



Financial Supervision Commission

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PRESS RELEASE

Kaupthing Singer & Friedlander (Isle of Man) Ltd

Following the announcement by the Financial Supervision Commission ("the Commission") this morning that a joint Petition would be presented to the Courts for the winding up of Kaupthing Singer & Friedlander (Isle of Man) Limited following the suspension of its banking licence last night, the Commission is now able to confirm that an Order has been made by the Courts appointing Michael Simpson ("Mr Simpson") of PricewaterhouseCoopers, Chartered Accountants as Liquidator provisionally of the company. The Petition for the winding up of the company has been adjourned until Friday, 24 October 2008.

The above process will ensure that all depositors are treated fairly. Meanwhile the Commission is holding discussions with Mr Simpson in order to monitor the position of depositors, and it will be for him to comment in due course on the extent of recoveries and other matters.

The demise of Kaupthing Singer & Friedlander (Isle of Man) Limited was heavily affected by the inability of the parent bank to provide continuing support to the local business. Exactly the same issue appears to have affected the UK sister banking entity. Iceland is experiencing severe economic difficulties and this appears to have significantly contributed to problems at the parent bank, Kaupthing Bank hf. The consequential loss of confidence locally meant that the bank was unable to meet the prospect of sudden and exceptional withdrawals without continuing support which did not materialize.

In the meantime the Commission continues to monitor the financial situation on the Isle of Man closely so as to preserve the financial stability of the banking sector.

As explained earlier, the Scheme Manager of the Depositors' Compensation Scheme will meet as soon as appropriate to consider the activation of the Scheme. Once the Scheme is activated depositors will be contacted and invited to make a claim.

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