

STATEMENT

FROM THE PRESIDENT OF ICELAND

Following a misleading report of an interview with the President of Iceland Olafur Ragnar Grimsson in the Financial Times Deutschland the President wants to emphasize that in his discussion with the reporter, he pointed out that there was a clear and strong will to honour the commitments of Icelandic financial institutions in other countries as had been demonstrated a few days earlier when it was declared that the depositors of Kaupthing in Austria, Norway and Finland were to be fully compensated.

It was, however, important that people in other countries, including our friends in Germany, would appreciate that the people of Iceland, ordinary citizens, families, pensioners and others had suffered great financial losses. It was a misleading view, held by some in other countries, that the citizens of Iceland would be compensated fully while people in other countries would suffer losses. The President said that it would take time to work through these difficulties but that the results in Austria, Norway and Finland clearly demonstrated, that the Icelandic authorities and institutions were trying to do their best, in accordance with earlier statements made by the authorities and the banks.

In addition, the President emphasized in the interview that the existing European banking regulatory framework allows banks to operate across the European market, whereas regulatory bodies are restricted by national boundaries. In a much needed reform of the European financial system it would be important to correct this imperfection.

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