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## Declaration from Hauck & Aufhäuser Regarding Discussions about the Icelandic State's selling of the Bunadarbanki Bank

Frankfurt am Main, June 27<sup>th</sup> 2005.

The Hauck & Aufhäuser Bank was, at that time, offered to take part in a tender process concerning the Icelandic Government's selling of the Bunadarbanki Bank. We considered the Bunadarbanki Bank an interesting investment option, although the price was high at the time. There was no doubt that at the end of the privatisation process, the successor bank, which was established with the merger of the Bunadarbanki Bank and Kaupthing, has performed excellently and accomplished many good things. The Managing Partner of Hauck & Aufhäuser, Peter Gatti, has enjoyed being a Board Member of the bank, right until he resigned at the beginning of this year, and hopes that his contribution has had positive influence. We are wholeheartedly of the opinion that Icelanders can be proud of having built up such a powerful financial institution as KB Banki.

We stated at the beginning, that our position was that of a catalyst for the privatisation in the Icelandic bank sector. We also stated that we would in every respect comply with the contracts with the Icelandic State about the lock-up period of the bank. We have carried out that contract and even more than that.

During our investment period, we held the shares of the intermediary holding company EGLA hf. on our own books.

We regret the doubts that have been cast concerning our integrity in this matter and that the name of the bank should have been brought in a negative way into a discussion about privatisation in Iceland.

Respectfully,

Hauck & Aufhäuser Privatbankiers

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