





Icebank hf

Creditors' Meeting of Icebank
27 November 2009

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Factors which may lead to material differences include:

- (a) Resolution of issues regarding the quantum of claims;
- (b) Addition claims being made against the Bank;
- (c) The realization method(s) used over time;
- (d) The Impact of set off and netting, including in connection with derivative contracts;
- (e) Movements in currency exchange rates and interest rates;
- (f) Prevailing market conditions when assets are sold;

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Welcome Address and Introduction

- The Resolution Committee, the Winding-up Board and the Moratorium Appointee of Icebank have called for this Meeting
- The Meeting has been convened in accordance with articles 15 and 85 of the Icelandic Act on Bankruptcy, etc., No. 21/1991.

Purpose of the Meeting

- **Present the List of Claims received and give creditors the opportunity comment on the decision of the Winding-up Board.**
- **Provide creditors with information regarding the status of Icebank**
 - update on key events and activities since the last Meeting in June
 - updated financial information
- **Outline the future options and the possible extension of the Moratorium**

Creditors' Meeting

Schedule

Schedule

1. Welcome address and introduction. Chairperson and Secretary appointed.
2. List of Claims presented. The Winding-up Board presents the List of Claims. The Winding-up Board presents all objections received from creditors prior to the meeting.
3. All creditors present are offered the chance to submit objections to the decisions of the winding-up Board. Objections are to be submitted on an objection form provided by the Winding-up Board for that purpose, along with any other documents the respective creditor wishes to submit.
4. The Resolution Committee's Report on key events of the bank during the moratorium and other matters of the bank.
5. The Resolution Committee presents financial information about the bank and provides assessment of the bank's ability to meet its obligations.
6. Moratorium Appointee's introduces his report regarding the Moratorium on the next steps of the bank and its restructuring options
 - Legal overview
 - Future options
 - Moratorium extension
 - All creditors present are offered the chance to present their views regarding the extension of the Moratorium of the bank.
7. All creditors present are offered the chance to provide written questions about key events of the bank, financial information or other affairs of the bank.



List of Claims / registration

Key events and matters during the Moratorium

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Moratorium and future options

Timescale and next steps

List of Claims / registration

List of Claims

Winding-up Board

- The Winding-up Board of Icebank was appointed by the Reykjavik District Court on 19 May 2009.
- Composition of the Winding-up Board is:
 - Andri Árnason (Chairman) – Supreme Court Attorney. Partner at Juris law firm;
 - Berglind Svavarsdóttir – Supreme Court Attorney. Partner at Regula law firm and
 - Tómas Jónsson (Moratorium Assistant) - Supreme Court Attorney. Partner at Reykjavík law firm

Announcements and timeframe

- Call upon creditors to declare claims was issued and published in the Legal Gazette on 3 June 2009 (“Declaration Notice”).
- Notification was sent to all known foreign creditors.
- Time limit to register claims expired 3 November 2009
- Original time limit of 3 October 2009 was prolonged by one month due to misprint in the announcement in the Legal Gazette.
 - The purpose of the Meeting is to introduce to creditors all received claims against Icebank and the decisions of the Winding-up Board regarding their validity and legal status.
 - This Meeting is the last opportunity for creditors to file their objections in respect of the Winding-up Board’s final decision regarding individual claim.

Claims not received prior to 23:59 on 3 November 2009 shall cease to have effect, unless exemption provided for in art 118 in Act 21/1991 apply.

List of Claims / registration

List of Claims

Documents submitted at the Meeting

- Documents submitted at the Meeting by the Winding-up Board are:
 - Court transcript / appointment of the Winding-up Board;
 - Declaration Notice in the Legal Gazette and related documents;
 - Claim register (list of claims);
 - The Winding-up Board's stand with relation to claims registered and
 - Resolution Committee's statement regarding Icebank's financial status.

Relevant dates with regard to claims

- "Reference Date" 15 December 2008
 - Relevance of Reference Date
- "Cut-off point" with regard to claims 22 April 2009
 - Legal grounds
 - Relevance of cut-off point

Claim register

- Overview of Contents
- Winding-up Board has not taken a stand regarding all claims filed.
- Winding-up Board is not able to consider all claims due to short time limits and complexity of certain claims. The decision regarding those claims is postponed until January 2010.
- Another creditors' Meeting on 21 January 2010 (continuation Meeting).
- Creditors will be informed of Winding-up Board's stand no later than one week before January Meeting.

List of Claims / registration

List of Claims

Objections

- Introduction of objections already registered (prior to the Meeting)
- Registration of objections at this Meeting (last opportunity).
- Those who do not object to final decisions taken by the Winding-up Board at this stage are considered to be in agreement.

Information provided to creditors

- Resolution Committee's Statement on financial position
 - Special Meeting on financial position, administrative costs (including Winding-up Board and Resolution Committee)
- Potential insolvency measures.
- Payment of super-priority claims.

Minutes of Meeting introduced

Closing



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Key events and matters of during the Moratorium

Timeline

September '08 - February '09

- Icelandic Parliament passes Act. 125/2008.
- Its key features include:
 - FME has powers to assume control of distressed financial institutions;
 - Resolution Committees can be appointed to take executive control of distressed financial institutions;
 - Insolvency proceedings cannot be brought against those institutions that operate under the Act.
- Icebank's largest assets are bills and bonds issued by the old banks, the value of which decreased significantly.
- In November, 2008 Icebank starts negotiating restructure with key creditors.

March 2009

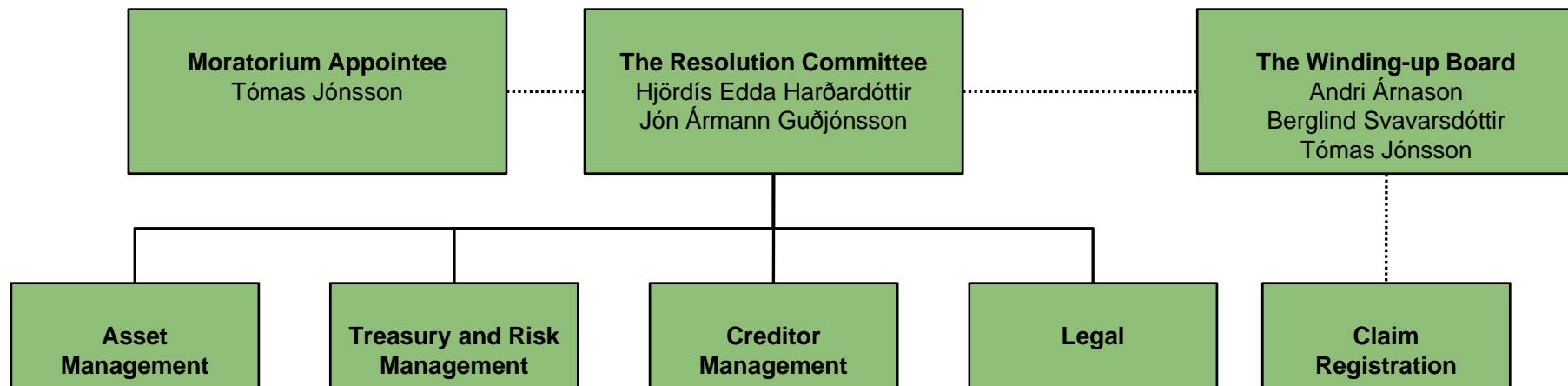
- FME takes control over Icebank on 21 March 2009.
- On 23 March 2009 Icebank is granted Moratorium until 15 June 2009 (extended 18 June 2009 to 15 December 2009). Tómas Jónsson is appointed Moratorium Appointee.
- FME appoints a Resolution Committee on 27 March 2009.

April-November 2009

- On 22 April 2009 the Icelandic Parliament amends Act. 44/2009.
- Its key feature include:
 - provisions for the creation of a Winding-up Board
 - Winding-up procedure begins when the Act is passed by the Parliament.
- Þorvarður Gunnarsson, Áslaug Björgvinsdóttir and Erling Tómasson commissioners of the Resolution Committee resign.
- 19 May 2009 The District Court appoints a Winding-up Board for Icebank
- The Resolution Committee appointed PWC, at the request of FME, to investigate potential irregularities in transactions undertaken prior to the Icebank's collapse.
- In June Sigríður Hrafnkelsdóttir is appointed Managing Director of Asset Management of Icebank. She has vast experience in banking and real estate.

Key events and matters during the Moratorium

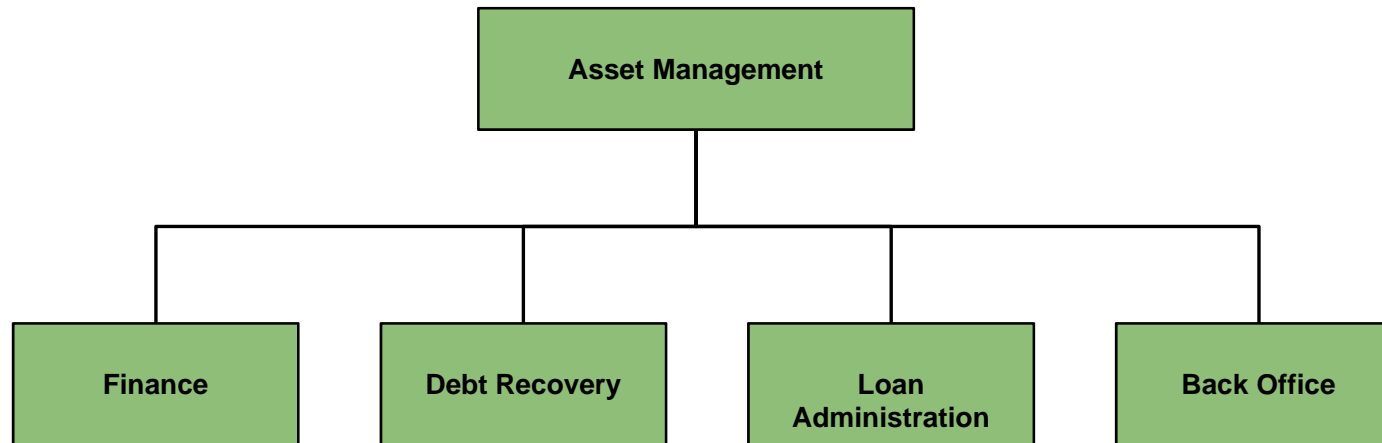
Organisational structure



- The Resolution Committee's main aim is to maximize the value of Icebank's assets. In order to achieve this goal, the Resolution Committee must possess the necessary expertise to manage the assets. The Resolution Committee has therefore engaged experts to provide specialised advise in various fields regarding Icebank's assets, which include the loan portfolio, bonds, shares and derivative contracts.
- Icebank operates today as an asset management company for which long term goals are dominant.
- Icebank is divided into four divisions which report directly to the Resolution Committee and each division has a managing director responsible for the operation of that division.

Key events and matters of during the Moratorium

Asset Management



- Asset Management is Icebank's core function today. Belonging to the Asset Management team are all employees of Icebank except the General Counsel and the Head of Treasury and Risk.
- Today's total number of employees within Asset Management is 22.
- The team is working on restructuring processes on number of units in order to secure and maximize value and recovery.
- Supervising the operations of the Asset Management team is the Resolution Committee.
- All decision regarding the restructuring, disposal, and support of the assets of Icebank are monitored by the Asset Management Committee. The Members of the Asset Management Committee are all members of the Resolution Committee, the MD of Asset Management, the General Counsel and the Head of Treasury and Risk. Supervising the Asset Management Committee is the Moratorium Appointee.



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General disclaimer

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Financial information

Disclaimer

Basis of preparation

- The computation of liabilities as of 22 April 2009 may not be complete or accurate as a number of the existing and potential liabilities are subject to legal uncertainty. As a result, the computation of liabilities included in the Statement of Assets and Liabilities has been estimated and will be subject to change and clarification over time.
- The Winding-Up Board of Icebank is currently in the process of collating and approving all creditor claims against Icebank. This work commenced in September 2009 and is not yet complete. As a result, the computation of liabilities included in the Statement of Assets and Liabilities has been estimated and will be subject to change and clarification when the claims registration process is complete.
- The Act No. 125 / 2008 (the “Act”) provides for claims for ‘deposits’ to have priority when distributing the assets of a bankrupt financial undertaking. It remains to be resolved which liabilities or deposits of Icebank this provision applies to, and how this Act should be implemented. It is possible that certain deposit creditors of Icebank will have an entitlement to be paid out in full, and that there will be a corresponding decrease in the assets available to make distributions to other unsecured creditors. No consideration of this has been included in the Statement of Assets and Liabilities.
- In accordance with Act No. 44/2009 interest accruing on liabilities to 22 April 2009 has been included in the relevant liability categories. Interest accruing after this date remains as liability of Icebank but it is subordinated to other liabilities and as such has not been reported.

Financial information

Disclaimer

Basis of preparation

- The Statement of Assets and Liabilities has been prepared on the basis that Icebank is able to manage the realisation of its assets and transact its ongoing business having appropriate regard to the interests of all its creditors. Accordingly, the estimate of value attributed to each asset is dependent on the realisation strategy presently adopted for assets, which varies between available for sale, manage to sale, or hold to maturity. As such, the estimated values for certain asset classes represented in the Statement of Assets and Liabilities are not necessarily intended to represent prices at which an orderly transaction could take place between market participants as at 30 September 2009. Rather, such values are intended to represent the value of assets based on a longer term estimate of recoverable values.

Estimated value

- The methodology used to estimate the values of assets within each asset class has been based on the application of Icebank's present asset realisation strategy. The methodology does not represent an exhaustive attempt to take into account all factors that Icebank or other market participants would consider when performing an in-depth valuation exercise.
- The asset realisation strategy and valuation methodology are likely to change over time as Icebank continues its systematic assessment and categorisation of each asset class and refines its approach to realisation having appropriate regard to the interests of all its creditors.
- The assumptions used to estimate value of assets are sensitive to changes in market conditions (including interest rates, currency rates, equity prices, market indices and counterparty credit worthiness) and, as such, the values presented are preliminary estimates based on the application of a high-level asset realisation strategy at a point in time.

Financial information

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Estimated value

- The Statement of Assets and Liabilities is presented in ISK throughout, with asset values translated at the mid rates published by the Icelandic Central Bank for 22 September 2009. Foreign currency liabilities of Icebank are to be translated into ISK as at 22 April 2009.
- A significant proportion of the assets and liabilities of Icebank are denominated in foreign currencies. As a result, the estimated asset values and the computation of liabilities presented here in ISK may be materially impacted by future movements in foreign exchange rates.
- Comparative balances as at 22 April 2009 have not been retranslated from the foreign exchange rates used as at that date.
- Given the current economic climate, particularly the financial and liquidity crisis, there are no active markets for many of the financial instruments held by Icebank. To the extent that the estimated asset values and computation of liabilities are based on inputs that are less observable or unobservable in the market, the estimation of value requires more judgment. Accordingly, Icebank has applied considerable judgement in determining the estimate of values for certain assets and liabilities, notably those relating to loans to customers, unlisted equity instruments.

Financial information

Disclaimer

Information included in the Statement of Assets and Liabilities

- The determination of the ownership of certain assets is not complete and in particular current estimates of Icebank's collateral will be subject to subsequent legal findings including rights of set-off and other claims. If the ownership of Icebank's collateral changes, the estimate of value of Icebank's assets and the computation of its liabilities may be materially impacted.
- This Statement of Assets and Liabilities was prepared using Icebank's information, based on current data and assumptions, which are subject to confirmation and change. Icebank may amend, supplement or otherwise change the information it provided for the preparation of this Statement of Assets and Liabilities. Due to the related uncertainties, the actual realisable value of Icebank's assets and the amount of its liabilities may differ materially from the values set forth in this Statement of Assets and Liabilities.

Balances subject to set-off

- Balances subject to set-off included in the Statement of Assets and Liabilities represent an estimate of the effect of both legal netting and creditor set-off based on an interpretation of the potential rights of Icebank and its counterparties. If the rights of Icebank and the counterparties were ultimately to prove different to that assumed, the estimated value of Icebank's assets and the computation of its liabilities may be materially impacted.
- As part of the development of the realisation strategy, Icebank is undertaking a review of all default and close-out notices received on a counterparty-by-counterparty basis across all relevant financial instruments.

Financial information

Disclaimer

Balances subject to set-off

- For assets and liabilities held with the same counterparty Icebank has applied the following netting assumptions to the Statement of Assets and Liabilities, based on Icebank's present legal interpretation:
 - known counterparties have had their liability positions netted against corresponding identifiable asset positions with the same counterparty; and
 - for the remaining liability positions where the identity of the ultimate beneficial owner is not known, an estimate of the impact of netting against assets on the balance sheet has been presented based on an extrapolation of known netting positions.
- Concerning netting during a Moratorium, the basic condition applies that a counterclaim by a customer against Icebank must have been created at least three months prior to the reference date, i.e. before 15 September 2008.
- Special emphasis has been placed on gathering the data and information required to evaluate netting against banks, other financial enterprises and major customers.
- The Resolution Committee and the Appointee have not authorised netting unless all condition are definitely satisfied. Final decisions on netting are taken by the Set-off and Netting Committee.

Likely outcome

- The methodology used by Icebank to prepare the likely outcome for asset realisation of total assets shown in the Statement of Assets and Liabilities has been derived solely by adjusting credit risk assumptions on assets. It specifically does not stress the base case for foreign exchange and interest rate movements, changes to bond and equity prices or changes to the status of legal netting. The actual outcome may fall materially outside the likely outcome.

Financial information

Disclaimer

Statement of Assets and Liabilities

- Presented here is the Resolution Committee's report in accordance with Paragraph 5 of article 102, cf. Interim Provision VI, of the Act on Financial Undertakings. We note that the estimated value of assets is, *inter alia*, subject to considerable uncertainty due to the developing economic environment in Iceland and abroad which will likely influence the future value of the underlying assets.
- In accordance with the above referenced paragraph of the Act of Financial Undertakings, as amended by Act no. 44/2009 the computation of liabilities is calculated by using the Central Bank of Iceland mid rate as of 22 April, 2009. The book value of assets and liabilities as of 22 April 2009 is presented in Icelandic Krona and calculated by using FX rates as of the same date. The claim amounts published are also subject to considerable uncertainty and could be subject to changes since the Winding-up Board of Icebank is in the initial stages of its claim review and determination as of the date of this report, due to the volume of claims filed.

Financial information

Statement of Assets and Liabilities

ISKm	Assets			
	30.09.2009	Set-off	30.09.2009	30.04.2009*
Cash and balances with CBI	3.471		3.471	4.754
Cash in other credit institutions	4.101		4.101	
Loans to credit institutions	32.148	-27.676	4.472	10.173
Loans and advances	29.913		29.913	34.918
Old bank securities	18.633	-18.633	0	0
Securities	26.177	-18.662	7.514	9.110
Other assets	481		481	481
Assets totals	114.925	-64.972	49.953	59.436
	Liabilities			
	22.04.2009	Set-off	22.04.2009	30.04.2009*
Central bank	195.654	-37.296	158.358	187.263
Loans from credit institutions	27.728	-25.952	1.776	88.359
Deposits	2.345		2.345	2.345
Borrowings	85.457	-1.724	83.733	2.123
Subordinated loans	3.993		3.993	3.993
Other debt	200		200	973
Liabilities and equity total	315.377	-64.972	250.405	285.056

*According information provided at the Open Creditors meeting 9 June 2009

- The balance sheet has not been reviewed by an auditor.
- Set-off included in the balance sheet 30.9.2009 represents an estimate of the effect of both legal netting and creditor offset based on an interpretation of the potential rights of Icebank and its counterparties.
- Cash and balances 30.4.2009 are not split into CBI and other credit institutions but rather shown as one total item.
- Differences between 22.4.2009 and 30.4.2009 are mostly due to differences in classification of items presented.
- Liabilities are shown as of the reference date 22.4.2009 excluding all interests after that date.
- Amounts as at 30.4.2009 are according to information provided at the Open Creditors Meeting on 9 June 2009.

Financial information

Cash and cash balances

Cash and balances ISKm	30.09.2009		30.04.2009	
	ISK	FX	Total	Total
Central bank	2.075	1.396	3.471	
International credit institutions	428	3.673	4.101	
Total	2.503	5.069	7.572	4.754

FX balances ISKm	
ISK	2.503
USD	3.927
GBP	371
CAD	149
Other	621
Total	7.572

- Currency breakdown of Cash and balances is: ISK 33%, USD 52% and other 15%.
- Cash and balances are overstated in the Creditors report as of 31.8.2009 (ISK8.874m) by ISK1.724m due to Frozen assets (are now categorised as Loans to credit institutions and have been netted against borrowings), see Loans to credit institutions.

Financial information

Loans to credit institutions

Loans to credit institutions		30.09.2009	30.04.2009
ISKm	Orig. Currency		
Frozen assets	EUR	1.724	1.610
Domestic credit institutions	ISK	3.769	8.492
International credit institutions	USD	703	1.681
Icelandic banks in Moratorium	ISK	25.952	25.952
		32.148	37.735
Set-off		-27.676	-27.562
	Total	4.472	10.173

Frozen assets		30.09.2009
ISKm		
RZB		886
BLB		774
Other		64
	Total	1.724

- Loans to Icelandic banks in Moratorium are netted against Icebank's liabilities towards those same banks.
- Frozen assets are nostro account positions and securities payments due seized by foreign credit institutions. There is a legal uncertainty on the entitlement of the foreign credit institution to net those assets against Icebank's liabilities. Icebank is currently preparing legal action against those credit institutions.
- Based on an interpretation of the potential rights of Icebank and its counterparties, Icebank has declared netting against Glitnir, Kaupthing and Landsbanki.

Financial information

Loans and advances

Loans and advances ISKm	30.09.2009			30.04.2009		
	Domestic	International	Total	Domestic	International	Total
Recorded balance sheet amount	66.100	19.044	85.144	64.713	20.530	85.244
Impairment	-47.649	-7.582	-55.231	-43.953	-6.372	-50.325
	18.451	11.462	29.913	20.760	14.158	34.918
Performing	7.646	8.656	16.302	8.051	10.142	18.192
Restructuring	9.221	2.745	11.967	10.895	4.017	14.911
Liquidation	1.584	60	1.645	1.815	0	1.815
	18.451	11.462	29.913	20.760	14.158	34.918

- Movements during the period from 30.4.2009 to 30.9.2009 are due to payments of loans, increase in impairment, disposal of loans (ISK1.700m) and foreign exchange rate movements.
- Impairments on the loan portfolio is approximately 65%.
- In order for Icebank to realise maximum recovery, loans accounting for 40% of the portfolio need restructuring. Each case is evaluated separately and necessary steps are taken to preserve its value.
- Loans categorised as liquidation are mostly companies that are under Moratorium or being liquidated.

Financial information

Loans and advances

Sector		
ISKm	30.09.2009	30.04.2009
Real Estate	8.248	10.772
Financial Service	2.135	2.070
Fishing and fish processing	2.213	2.063
Holding companies	5.808	6.877
Industry	3.741	3.266
Sales	3.302	3.535
Service	1.975	3.172
Other	2.492	3.164
Total	29.913	34.918

FX breakdown		
ISKm	30.09.2009	30.04.2009
ISK	2.585	3.772
USD	2.990	4.094
EUR	8.467	7.542
GBP	6.969	7.306
JPY	3.812	4.391
CHF	3.776	4.298
Other	1.315	3.516
	29.913	34.918

Financial information

Securities

Securities		
ISKm	30.09.2009	30.04.2009
Type of security		
Icelandic sovereign	18.771	14.848
Corporate bonds	1.316	1.995
International bonds	4.702	4.664
Equities	1.387	2.362
	26.177	23.869
Unpledged	7.514	9.110

International bonds		
ISKm	30.09.2009	30.04.2009
Nominal value	7.765	8.539
PV of portfolio	4.702	4.617
Sold and matured (cash)	1.077	0

General

- Icelandic sovereign are pledged at the Central Bank of Iceland. Increase in Icelandic sovereign are due to increase in market value.
- Decrease in corporate bonds is due to increase in impairment.
- Equities are both listed and un-listed.
- Decrease in equities is due to decline in market value.

Un-pledged securities

- Un-pledged securities are mostly international bonds. The value of those bonds has increased significantly since 30.4.2009. In the adjacent table the present value of the portfolio is slightly higher than as of 30.4.2009 despite that bonds have matured/sold amounting to ISK1.077m.

Financial information

Liabilities - Central bank of Iceland

Central bank of Iceland	
ISKm	22.04.2009
Central bank of Iceland	195.654
Set-off	-37.296
Total	158.358

Bonds pledged at the Cenral bank of Iceland			
ISKm	Nominal value	Netting	Pledged
Glitnir	55.245	0	55.245
Kaupthing	40.000	4.350	35.650
Landsbanki	65.000	10.775	54.225
Total	160.245	15.125	145.120
Estimated value of Glitnir, Kaupthing and Landsbanki bonds			18.633
Sovereign bonds			18.662
			37.296

- There is a material difference in the claim received and Icebank's computation of the liability due to penalty interests calculations after 22 April 2009.
- Penalty interests claimed from the CBI for the period 22 April 2009 to 3 November 2009 amount to ISK 16.759m.
- On the next slide the claim received from the CBI is itemised.
- Netting shown in the adjacent table are amounts that have been set-off against claims on Icebank from those banks.

Financial information

Liabilities - Claim from the Central bank of Iceland

Claim from the Central bank of Iceland			
ISKm			
Claim I	Nominal	Pen.int.	Total
Repo loan due 22 October 2008	131.237	28.981	160.219
Overnight loan due 31 December 2008	10.556	1.956	12.512
Securities lending due 17 October 2009	23.914	3.557	27.471
Legal claim fee	1.003	0	1.003
Total	166.710	34.494	201.204
Claim II	Nominal	Pen.int.	Total
Repo loan due on 25 March 2009	13.273	617	13.890
Other claims	16	1	17
Legal claim fee	278	0	278
Total	13.568	618	14.185
Claim III	Nominal	Pen.int.	Total
Transfer of deposits to CBI	9.537	499	10.036
	9.537	499	10.036
Total	189.815	35.611	225.426

- The claim from the CBI is shown in accordance to the claim received from the CBI.
- Due to legal uncertainty the Resolution Committee and the Winding-up Board are not commenting on the claim.
- Due to legal uncertainty it is not clear whether the CBI can net value of collateral against penalty interests accrued after 22 April 2009.



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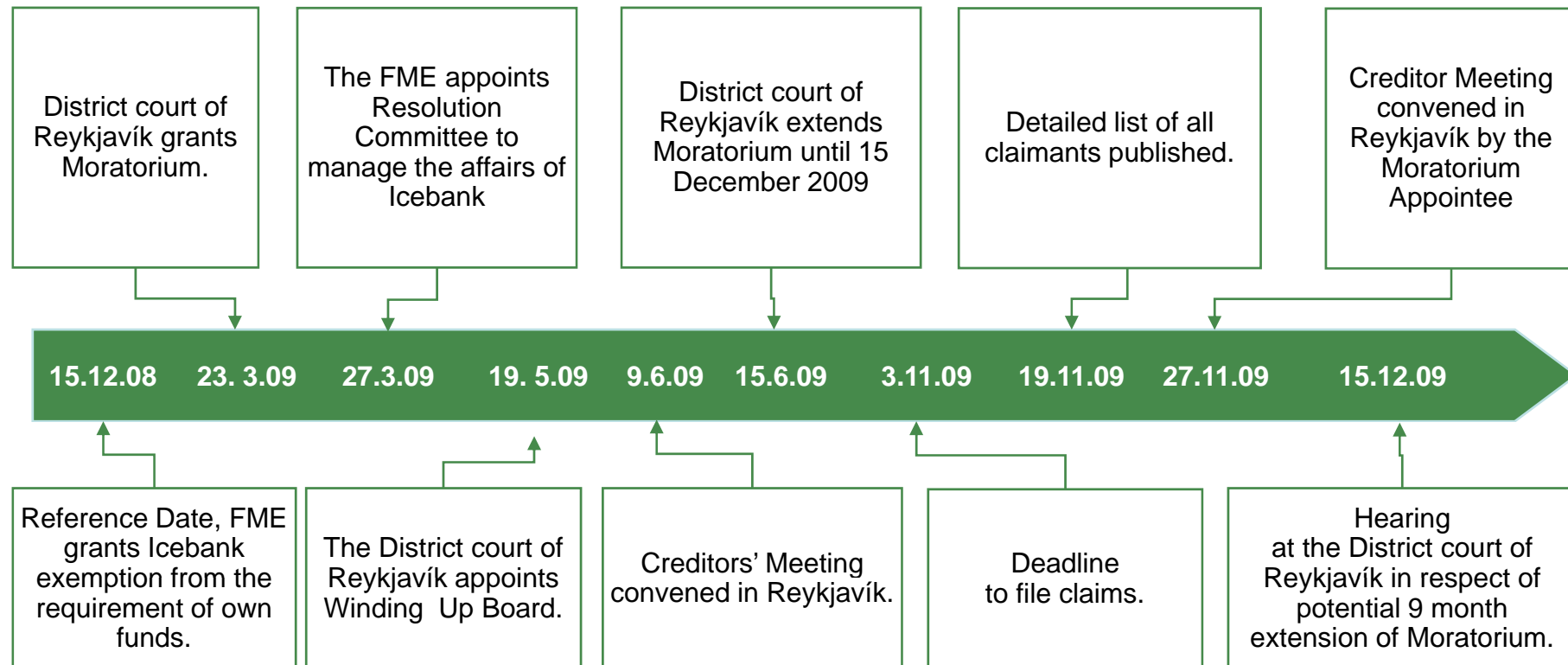
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Timeline



Legal overview

Moratorium

Moratorium

- First Moratorium granted from 23 March until 15 June 2009.
- An extension was granted from 15 June until 15 December 2009.
- The Moratorium can be extended for up to 24 months. It can come to conclusion in one of the in the following ways:
 - Winding-up process pursuant to Act no. 44/2009.
 - Composition of creditors (Scheme of arrangement).
 - Formal bankruptcy proceedings.

Moratorium Appointee

- Moratorium Appointee: Tómas Jónsson - Supreme Court Attorney.
- Role of the Moratorium Appointee:
 - to have an oversight role of Icebank and the activities of the Resolution Committee during the period of the Moratorium
 - By Act no. 44/2009 his consent is no longer required before any material transactions can be entered.
- Present to creditors the debtor's Statement of Assets and Liabilities.
- Present to creditors the debtors' plans and measures taken during Moratorium.
- Seek the opinion of the creditors.

Legal overview

Resolution Committee

Resolution Committee

- Appointed by the FME on 27 March 2009 in accordance with Act no.125/2008
- The composition of the Resolution Committee is (originally five members):
 - Hjördís Edda Harðardóttir – Supreme Court Attorney. Partner at Acta law firm;
 - Jón Ármann Guðjónsson – District Court Attorney. Partner at Lögborg law firm;

Role of the Resolution Committee

- Assumes the authority of the Board of Directors of Icebank in accordance with the articles of association, including oversight of all treatment of its assets, as well as the handling of all other business
- Continues to operate under the new legislation Act. no. 44/2009
- Resolution Committee main role is to ensure:
 - Icebank's assets and rights are disposed of in the most cost-effective manner
 - claims and amounts on deposit are collected, that no rights are lost which could be of value and
 - all necessary actions are taken to prevent damage to Icebank's interests
- The Resolution Committee is currently systematically assessing the assets of Icebank and preparing future strategy to maximise value by reviewing and analysing the potential strategic options available.

Legal overview

Winding-up Board

Winding-up Board

- Act No. 44/2009, which entered into force on 22 April 2009, set new rules about the Winding-up proceeding.
- A new administrative board established, the Winding-up Board, for Icebank to administer the proceedings in co-operation with the Resolution Committee.
- The Winding-up Board will handle those aspects of the Winding-up proceeding which are not dealt with by the Resolution Committee.
- Composition of the Winding-up Board:
 - Andri Árnason (Chairman) – Supreme Court Attorney. Partner at Juris law firm;
 - Berglind Svavarsdóttir – Supreme Court Attorney. Partner at Regula law firm;
 - Tómas Jónsson (Moratorium Assistant) - Supreme Court Attorney. Partner at Reykjavík law firm;

Role of the Winding-up Board

- Main role of the Winding-up Board:
 - Consider, evaluate and rank submitted claims;
 - Settle disputes related to claims received;
 - Decide on and/or resolves any legal actions;
 - Recover assets and void actions as provided for in the Bankruptcy Act;
 - Supervise reciprocal contractual rights and netting of Icebank's assets;
 - Pay creditor's claims in accordance with their ranking and the recovery ratio and
 - Seek composition agreement with creditors or apply for liquidation proceedings.

Legal overview

Current legislation and partial payments

Current legislation

- The New legislation in April 2009 Act no. 44/2009.
 - Winding-up procedure commenced in April 2009.
 - Chapter IV of the Bankruptcy Act no longer applies
 - Moratorium Appointee continues to supervise and monitor the Resolution Committee.
- All the principal rules of the Winding-up proceedings in the Bankruptcy Act apply to Icebank whether the Moratorium is in effect or not.

Partial payments

- The Winding-up Board can propose partial payments even though all disputed claims have not been settled, provided that assets are set aside that enable the payments of claims under dispute.
- The Winding-up Board introduces the ranking, number and value of claims recognized. It is authorized to make payments to creditors subject to the following conditions:
 - Only recognized claims may be paid;
 - Icebank's assets must be sufficient to pay equally ranked creditors an equal proportion of their outstanding claims;
 - Assets must be set aside to enable the payments of claims under dispute.
- Individual creditors may be paid in advance if they offer to waive their claims in return for partial payment, provided that it definitely comprises a lower amount than would be disbursed to the claim at a later stage given its ranking.

Legal overview

Future options

- The Winding-up proceedings can conclude in different ways:
 - Composition of creditors (Scheme of arrangement)
 - Insolvent liquidation (Bankruptcy proceedings)

Moratorium
<p>Process under Bankruptcy act.</p> <ul style="list-style-type: none"> • No change to current status • Winding-up Board and Resolution Committee manage the process • Standstill continues and assets are protected from creditors • Recovery of assets

Composition
<p>Process under Bankruptcy act.</p> <ul style="list-style-type: none"> • Restructured vehicle for unsecured creditors. • No time limit to maximize recovery of assets. • Limited liability company controlled by Board of Directors. • Full access for shareholders to information

Bankruptcy
<p>Process under Bankruptcy act.</p> <ul style="list-style-type: none"> • Liquidator with limited knowledge of the assets portfolio. • Immediate liquidation – distressed sale of assets • Limited recovery possibilities for creditors. • Limited access to information

Legal overview

Composition

Process

- The formal process of agreeing for composition of creditors is dependent on conclusion of decision of ranking, number and value of claims
- The Winding-up Board will initiate the composition process at a time it deems appropriate.
- A Composition Agreement may provide for:
 - total relinquishment of debts;
 - proportional relinquishment;
 - deferred dates of payment;
 - changes in form of payment;
 - or all of these arrangements in any combination.
- Certain claims are not affected by a composition, but the majority of submitted claims are expected to be affected.
- Only creditors who filed their claims with the Winding-up Board have the right to vote on the Composition Agreement

Approval of composition

- If a composition proposal is supported by the same proportion of votes as the proportion of composition claims to be relinquished (provided this reaches 60 per cent at a minimum by vote and amount) it will be deemed approved.
- If the result of the vote can be decided by a creditor with a disputed claim then the result of the vote is postponed until the dispute has been solved before the relevant Court.

Legal overview

Composition

Conclusion of composition

- Becomes binding upon confirmation of the District Court, must be within a week from final approval of creditors
- If an agreement to organize a composition of creditors is not reached, Icebank will automatically enter into an insolvent procedure.
- If Icebank is declared bankrupt, all actions taken during the Winding-up proceedings concerning claims against Icebank, including the notice to creditors and the processing of claims submitted shall remain valid.

Timeframe

- Due to uncertainty regarding validity of claims received and the value of the assets of Icebank the Winding-up Board does not believe that this is the appropriate time to enter into composition negotiation with creditors.
- It is the aim of the Winding-up Board to initiate the composition process when all major disputes regarding the claims are resolved and finalize it as soon as possible given the Icelandic legal framework.

Legal overview

Moratorium extension

Extension of Moratorium

- It is the opinion of both the Resolution Committee, the Winding-up Board and the Moratorium Appointee that the interests of the creditors are best served by applying for an extension of the Moratorium.
- On the Meeting on 15 December 2009, the District Court of Reykjavik will decide whether an extension to the Moratorium will be granted.
- It has therefore been decided to request for a 9 months extension on the Moratorium on behalf of Icebank.

Argument for extension

- The Resolution Committee's petition to the court will, amongst other things, be based on the following arguments:
 - Prevent forced assets sale.
 - Maintain ability to support assets.
 - Prevent seizure of Icebank's assets.
 - More flexibility, time, and negotiation power to maximize value of assets.
 - Not appropriate to sell off substantial part of assets without a formal evaluation.
 - Sale of assets on the current market situation will mean substantial loss of value for creditors.



List of Claims / registration

Key events and matters during the Moratorium

Financial information

Legal overview

Estimated timetable

Q&A

Introduction and decisions

Timeline and progress

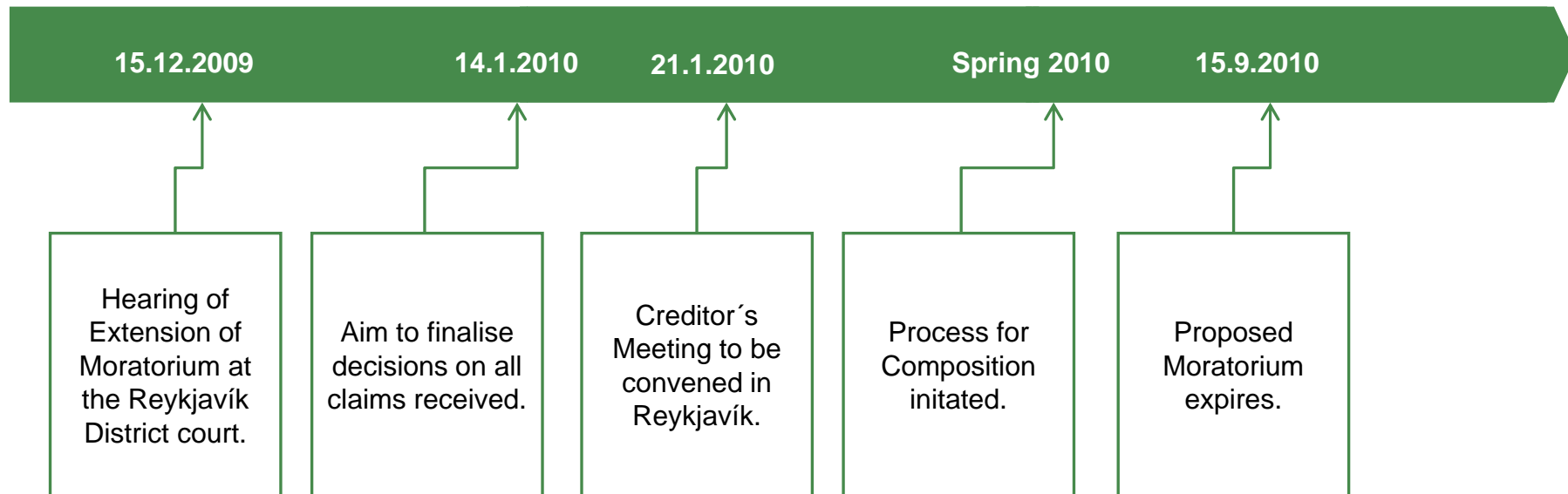
Financial analysis 30.9.2009

Moratorium and future options

Timescale and next steps

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