Advertisement concerning the opening of winding-up proceedings pursuant to Directive 2001/24/EC of the European Parliament and of the Council of 4 April 2001 on the reorganisation and winding-up of credit institutions (Kaupthing Bank hf.)

(2011/C 7/09)

On 22 November 2010, a ruling was given by the District Court of Reykjavik whereby winding-up proceedings were opened for Kaupthing Bank hf., Reg. No 560882-0419, Borgartun 26, Reykjavik, Iceland ('Kaupthing') pursuant to part B of Chapter XII of Icelandic Act No 161/2002 on Financial Undertakings, cf. items 3 and 4 of temporary provision V of the same Act.

On 9 October 2008, the Icelandic Financial Supervisory Authority assumed the role of the shareholders' meeting of Kaupthing in accordance with Act No 161/2002, cf. Article 5 of Act No 125/2008, and appointed a Resolution Committee for Kaupthing. The Resolution Committee was given power to wield all the authority of Kaupthing's board of directors in accordance with Act No 2/1995 and Article 100a of Act No 161/2002.

With a ruling given by the District Court of Reykjavik on 24 November 2008 Kaupthing was granted a moratorium until 13 February 2009. This authorisation was extended three times. As the maximum amount of time under Icelandic law for an entity to be in moratorium is two years, the authorisation was extended for the last time until 24 November 2010.

With temporary provisions of Act No 44/2009, on the amendment of Act No 161/2002, which entered into force on 22 April 2009, a specific provision on the opening of winding-up proceedings for financial institutions which had, prior to the entry into force of the Act, entered into moratorium, was implemented. According to the said specific provision, paragraph 1 of Article 101, Articles 102, 103 and 103a of Act No 161/2002, as amended with paragraph 1 of Article 5 and Articles 6-8 of Act No 44/2009, should apply to the moratorium in the same way as if winding-up proceedings had been opened for the bank with a judicial ruling on the day in which the Act entered into force. Accordingly, Kaupthing's winding-up proceedings were in effect opened on 22 April 2009, i.e. when the act entered into force, and the District Court of Reykjavik appointed a Winding-up Committee for Kaupthing on 25 May 2009.

An invitation to lodge a claim with time limits to be observed was issued in June 2009. The notification was i.a. published in the Icelandic Legal Gazette and the *Official Journal of the European Union*. The time limit to lodge claims expired on 30 December 2009 and over 28 000 claims were received within the time limit. Four creditors' meetings have already been held to discuss the claims lodged, the forth was held on 3 December 2010.

According to item 2 of temporary provision V of Act No 161/2002 as amended with Article 2 of Act No 132/2010, a ruling by judicial authorities is necessary for a winding-up procedure to continue after the moratorium expires. Furthermore, such a ruling confirms that all the measures which were taken while the bank was in moratorium, including but not limited to measures that were taken pursuant to Articles 101-103 and Article 103a of Act No 161/2002 after 22 April 2009 shall remain unaffected. To the extent that the priority of claims would generally be determined by the date a court ruling on winding-up proceedings is issued, the date of the entry into force of the said act shall apply, i.e. 22 April 2009.

With a letter dated 17 November 2010 the Resolution Committee and the Winding-up Committee of Kaupthing submitted a request to the District Court of Reykjavik that winding-up proceedings would be opened with a court ruling. The ruling was given on 22 November 2010. From documents submitted, it was evident to the court that the conditions set forth in item 3, paragraph 2 of Article 101 of Act No 161/2002 were met, that Kaupthing could not completely fulfill its obligations to creditors when they fall due and that those payment difficulties were not temporary in nature. It was also stipulated in the ruling that it would be effective from 22 April 2009, cf. item 2 of temporary provision V of Act No 161/2002, cf. Article 2 of Act No 132/2010.

This advertisement is published to fulfill the obligations stipulated in Article 4 of Regulation (EC) No 87/2006 on the notifications on decisions on the reorganisation and winding-up of financial institutions.

Reykjavik, 2 December 2010.

Winding-up Committee of Kaupthing Bank hf.

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