

PRESS RELEASE

■ SUSPENSION OF PAYMENTS: KAUPTHING BANK LUXEMBOURG S.A.

APPOINTMENT OF ADMINISTRATOR

The Commission de Surveillance du Secteur Financier informs the public that, in accordance with article 60-2 of the law of 5 April 1993 on the financial sector, as amended, the *Tribunal d'arrondissement de Luxembourg* [District Court], sitting in commercial matters, has declared the suspension of payments for Kaupthing Bank Luxembourg S.A.. The application for suspension of payments was lodged by the institution itself, pursuant to the above-mentioned article.

Kaupthing Bank Luxembourg S.A. is a credit institution within the meaning of article 1 of the law of 5 April 1993 on the financial sector, as amended, and offers the whole range of banking services as defined in annexe I of this law.

Kaupthing Bank Luxembourg S.A. is a subsidiary of the listed Icelandic company Kaupthing Bank hf.

The company PricewaterhouseCoopers S.à.r.l., represented by Mrs Emmanuelle CARUEL-HENNIAUX, and Me Franz FAYOT have been appointed by this judgment as administrators in order to control the management of the bank's assets.

This stabilisation regime implies a suspension of all payments by this bank and the prohibition, with the consequence of nullification, of all acts other than precautionary and protective measures, unless authorised by the administrators.

Luxembourg, 9 October 2008

