

DECISION OF THE FINANCIAL SUPERVISORY AUTHORITY (FME)

on a third amendment to the FME decision, dated 21 March 2009, on the disposal of assets and liabilities of Sparisjóður Reykjavíkur og nágrennis hf., ID no. 540502-2770.

By the authority of temporary provision IV of Act No. 44/2009 (formerly Art. 100a in Act No. 161/2002 on Financial Undertakings, cf. Art. 5 of Act No. 125/2008), the FME has made the following decision on the disposal of assets and liabilities of Sparisjóður Reykjavíkur og nágrennis hf. (SPRON hf.).

PREMISES:

The decision of the FME of 21 March 2009 (referred to as 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. The decision of the FME in this case of 5 April 2009 stated that it was necessary to revisit the prior decision to the extent to which it pertained to the execution of the transfer of assets and issuance of promissory and collateral documents. It had not proved possible to complete the transfer of assets and 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 assets and issuance of promissory and collateral documents. As technical difficulties remain, the FME considers it necessary to further extend the deadline. Therefore, the following decision is made to amend the second sentence of point 7 of the prior decision.

DECISION:

The establishment of a subsidiary, the transfer of assets and issuance of promissory and collateral documents shall take place no later than 12:00 noon on Friday 29 May 2009.

Other provisions of the prior decision remain unchanged.

THE FINANCIAL SUPERVISORY AUTHORITY

25 May 2009

Gunnar T. Andersen
Director General

Ragnar Hafliðason
Deputy Director General