

PRESS RELEASE

ISSUED ON NASDAQ OMX ICELAND

27 February 2009

Regarding: Financial restructuring of Sparisjóðabanki Íslands hf. (Icebank) continues.

In continuance of the discussions that have been taking place between Sparisjóðabanki Íslands (Icebank) and its largest creditors regarding financial restructuring of the bank, a special workgroup has been established with representatives of the Central bank of Iceland, the foreign creditors of the bank and the bank itself. The workgroup has since early February worked on a proposal regarding the financial reconstruction and the future organization of the bank. The Central bank of Iceland has granted the bank a postponement of the margin call until March 28th 2009 so that the workgroup can finish its work. A similar consent is being obtained from the foreign creditors. The Icelandic Financial Supervisory Authority has also granted the bank an one month extension to increase its capital base to the minimum provided for in the Act on Financial Undertakings, no. 161/2002.

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