

To whom it may concern,

24 November 2008

Ref: 2008100042

**Announcement on the Financial Reorganization of Glitnir Bank hf.**

The financial reorganization of credit institutions is covered in Chapter XII A of Act No. 161/2002 on Financial Undertakings. Article 98, par. 1, states i.a. that if a credit institution's head office is in Iceland, financial reorganisation shall mean an authorisation for suspension of payments (*moratorium*) or to seek debt composition as provided for in the Act on Bankruptcy etc., No. 21/1991.

On 24 November 2008 the District Court of Reykjavík granted a moratorium order on Glitnir Bank hf., ID no. 550500-3530, until 13 February 2009 at 13:30. At that time the case will be revisited. The FME iterates that the moratorium is not a bankruptcy proceeding and does not itself affect Glitnir Bank's banking licence or its ability to operate as a bank in those jurisdictions where appropriate. Rather it is a specialized proceeding under Icelandic law designed to provide Glitnir Bank hf. with appropriate global protection from legal action taken, or anticipated to be taken.

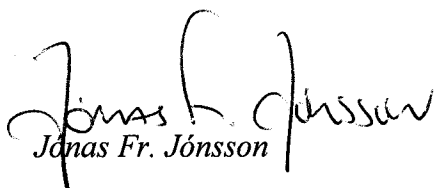
Mrs. Steinunn Guðbjartsdóttir, Supreme Court Attorney, has been appointed Moratorium Administrator, reporting to the Reykjavík District Court, and will supervise the actions taken by the Resolution Committee.

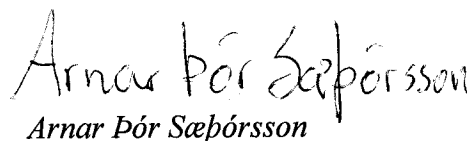
To avoid any doubt, New Glitnir Bank hf., which took over the domestic operations of Glitnir Bank hf. on 15 October 2008, is completely unaffected by the moratorium and will continue to provide full service to its clients in Iceland.

For further information, please contact the FME.

Regards,

The Financial Supervisory Authority

  
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