

Notification of Changes to the Decision by the Winding-up Committee regarding Interest on EDGE Deposits in Germany

Following a detailed examination of verdicts pronounced by the Supreme Court of Iceland on 28 October this year in cases concerning Landsbanki Íslands hf. and Glitnir banki hf., the Winding-up Committee of Kaupthing Bank hf. has altered its decision on the priority of interest claims on EDGE savings accounts.

The Winding-up Committee had previously recognised deposit interest as general claims, with reference to Art. 113 of Act No. 21/1991, on Bankruptcy etc. In view of the precedent which it considers the above-mentioned verdicts comprise, the Winding-up Committee has now altered its decision on the disputed interest claims and recognise them as priority claims based on Art. 112 of Act No. 21/1991.

This change applies to all the claims lodged as priority claims in Kaupthing's winding-up proceedings where creditors objected to the Winding-up Committee's previous decision.

With this decision on disputed interest claims on EDGE savings accounts, the Winding-up Committee considers that the amount of recognised interest claims should not be disputed, as the contractual interest provided for in the Terms and Conditions of the savings accounts is recognised until 22 April 2009 as a priority claim with reference to Art. 112 of Act No. 21/1991, as previously mentioned. The Winding-up Committee hopes that this will reduce the number of disputed claims in the winding-up proceedings substantially.

