

Kaupthing Singer & Friedlander (Isle of Man) Limited (in Liquidation)

Minutes of a meeting of the Committee of Inspection held on Friday 13 July 2012 at the offices of PwC, Sixty Circular Road, Douglas, Isle of Man

Present:

Mike Simpson, PwC, Joint Liquidator

Peter Spratt, PwC, Joint Liquidator

Jon Whiting, PwC

Simon Bessant

Stuart Roberts

Gavin Brake

Peter Wakeham

Neill Angus

John Hollis

Peter Clucas, Cains

Charles Hewetson, ReedSmith

Apologies – Mark Kiernan

1 Claims

It was noted that the overall claims figure has remained fairly constant at £905million and that the value of claims not approved is approximately £12million.

2 Loan book

Progress on the loan book was discussed. It was noted that there are 35 loans left with a total value of approximately £65million. The top ten outstanding loans and the problem loans were discussed in detail.

3 KSFUK

It was noted that the Administrators of KSFUK have so far distributed 73%, and are forecasting a range of 83% to 86%.

4 Iceland

The Iceland position was discussed in detail. It was noted that the value of our claim has not yet been agreed and is being challenged by other creditors. It was also noted that there are restrictions on capital movements out of Iceland, and that these are unlikely to be relaxed in the near future.

5 Review of Cash Book

The Committee reviewed the cash book, and asked a series of questions about ongoing costs. It was noted that the lease is coming to an end on the bank's premises and that they will be vacated within a month. All staff contracts have now ended and the IT systems are in the process of being virtualised and moved offsite. It is expected that the ongoing costs will be significantly lower.

6 Liquidators' fees

Regarding the outstanding Liquidators' fees, it was agreed that an independent assessor would be appointed to consider them.

7 Resolutions

The following resolutions were considered to approve the cash book and to take legal action if necessary against certain parties in order to recover overdue loan balances.

8 Estimated Outcome

It was noted that 91% has now been paid out to ordinary creditors and that the estimated final outcome range will be updated shortly but will remain less than 100%. The potential consequences of achieving 100% or more were discussed. It was noted that the interest rules under IOM insolvency legislation are archaic, and it was agreed that the JLs will prepare a paper for the Committee so that the potential issues can be properly considered.

9 Future meetings

The timing of future meetings was discussed. It was agreed that there would be a conference call in the autumn.