

News Release

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Isle of Man to press for Iceland to honour Kaupthing Bank's guarantee to Isle of Man subsidiary

Chief Minister Tony Brown MHK has today confirmed that a parental guarantee was given in September 2007 by Kaupthing Bank hf, registered in Iceland, to discharge the liabilities, including client deposits, of its Isle of Man subsidiary Kaupthing Singer & Friedlander (Isle of Man) Limited.

"The Isle of Man Government is determined to protect depositors with the local subsidiary by pressing the Government of Iceland, which has nationalised Kaupthing Bank, to honour the commitment given to its Isle of Man based affiliate.

"Accordingly, we have made representation to the United Kingdom Government - which is responsible for defending the Isle of Man's interests internationally – requesting them to press the Government of Iceland to honour Kaupthing's guarantee," the Chief Minister said.

In the meantime the Isle of Man Government confirms that the new Depositors' Compensation Scheme, included within the Compensation of Depositors Regulations 2008, came into operation immediately after approval of the Regulations by Tynwald yesterday.

Ends