



Securities Market	Credit Market
Pension Market	Insurance Market

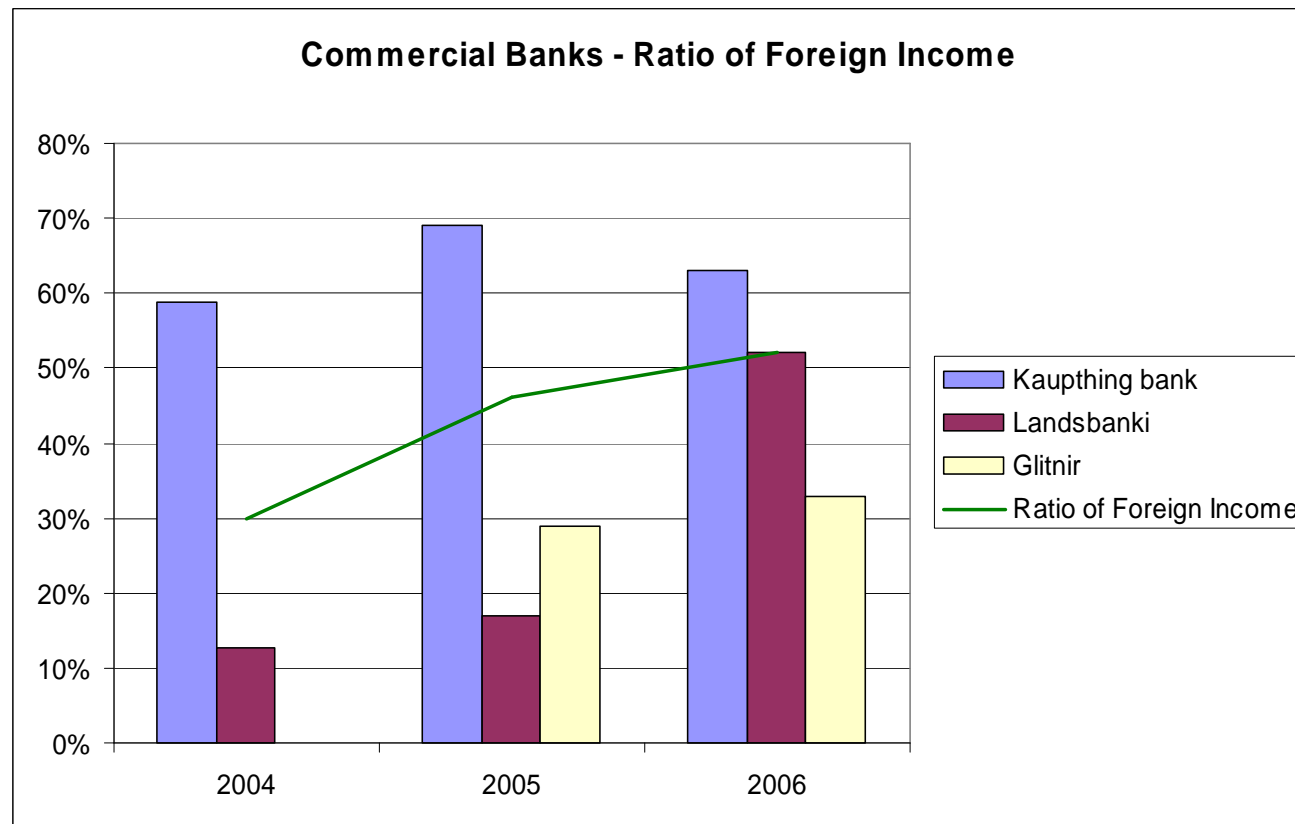
The Financial Supervisory Authority

Expansion of Icelandic financial companies abroad and the effects on FME's operation

11 June 2007

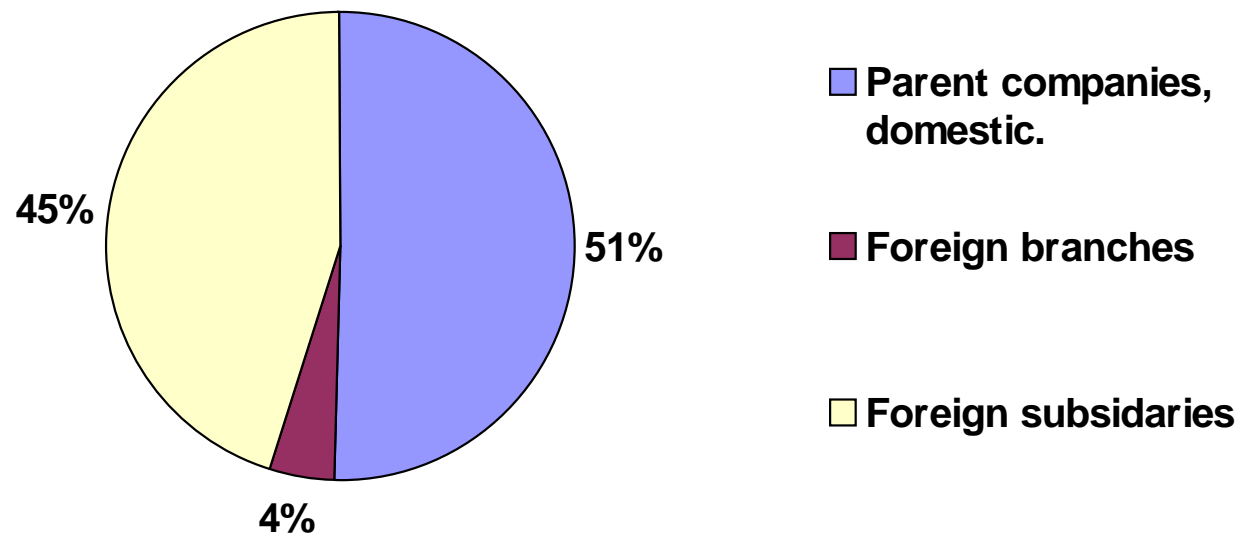
Commercial Banks: Ratio of foreign income

52% of income from abroad

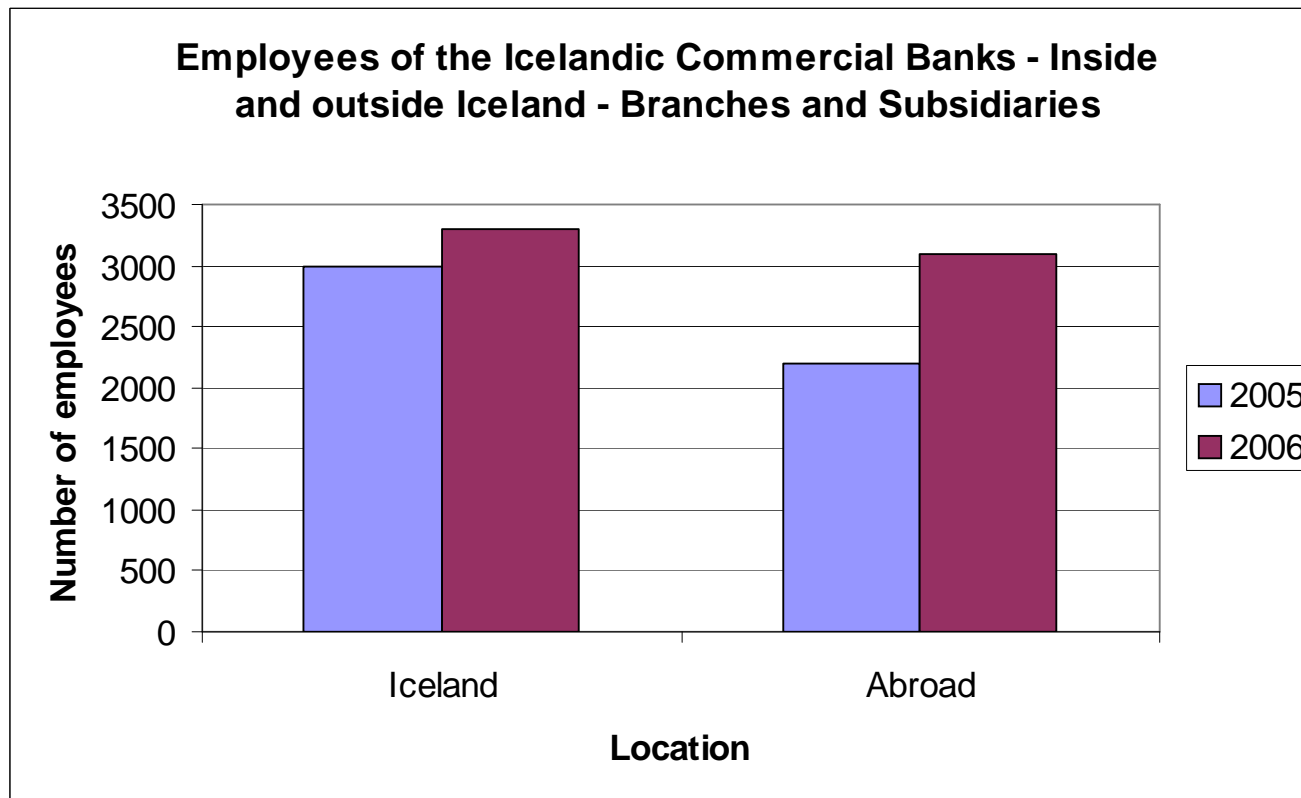


Assets by entity – inside/outside Iceland

Assets of the Icelandic banks by type of entity



Employees inside/outside Iceland



- Based on license from the FME
- Difference within or outside FME
- Branch: FME has direct responsibility
- Subsidiary: FME responsible for consolidations
- Representatives office: Limited operations

Operations in 20 countries – 54 entities



	EoY 2005	1 May 2007	In process
Subsidiaries	21	27	+1
Branches	4	15	+7
Reprentative Offices	1	4	0
Foreign Countries	12	19	+1

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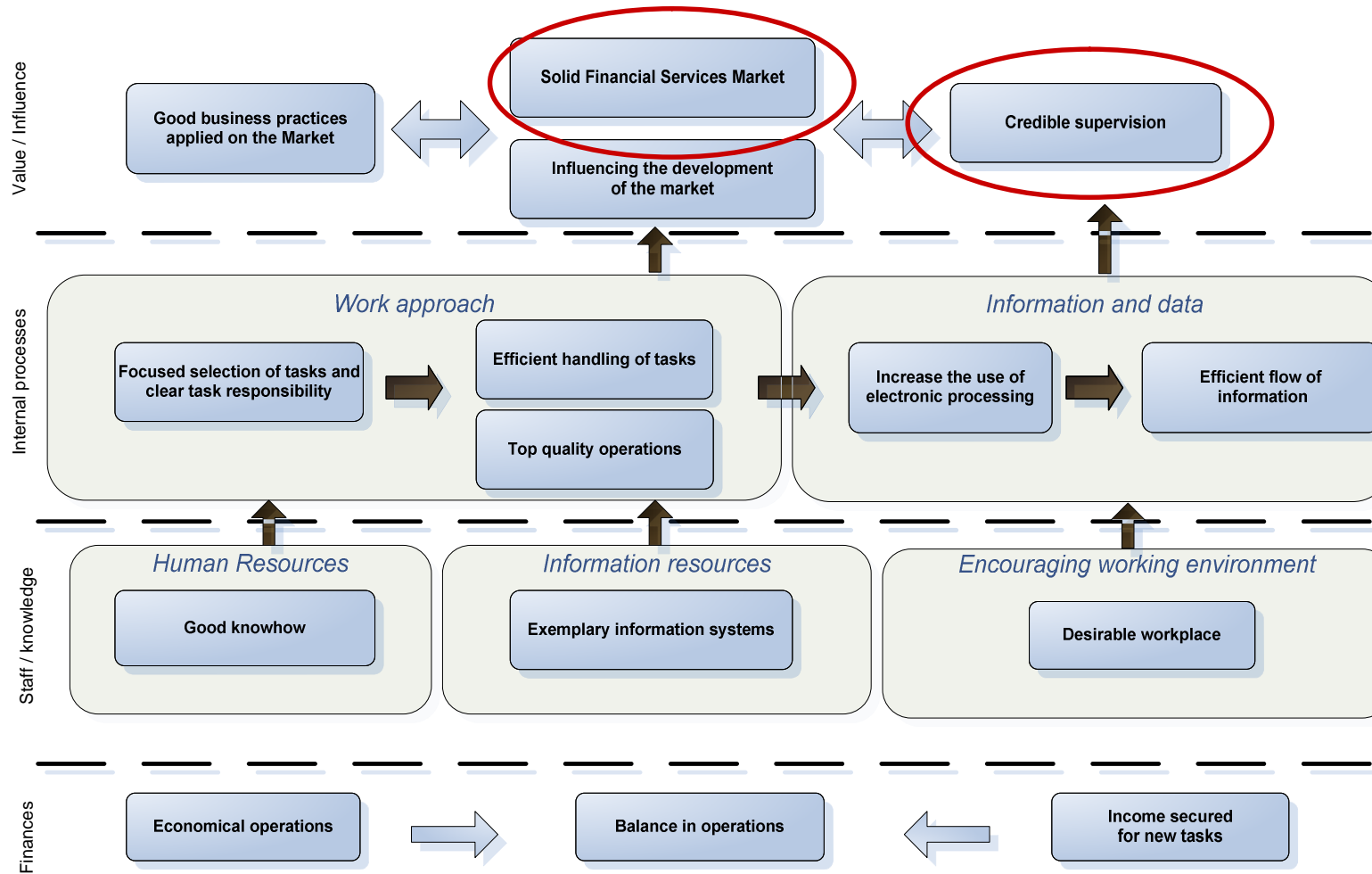
fme

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Main categories:

- Cooperation with supervisors on operations of Icelandic companies
- Multilateral European and Nordic cooperation
- Provision of information on the Icelandic market

Strategy objectives of the FME



Workload related to expansion abroad



	Within the European Economic Area	Outside the European Economic Area
Branches	0,1 empl.	0,1 empl.
Qualified holdings	0,01 empl.	0,01 empl.
Subsidiaries	0,07 empl.	0,11 empl.

- *Branches:*
One-site visits in larger branches every second year
- *Subsidiaries:*
If assets exceed 10% of consolidation; participation in on-site visits of host authority and information visits every second year
- *Information:*
Special reports on the operation of branches and subsidiaries
- *Cooperation:*
Regular meetings with authorities and making of MoU's

Competitive advantages of credible supervision



- Supervision is an infrastructure of capital markets
- Strong and credible home supervision is important when expanding abroad
- Good infrastructure enhances competitiveness



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Thank you...

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