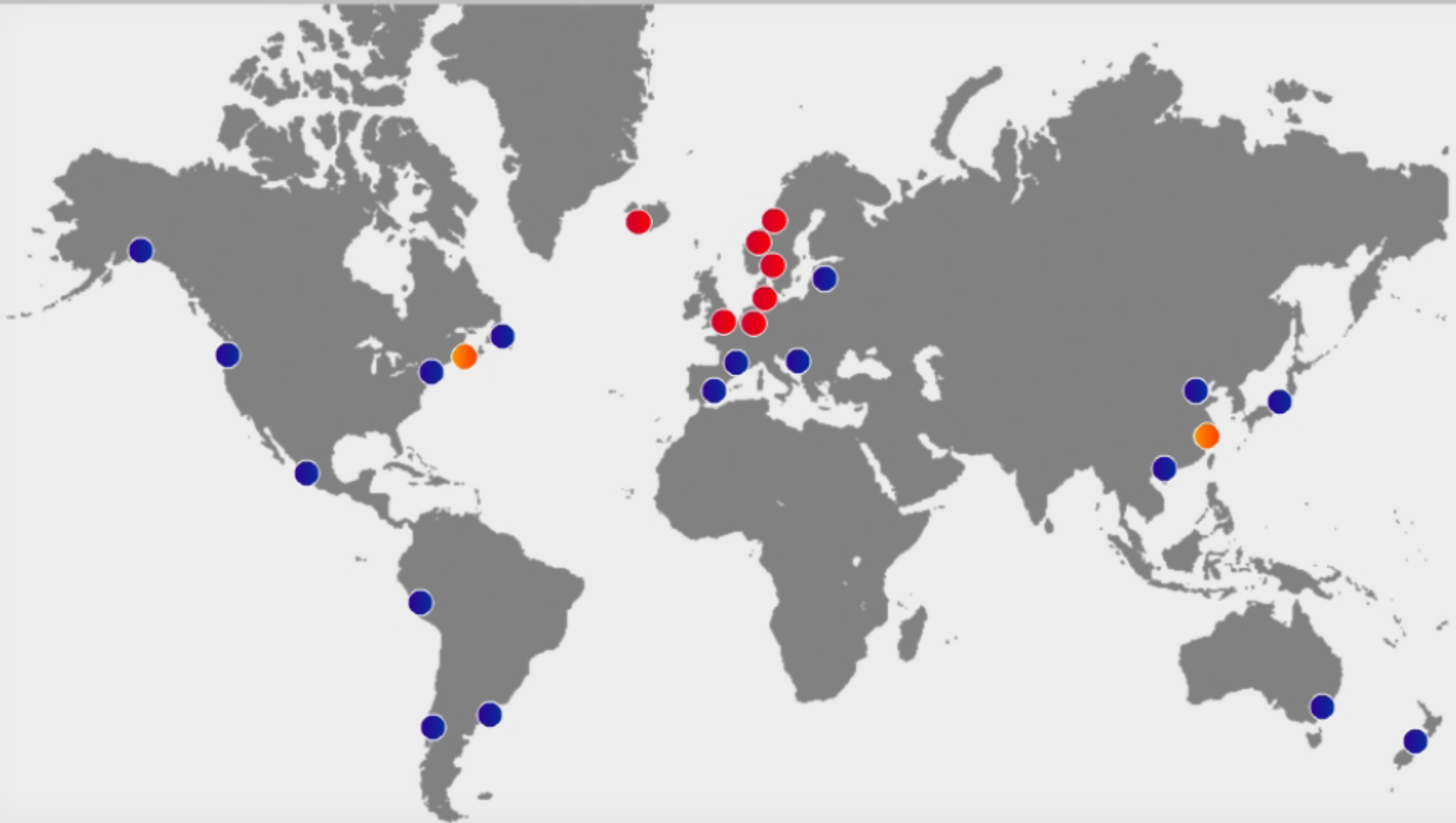
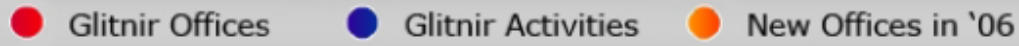
Glitnir is a specialist bank



- Glitnir's key figures
 - USD 26.1 billion total assets
 - USD 4.0 billion market cap.
 - 29.4% avg. ROE past 5 years
 - Record Profits in 2005, 1H '06
 - Strong credit ratings
- Home markets are Norway and Iceland
- Product excellence in Northern Europe
- Focus on niche segments world wide
 - Food/ seafood industry
 - Sustainable energy
 - Offshore vessels/ Shipping



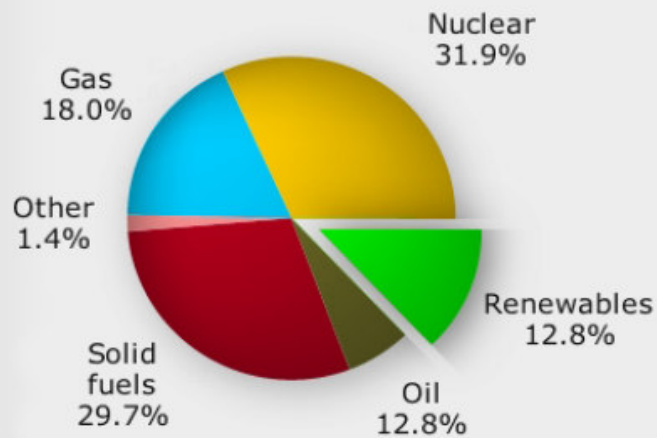
Niche focus global reach



Home markets unique base

Electricity Production in the European Union

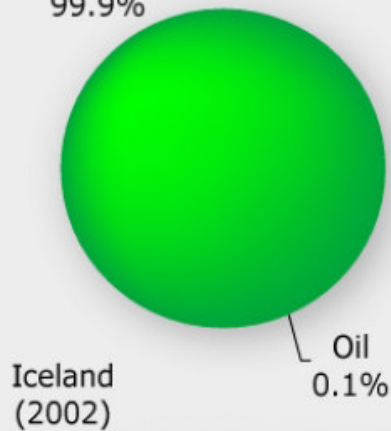
Electricity Generation
3018.0 (TWh)



Electricity Production in Iceland and Norway

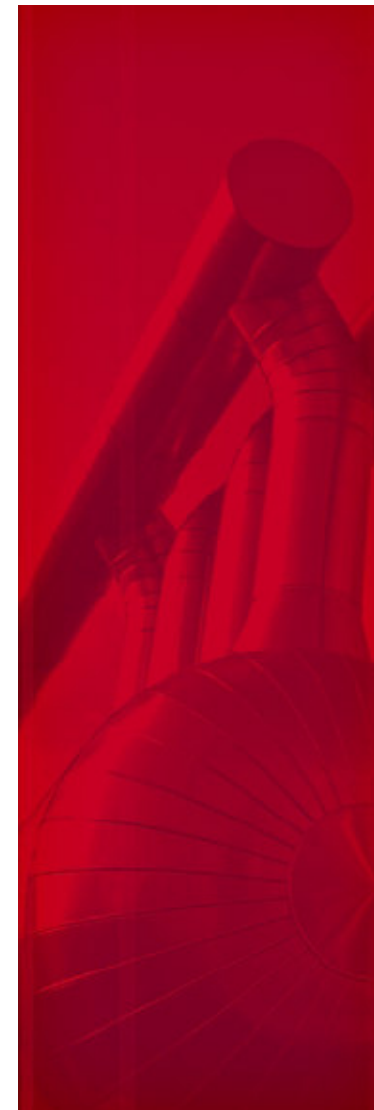
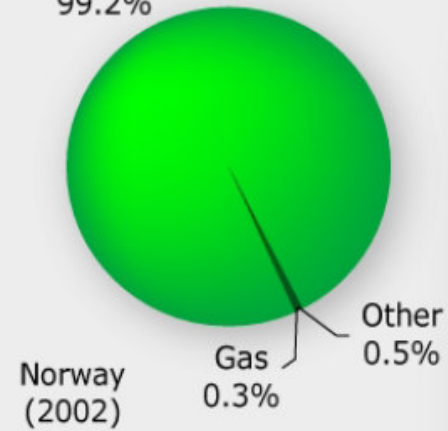
Electricity Generation
8.4 (TWh)

Renewables
99.9%



Electricity Generation
130.6 (TWh)

Renewables
99.2%



From coal to cool – but warm!

GLITNIR



Geothermal electricity & central heating

Electricity Production

GWh

USA	17.840
Phillipines	9.419
Mexico	6.282
Indonesia	6.085
Italy	5.340
Japan	3.467
New Zealand	2.774
Iceland	1.406
Costa Rica	1.145
Kenya	1.088
El Salvador	967

Central Heating

GWh

China	12.0605
Sweden	10.000
USA	8.678
Iceland	6.615
Turkey	5.451
Austria	2.230
Hungary	2.206
Italy	2.098
New Zealand	1.968
Brazil	1.840

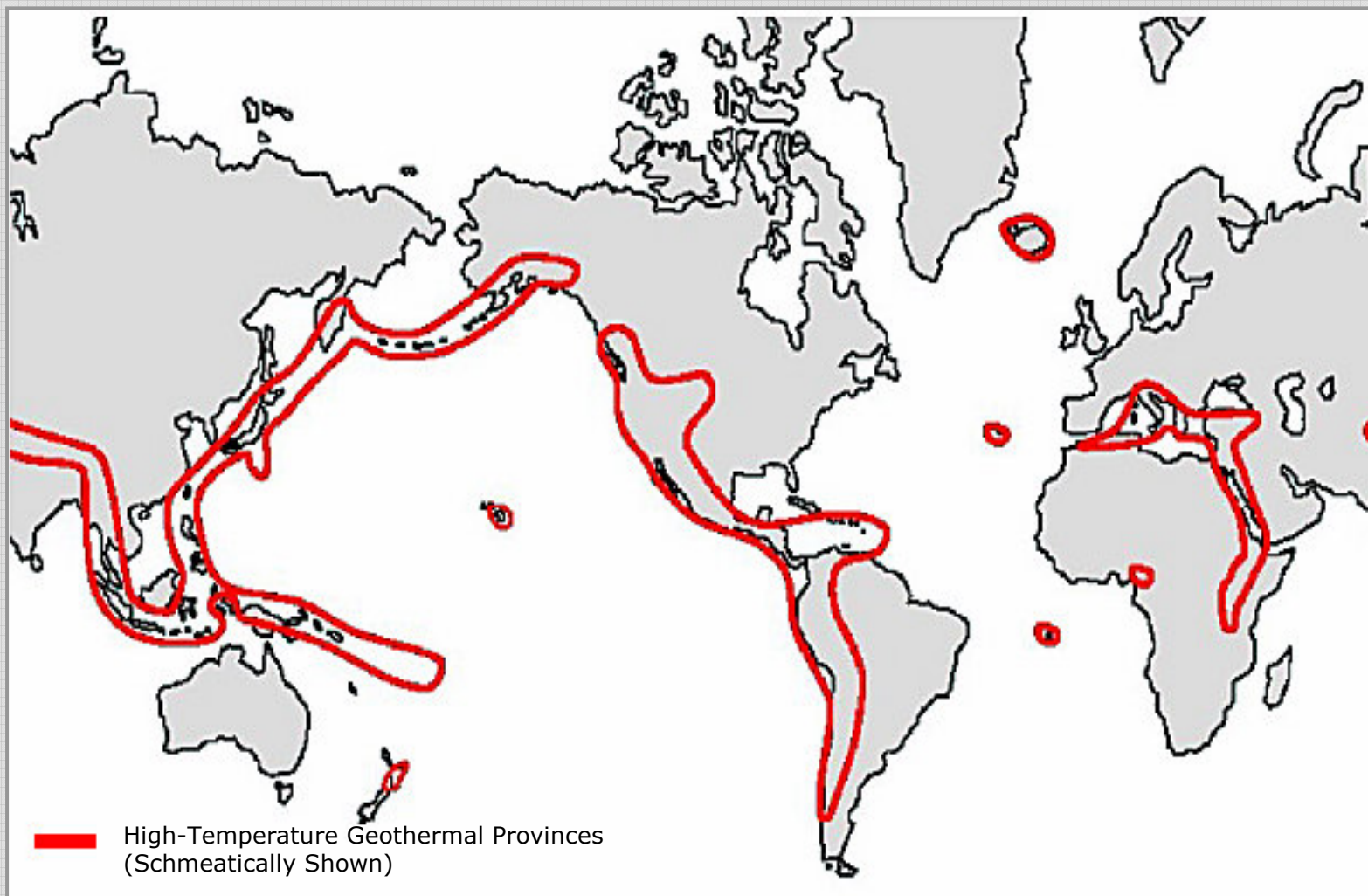


Geothermal has a strong potential

- Geothermal use globally 2000 (annual output):
 - Electricity generation: 51.5 TWh
 - Direct use: 46.8 TWh
- Geothermal use potential globally to 2020:
 - Electricity generation: min. 1,000 TWh
 - Direct use: min. 100,000 TWh
- Geothermal Power could serve 100% of electrical needs of 39 countries or around 10% of global population



Global geothermal potential

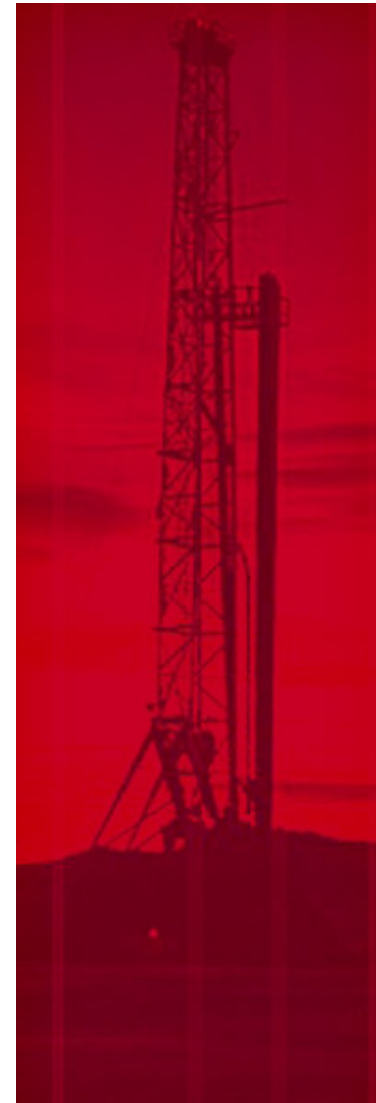


Source: GeothermEx Inc.



Geothermal market

- Increased demand for sustainable energy solutions worldwide
- Our primary focus is geothermal
 - New and interesting developments in Iceland
 - Geothermal is key to driving economic prosperity
 - China Xianyang district heating project, in co-operation with Sinopec, in development stage
 - Interesting projects in the United States & Europe

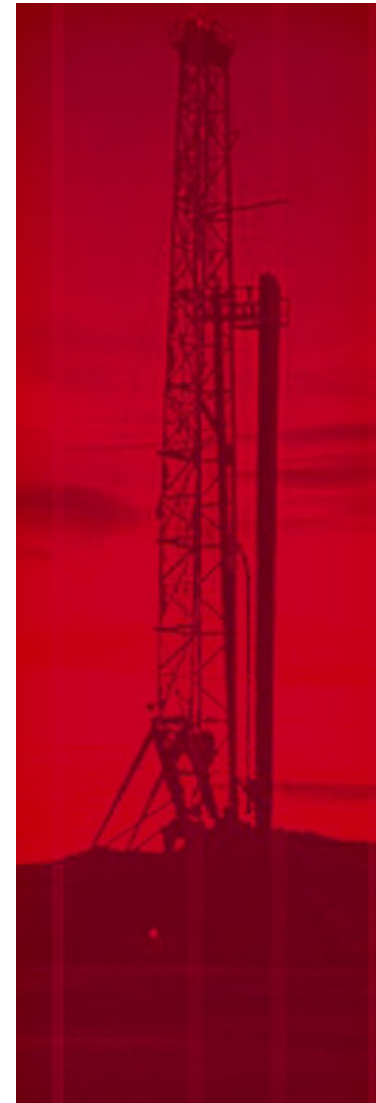


China - geothermal district heating in Xianyang



Geothermal District Heating in Xianyang

- Joint project by Enex-Kína, Shanxi CGCO Energy Development Construction C. Ltd (Sinopec and Xianyang City Investment Co, Ltd.)
- District Heating system for 100-150,000 people with potential for overall heating for 400,000 people. (450 MW)
- Enex-Kína is a joint company by Enex, Reykjavik Energy & Glitnir.



Some geothermal plants in Iceland



Nesjavellir – installed, capacity 300 MWh, Reykjavik Energy, serving capital area, production of electricity and district heating.

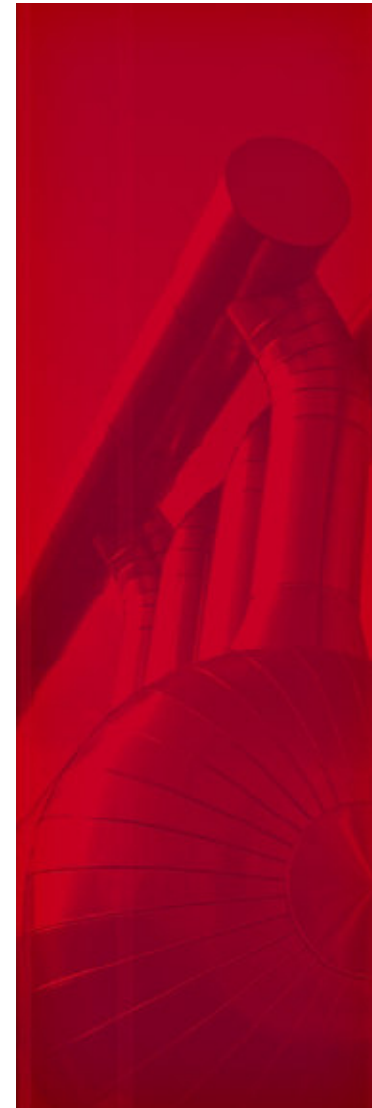


Hellisheidi – installed capacity 400 MWh (by 2015), Reykjavik Energy, serving capital area, in development, to produce electricity and district heating

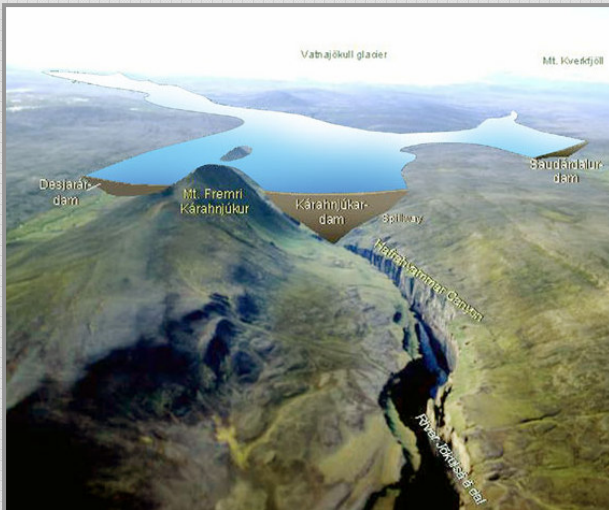


Hydro market

- In addition to geothermal, Iceland has expertise in generating Hydro power
- In Iceland, economically harnessable electricity potential is 50,000 GWh/ year, of which 30,000 GWh are the potential for Hydro and 20,000 for geothermal
- The National Power Company along with other players has currently utilized only around 17% of this potential
- Iceland's power utilities are seeking international opportunities and provide expertise and excellence
- Glitnir Bank works with these companies on international markets



Some hydro power projects in Iceland



Kárahnjúkar Dam

Capacity 4,600 GWh (690 MW installed)

National Power Company

Serving region & aluminum smelter

Start 2007



Blanda Dam

Capacity 720 GWh (150 MW installed)

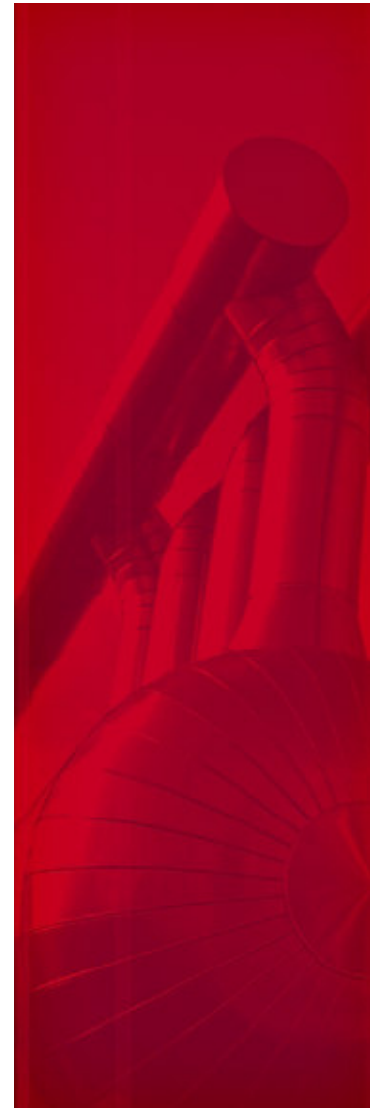
National Power Company

Serving region



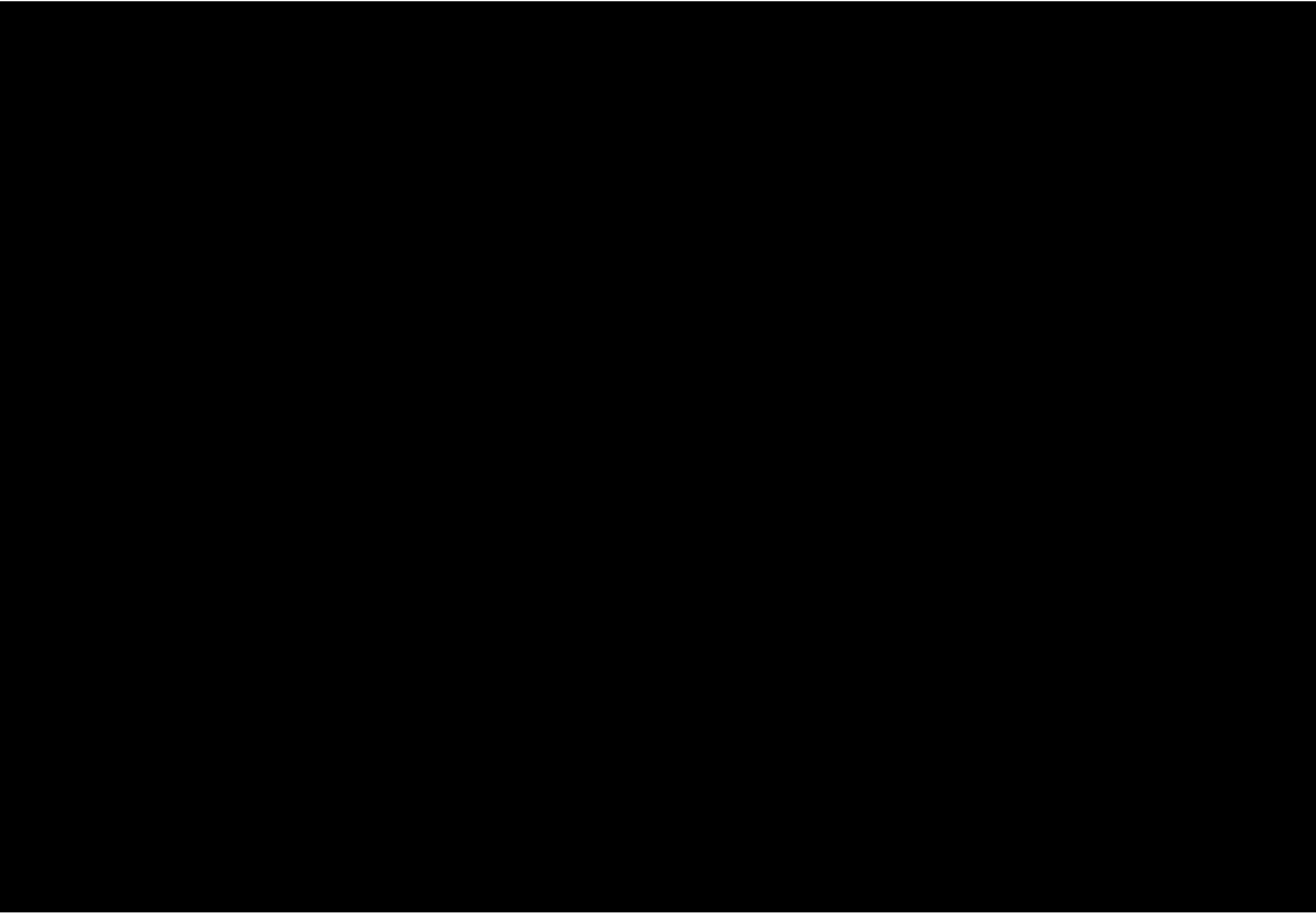
Private sector is key in faster development

- International markets on energy, carbon credits, green certificates etc. is getting more active
- Energy sectors worldwide going through privatization
- Need for private sector to take on further responsibility in environment and energy
- North America has great potential when it comes to sustainable energy – Glitnir has a role to play



Glitnir has resources to facilitate change







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