

Press release
22 May 2007

Straumur-Burdaras acquires the majority in the Finnish bank eQ and makes a mandatory tender offer

Straumur-Burdaras Investment Bank hf has acquired the majority in eQ Corporation, a Finnish bank specialising in brokerage, asset management, and corporate finance. A mandatory tender offer will be launched for all of the shares and option rights in eQ. The offer price will be EUR 7.60 for each share and EUR 5.40 for each option right in eQ. The acquisition value on a fully diluted basis is EUR 260 million. eQ's Board of Directors recommends the shareholders and holders of option rights to accept the mandatory tender offer.

Straumur-Burdaras has acquired 62 per cent of all shares in eQ Corporation („eQ“) for a purchase price of EUR 7.60 per share payable in cash. Straumur-Burdaras will also make a mandatory tender offer for all of the remaining shares and option rights in eQ. The offer price payable under the mandatory tender offer will be EUR 7.60 per share and EUR 5.40 per option right payable in cash. The acquisition value on a fully diluted basis is EUR 260 million. Straumur-Burdaras has received regulatory approval from the Icelandic Financial Supervision Authority and the completion of the acquisition and the mandatory tender offer will not be subject to any conditions. The tender offer will be launched in early June with an acceptance period of three weeks.

eQ specialises -e.g. in brokerage, asset management, and corporate finance and the Bank has grown rapidly and successfully within Finland in the past years. The support of Straumur-Burdaras' strong balance sheet will enable eQ to grow even faster locally in addition to expanding its service offering into new geographical areas.

Straumur-Burdaras' strategy is to become a leading Nordic investment bank. Straumur-Burdaras intends to achieve this aim by expanding its operations, with a particular focus on the Nordic countries and the UK, while simultaneously diversifying the bank's income sources. The acquisition of eQ is an essential step in fulfilling this strategy, e.g. by adding asset management services to Straumur-Burdaras' product range, adding the fifth country to the bank's operations, increasing the customer base by approximately 48 thousand, growing the balance sheet to EUR 6.2 billion, and increasing fee and net interest income from 43% to 50% of net revenues.



Björgólfur Thor Björgólfsson, Chairman of the Board of Straumur-Burdaras: "Straumur-Burdaras Investment Bank is an international investment bank with the objective of becoming one of the leading investment banks in Scandinavia. The acquisition of eQ is a significant milestone in building up the company's presence in Scandinavia as it creates a platform for our services in Finland. It is my belief that there are opportunities for a progressive and competitive investment bank in the Finnish financial market and I am convinced that the joint forces of eQ and Straumur-Burdaras will do well in exploring them."

"The acquisition of eQ is a significant step in our strategy implementation" says Mr Fridrik Johannsson, CEO of Straumur-Burdaras. "eQ is a perfect fit for further geographical and operational diversification of Straumur-Burdaras, enabling us to expand into a key market that offers simultaneously a fast growing economy and a stable environment. We are impressed by the exceptional team of professionals that will now join us. eQ is the largest domestic securities broker on the OMX Nordic Exchange in Helsinki and has been known as the best online securities broker in Finland for several years. This important addition to our group will enable Straumur-Burdaras to sooner reach its strategic objective of becoming a leading Nordic investment bank."

Straumur-Burdaras' intention is that eQ will continue as an independent part of the Straumur-Burdaras Group, with its present name and without significant changes to its operations. The CEO of eQ and other directors who sold their shares will continue to work for eQ for at least two years.

"I am convinced that this acquisition is excellent for our customers, personnel and shareholders. Although the business of eQ will continue without significant changes, Straumur-Burdaras' equity base will provide the opportunity to develop the services of eQ faster on various markets", states Mr Antti Mäkinen, CEO of eQ.

Considering also that Straumur-Burdaras has acquired the majority in eQ, the Board of Directors recommends the shareholders and holders of option rights to accept the mandatory tender offer. The recommendation is given assuming that no better offer will be made during the tender offer period.

Straumur-Burdaras will host a press conference which will take place in the Bank's headquarters today at 16:30 at Borgartún 25, 101 Reykjavik.



For further information:

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INFORMATION REGARDING STRAUMUR-BURDARAS

Straumur-Burdaras Investment Bank hf is Iceland's largest investment bank. Straumur-Burdaras offers integrated corporate and investment banking services in Northern Europe, with particular focus on the Nordic countries and the UK. Straumur-Burdaras' services include corporate finance advisory, debt and equity financing, and brokerage.

INFORMATION REGARDING eQ

eQ is a Finnish full-service investment bank, the customers of which consist of private investors, institutions and companies. eQ provides and develops efficient and customer oriented investment banking services for demanding customers. The shareholder's equity of eQ Group is EUR 64 million and the capital adequacy ratio 14 %. The Group has 170 employees and approximately 48.000 customers