



Glitnir banki hf

Presentation to the Second Informal Creditors' Committee Meeting

11 December 2008

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1. First ICC Meeting

2. Moratorium process
 3. Financial analysis
 4. New Glitnir overview
 5. New Glitnir ownership/ bond
 6. Valuation process
 7. Icelandic Central Bank
 8. Financial advisers
 9. Next steps
- Appendices

Matters arising and actions

- Update on status, legislation overview and timing
- Update on split and detailed analysis of Old Glitnir's assets
- Introduction and overview of New Glitnir operations
- Process update and high level options analysis
- Appointment of valuation advisers and summary methodology
- Update on ICB related issues
- Details of proposed role and appointment
- Key milestones and next steps

Matters arising

Matters arising/ actions from first ICC meeting



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1. First ICC Meeting

2. Moratorium process

3. Financial analysis

4. New Glitnir overview

5. New Glitnir ownership/ bond

6. Valuation process

7. Icelandic Central Bank

8. Financial advisers

9. Next steps

Appendices

Matters arising and actions

Update on status, legislation overview and timing

Update on split and detailed analysis of Old Glitnir's assets

Introduction and overview of New Glitnir operations

Process update and high level options analysis

Appointment of valuation advisers and summary methodology

Update on ICB related issues

Details of proposed role and appointment

Key milestones and next steps

Moratorium overview

Update on the status and timing of events leading to Moratorium

- Key steps leading to granting of a Moratorium on creditor proceedings for Old Glitnir:
 - **13 November 2008** Updated Moratorium legislation passed by Icelandic Parliament
 - **21 November 2008** Resolution Committee of Old Glitnir files for Moratorium
 - **24 November 2008** Moratorium granted by District Court of Reykjavik

Moratorium rationale

- Provides Old Glitnir with appropriate global protection from legal action taken, or anticipated to be taken, by its creditors.
- Gives Old Glitnir time to build an effective and suitable asset realisation strategy, thereby maximising total return for all creditors of Old Glitnir.
- Needed to ensure fair treatment of all creditors under Icelandic and international law, in accordance with legally established priorities.

Moratorium overview

Overview of the legislation, including key changes and role of the appointee and Resolution Committee

- Legislation is broadly similar to that outlined in presentation to first ICC meeting.
- Pursuant to the Moratorium, Old Glitnir remains subject to the Financial Undertakings Act and the general supervision of the FME. The Icelandic District Court however has exclusive jurisdiction over the enforcement of the Moratorium.
- The Moratorium process restricts the payment of claims, the disposal of Old Glitnir's assets or the assumption of financial obligations unless the prior approval of the Moratorium appointee is obtained and certain other conditions are met.
- The disposition of assets is only permitted if it secures the day to day operations of Old Glitnir, is necessary for the reorganisation of Old Glitnir's finances or if the disposal of an asset is necessary to protect the value of that asset.
- Any disposition of assets would only be approved if fair value is obtained.
- The Moratorium appointee has the following powers:
 - to oversee the disposition of assets of Old Glitnir during the Moratorium;
 - must approve transactions undertaken by Old Glitnir and ensure that no such transactions are in violation of the Bankruptcy Act;
 - assists Old Glitnir in its efforts to restructure its finances and to decide how best to achieve any reorganisation;
 - acts as a fiduciary to the estate of Old Glitnir to ensure the compliant disposition of assets; and
 - has a duty to inform the Icelandic District Court if Old Glitnir does not abide by the Moratorium appointee's directions or the provisions of the Bankruptcy Act.

Moratorium overview

Overview of the legislation, including key changes and role of the appointee and Resolution Committee

Key changes made to the legislation

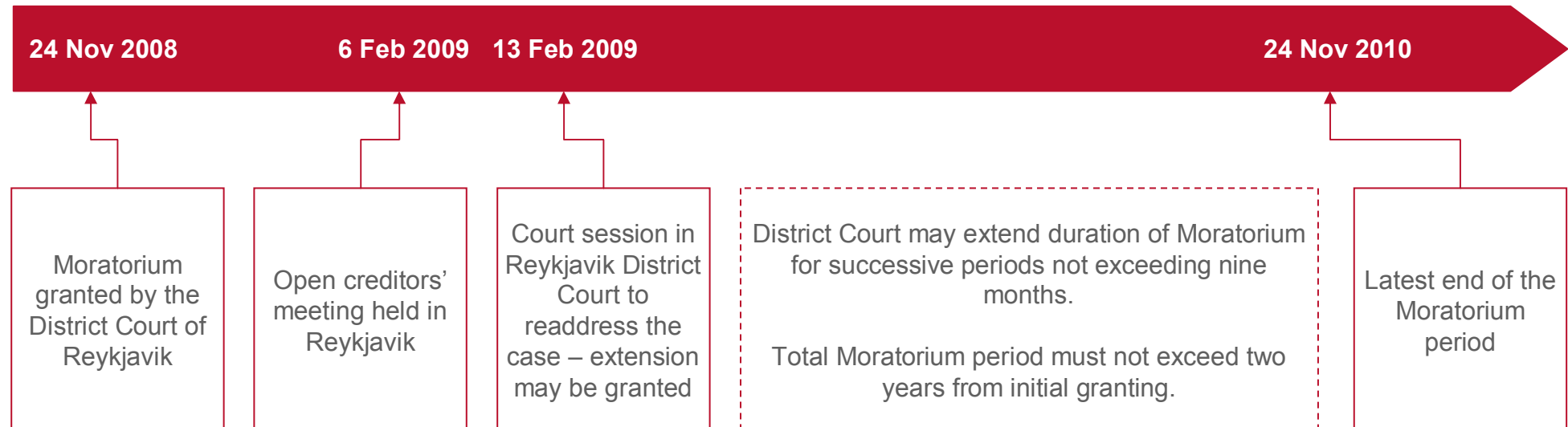
- There were a number of changes made to the legislation before being passed by the Icelandic Parliament:
 - permission granted for the debtor to continue with specific authorised business with the approval of the FME;
 - Moratorium period is extended to a maximum of 24 months; and
 - the debtor is exempt from litigation while in the Moratorium process. Ongoing court proceedings will be stayed.

Appointee

- Steinunn Gudbjartsdottir, Supreme Court attorney, a former member of the Old Glitnir Resolution Committee, has been appointed Moratorium appointee.
- Steinunn graduated from the Faculty of Law in 1988 and runs her own law firm in Reykjavik. Steinunn is also a lecturer in bankruptcy law in the University of Reykjavik.

Moratorium overview

Timescales of the Moratorium



Key considerations of the Court when deciding to extend Moratorium period

- Progress made to date under the Moratorium.
- Wishes of key creditors (creditors have a right to be represented at the application hearing on 13 February 2009).

Moratorium overview

Recognition of Moratorium in EEA

- The Moratorium is automatically recognised in EEA member states under Article 3 of EU Directive on reorganisation and winding-up of credit institutions.
- There are no formalities required for recognition.
- Publication requirements are contained in Articles 4 to 8 of the EU Directive but failure to publish does not affect recognition. The following publication requirements are relevant to Old Glitnir:
 - administrative or judicial authorities of home member state must notify competent authorities in ‘host’ member states (Article 4);
 - extract of decision must be published in Official Journal of EEA and in two national newspapers in each ‘host’ member state in the official language of such member state (Article 6); and
 - ‘host’ member state is each jurisdiction in which Old Glitnir has a branch or provides services.
- We are arranging for relevant translations and newspaper publications in the EEA Official Journal and in Iceland, the UK, Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain and Sweden. We are also liaising with the FME in Iceland as to its notification obligations.

Moratorium overview

Chapter 15 overview (US)

Chapter 15 filing status

- On November 26, 2008, Old Glitnir filed a Verified Petition for Recognition of Foreign Main Proceeding and Motion for Permanent Injunction (the “Verified Petition”) and supporting materials with the Bankruptcy Court in New York.
- Objections to the Verified Petition are due on or before December 29, 2008.
- The Court has entered an Order setting a hearing for approval of the Verified Petition on January 6, 2008 at 10:00 a.m. (New York time).

Purpose of Chapter 15 filing

- By commencing a case under Chapter 15 of the United States Bankruptcy Code, Old Glitnir seeks recognition of the Moratorium and related proceedings (the “Icelandic Proceeding”) in the United States to enjoin creditors from commencing any actions against Old Glitnir in the United States.
- Absent relief, Old Glitnir and its creditors face the risk that individual creditors will seek to seize assets that should be available to all creditors. Accordingly, Old Glitnir believes that the Chapter 15 proceedings will enable it to maximize recoveries and provide for equitable distribution of value to creditors.

Next steps

- If the Verified Petition is approved and the Icelandic Proceeding is granted recognition as a foreign main proceeding, creditors will be permanently enjoined from commencing any action or other proceeding against Old Glitnir in the United States (unless otherwise permitted by the Bankruptcy Code) and the claims of U.S. creditors will be adjudicated pursuant to the Icelandic Proceeding.

Moratorium overview

New personnel

The Resolution Committee

- The following changes have been made to the Resolution Committee since the first ICC meeting:
 - Steinunn Guðbjartsdóttir – resigned from the Resolution Committee in order to take up her position as Moratorium appointee;
 - Erla S. Árnadóttir – Supreme Court Attorney, Lex ehf; and
 - Þórdís Bjarnadóttir – District Court Attorney, Logfraedimidstodin ehf.

Other appointments

- The Resolution Committee has recently appointed a Managing Director, Kristján Davíðsson, to assist in the ongoing management of Old Glitnir's operations. Kristján was previously Managing Director for Icelandic Corporate Banking and Managing Director of the global seafood business within Old Glitnir.
- In addition, the Resolution Committee has recently appointed a financial controller and two credit managers. Several further credit managers are also in the process of being hired.



1. First ICC Meeting

2. Moratorium process

3. Financial analysis

4. New Glitnir overview

5. New Glitnir ownership/ bond

6. Valuation process

7. Icelandic Central Bank

8. Financial advisers

9. Next steps

Appendices

Matters arising and actions

Update on status, legislation overview and timing

Update on split and detailed analysis of Old Glitnir's assets

Introduction and overview of New Glitnir operations

Process update and high level options analysis

Appointment of valuation advisers and summary methodology

Update on ICB related issues

Details of proposed role and appointment

Key milestones and next steps

Financial analysis

Summary Old Glitnir balance sheet



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1. First ICC Meeting

2. Moratorium process

3. Financial analysis

4. **New Glitnir overview**

5. New Glitnir ownership/ bond

6. Valuation process

7. Icelandic Central Bank

8. Financial advisers

9. Next steps

Appendices

Matters arising and actions

Update on status, legislation overview and timing

Update on split and detailed analysis of Old Glitnir's assets

Introduction and overview of New Glitnir operations

Process update and high level options analysis

Appointment of valuation advisers and summary methodology

Update on ICB related issues

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Key milestones and next steps

New Glitnir overview



Introduction and overview of New Glitnir operations

- Birna Einarsdottir, Chief Executive Officer of New Glitnir, will present an introduction and overview of the operations of New Glitnir.



1. First ICC Meeting

2. Moratorium process

3. Financial analysis

4. New Glitnir overview

5. New Glitnir ownership/ bond

6. Valuation process

7. Icelandic Central Bank

8. Financial advisers

9. Next steps

Appendices

Matters arising and actions

Update on status, legislation overview and timing

Update on split and detailed analysis of Old Glitnir's assets

Introduction and overview of New Glitnir operations

Process update and high level options analysis

Appointment of valuation advisers and summary methodology

Update on ICB related issues

Details of proposed role and appointment

Key milestones and next steps

New Glitnir bond/ ownership considerations

Process update and high level options analysis



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1. First ICC Meeting
 2. Moratorium process
 3. Financial analysis
 4. New Glitnir overview
 5. New Glitnir ownership/ bond
 - 6. Valuation process**
 7. Icelandic Central Bank
 8. Financial advisers
 9. Next steps
- Appendices

Matters arising and actions

Update on status, legislation overview and timing

Update on split and detailed analysis of Old Glitnir's assets

Introduction and overview of New Glitnir operations

Process update and high level options analysis

Appointment of valuation advisers and summary methodology

Update on ICB related issues

Details of proposed role and appointment

Key milestones and next steps

Valuation Process

Appointment of valuation advisor and summary of methodology



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1. First ICC Meeting
 2. Moratorium process
 3. Financial analysis
 4. New Glitnir overview
 5. New Glitnir ownership/ bond
 6. Valuation process
 - 7. Icelandic Central Bank**
 8. Financial advisers
 9. Next steps
- Appendices

- Matters arising and actions
- Update on status, legislation overview and timing
- Update on split and detailed analysis of Old Glitnir's assets
- Introduction and overview of New Glitnir operations
- Process update and high level options analysis
- Appointment of valuation advisers and summary methodology
- Update on ICB related issues**
- Details of proposed role and appointment
- Key milestones and next steps

Icelandic Central Bank

Update on ICB related issues

The logo for GLITNIR, featuring the word "GLITNIR" in white capital letters on a red rectangular background, with a white curved line underneath the text.

- The Resolution Committee has invited representatives from the Icelandic Central Bank to attend the meeting and discuss various issues.



1. First ICC Meeting
 2. Moratorium process
 3. Financial analysis
 4. New Glitnir overview
 5. New Glitnir ownership/ bond
 6. Valuation process
 7. Icelandic Central Bank
 - 8. Financial advisers**
 9. Next steps
- Appendices

Matters arising and actions

Update on status, legislation overview and timing

Update on split and detailed analysis of Old Glitnir's assets

Introduction and overview of New Glitnir operations

Process update and high level options analysis

Appointment of valuation advisers and summary methodology

Update on ICB related issues

Details of proposed role and appointment

Key milestones and next steps

Financial advisers

Details of proposed role and appointment

- The Resolution Committee is committed to taking the best advice on matters affecting Old Glitnir, in order to represent and promote the best interests of creditors.
- The Resolution Committee recognises the need to take this advice and share it, as appropriate, with members of the ICC in order to fully consult with them on all significant matters.
- The Resolution Committee is considering taking advice on the following matters:
 - independent international accountant to review the financial information on New Glitnir and Old Glitnir being provided to the Resolution Committee and ICC;
 - expert overview of the work out strategies being developed to realise and maximise the value of the major assets of Old Glitnir to give the Resolution Committee and ICC additional confidence in strategies being developed;
 - an independent adviser to review and challenge the analysis being undertaken by New Glitnir to structure the bond and equity interest of Old Glitnir and New Glitnir; and
 - an investment bank advisor to advise the Resolution Committee and ICC on the structure of any SPV or other restructuring vehicle designed to provide creditors with additional value or optionality.
- The Resolution Committee proposes that costs incurred as a result of the above work would be for the account of Old Glitnir.



1. First ICC Meeting
 2. Moratorium process
 3. Financial analysis
 4. New Glitnir overview
 5. New Glitnir ownership/ bond
 6. Valuation process
 7. Icelandic Central Bank
 8. Financial advisers
 - 9. Next steps**
- Appendices

Matters arising and actions

Update on status, legislation overview and timing

Update on split and detailed analysis of Old Glitnir's assets

Introduction and overview of New Glitnir operations

Process update and high level options analysis

Appointment of valuation advisers and summary methodology

Update on ICB related issues

Details of proposed role and appointment

Key milestones and next steps

Estimated timetable

Key milestones and next steps

Milestone	Estimated timing
Open creditors' meeting held in Reykjavik	6 February 2009
Potential Moratorium extension heard at Reykjavik District Court	13 February 2009
New Glitnir ownership/ bond proposal submitted to Resolution Committee	Mid February 2009
Resolution Committee concludes review of New Glitnir ownership/ bond proposal	End February 2009
New Glitnir ownership/ bond agreed	End March 2009

- The Resolution Committee suggests holding the next ICC meeting a few days prior to the open creditors' meeting on 6 February 2009.
- In addition, an ICC meeting will be required in late February to discuss the New Glitnir bond/ ownership proposal.



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|--------------------------------|---|
| 1. First ICC Meeting | Matters arising and actions |
| 2. Moratorium process | Update on status, legislation overview and timing |
| 3. Financial analysis | Update on split and detailed analysis of Old Glitnir's assets |
| 4. New Glitnir overview | Introduction and overview of New Glitnir operations |
| 5. New Glitnir ownership/ bond | Process update and high level options analysis |
| 6. Valuation process | Appointment of valuation advisers and summary methodology |
| 7. Icelandic Central Bank | Update on ICB related issues |
| 8. Financial advisers | Details of proposed role and appointment |
| 9. Next steps | Key milestones and next steps |

Appendices

Appendix 1

Glossary



EEA	European Economic Area
FME	The Icelandic Financial Supervisory Authority
ICB	Icelandic Central Bank
ICC	Informal Creditors' Committee
IFRS	International Financial Reporting Standards
New Glitnir	New Glitnir banki hf, the entity to which various domestic assets and liabilities were transferred from Glitnir banki hf
Old Glitnir	Glitnir banki hf