

DECISION OF THE FINANCIAL SUPERVISORY AUTHORITY (FME)

on a second amendment to the decision of the FME dated 17 March 2009, on the disposal of obligations of Straums – Burdarás Investment Bank hf., ID no. 701086-1399, to Íslandsbanki hf., ID no. 491008-0160, etc.

By the authority of Art. 100a of Act No. 161/2002 on Financial Undertakings, cf. Art. 5 of Act No. 125/2008 on the Authority for Treasury Disbursements due to Unusual Financial Market Circumstances etc., the FME has made the following decision on the disposal of obligations of Straumur - Burdarás Investment Bank hf.:

PREMISES:

The decision of the FME of 17 March 2009 stated that the decision was based on available information and data. Should it prove to be based on insufficient or wrong information on merits, underlying premises of the decision turn out to be fundamentally inaccurate or the FME consider a different arrangement to be necessary, the FME could make any changes to the decision, including nullifying it in whole or in part, or suspending individual components of it. The FME decision on this case of 19 March 2009 stated that it was necessary to revisit the prior decision to the extent to which it pertains to the transfer of deposits and issuance of promissory and collateral documents. It had not proved possible to complete the issuance of promissory and collateral documents within the given timeframe of the prior decision due to technical difficulties. This was a complicated project, which was more time consuming than previously believed. The success of the project was critical and it was important to have reasonable consultations with concerned parties. For these reasons it was necessary to grant an extended deadline to complete the transfer of deposits and the issuance of promissory and collateral documents. As technical difficulties are still present, the FME considers it necessary to further extend the deadline. Therefore, the following decision is made to amend point 5 of the FME decision of 17 March 2009, cf. the FME decision of 19 March 2009.

DECISION:

The transfer of deposits according to the above said and the issuance of promissory and collateral documents shall take place no later than Monday 6 April 2009 at 12:00 noon.

Other provisions of the former decision remain unchanged.

THE FINANCIAL SUPERVISORY AUTHORITY

3 April 2009

Ragnar Hafliðason
Director General

Arnar Thór Sæthórsson
Legal Adviser