

DECISION OF THE FINANCIAL SUPERVISORY AUTHORITY (FME)

on a sixth amendment to the decision of the FME dated 14 October 2008 on the disposal of assets and liabilities of Glitnir Bank hf. to New Glitnir Bank hf.

By the authority of temporary provision VI of Act No. 161/2002 on Financial Undertakings, cf. temporary provision IV of Act No. 44/2009 (formerly Art. 100a in Act No. 161/2002, cf. Art. 5 of Act No. 125/2008), the FME has made the following decision:

PREMISES:

The decision of the FME in this case dated 14 October 2008 (called the “prior decision” unless otherwise stated) 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. It has proved necessary to postpone the final settlement between New Glitnir Bank hf. (now Íslandsbanki hf.) and Glitnir Bank hf., as is further specified in the FME decision of 6 March 2009 and 15 May 2009. The latter decision stipulates that a decision on the final deadline be made no later than 15 June 2009. Discussions are currently ongoing between the owners of Íslandsbanki hf. and the Resolution Committee of Glitnir Bank hf. on a final settlement between the two. It is clear that time is needed to finalize conclusive terms for the financial instrument between parties, due to the scope and nature of the settlement. It is important that the concerned parties have an opportunity to study the available data and information, including reports on the valuation of disposed assets. When deciding on the deadline the FME considers it important to look to the fact that Íslandsbanki hf. has commenced operations and it is imperative that its status due to the settlement become clear and that the premises for the balance sheet be available as soon as possible. For these reasons the FME has decided to issue a final deadline of 17 July 2009. A decision is now made to change point 12 of the prior decision, which shall run as stated in the wording of the decision:

DECISION:

The terms of the financial instrument on a settlement due to the disposal of assets and liabilities of Glitnir Bank hf. to Íslandsbanki hf. (previously New Glitnir Bank hf.) shall be made available by the parties no later than 17 July 2009.

Other provisions of prior decisions in this case are unchanged.

THE FINANCIAL SUPERVISORY AUTHORITY

15 June 2009.

Gunnar Haraldsson
Chairman of the Board

Gunnar T. Andersen
Director General