

Press Release / 28 December 2007

Eik

# Eik Banki P/F acquires Kaupthing Banks activities in the Faroe Islands

On New Years Eve, Kaupthing Bank ceases to do business in the Faroe Islands, and Eik Banki takes over the operation

Eik Banki P/F, parent company in the Eik Group, has entered into an agreement with Kaupthing Bank hf in Iceland regarding the acquisition of all of Kaupthing Bank's activities in the Faroe Islands. The acquisition will be effective on 31 December 2007. The parties have agreed not to publish the purchase price.

The agreement entails that Kaupthing Bank ends its business in the Faroe Islands, and that Eik Banki will take over all the activities.

"We are pleased to welcome Kaupthing Bank's customers in Eik Banki. Kaupthing Bank's activities in the Faroe Islands will result in an approximately 15 percent increase in loans and an approximately 7 percent increase in Eik Banki's deposits. Furthermore, Eik Banki's marketposition regarding Investment Banking and Asset Management will be considerably enhanced", says Marner Jacobsen, CEO of Eik Banki P/F.

"The Faroe Islands operation has been performing well in recent years and I'm convinced that it will continue to do so under its new owners. With the growing number of Kaupthing offices in mainland Europe we decided to sell our operation in the Faroe Islands. I would like to take this opportunity to thank CEO Peter Holm and his staff in the Faroe Islands for their excellent contribution to Kaupthing and for their fine achievements", says Hreidar Már Sigurdsson, CEO of Kaupthing Bank.

The acquisition will be effective on 31 December 2007, and will therefore not affect the expected outcome for 2007. The deposits and loans will, however, be included in Eik Banki's balance at year end 2007. The Group balance was DKK 19.9 billion by third quarter 2007 and will increase by DKK 1.2 billion after the purchase of Kaupthing Bank's activities in the Faroe Islands.

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