

Iceland ready for fight over Icesave lawsuit

Iceland's deposit insurance fund is preparing for a lengthy battle after UK and Dutch authorities filed new claims for as much as \$6.7 billion over the 2008 collapse of online lender *Icesave*



PART OF LANDSBANKI, REYKJAVIK, ICELAND

■ Oct 2008: Iceland's three major banks collapse amid financial meltdown. Over 300,000 British and Dutch savers lose money in high-yield Icesave accounts run by failed bank ***Landsbanki***

■ Diplomatic row erupts between Iceland and Britain over handling of crisis and issue of compensation. UK and Dutch governments opt to reimburse their citizens. Iceland asks IMF for \$2 billion in aid

■ Dec 2009: Iceland's parliament passes bill to repay over \$5 billion in compensation to savers

■ Jan 2010: Faced by public outcry, President ***Olafur Grimsson*** rejects bill, forcing March referendum. Over 93 percent vote against deal

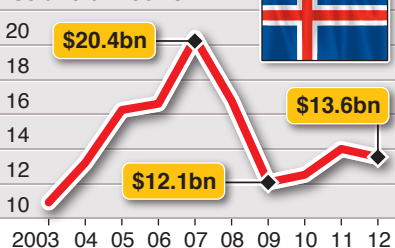


■ Dec 2010: Government agrees new deal to begin repayments over 30-year period from 2016

■ Feb 2011: Parliament passes bill but President again refuses to sign it. Around 60 percent of Icelanders reject bill in April referendum

■ Dec 2011: European Free Trade Association surveillance authority refers Icesave case to EFTA court

Iceland annual GDP



■ Sep 2012: IMF praises Iceland's economic recovery

■ Jan 2013: EFTA rules Iceland not responsible for repaying UK and Dutch depositors

■ Nov 2013: UK Financial Services Compensation Scheme (FSCS) and Dutch central bank file claim against Iceland's deposit insurance fund

■ Feb 2014: Claim made public – sum of \$6.7 billion equal to half of Iceland's annual GDP. Icelandic Prime Minister ***Sigmundur Gunnlaugsson*** dismisses claim, prefers wider solution to standoff



Landsbanki

Landsbanki estate has already repaid large sum to UK and Dutch governments. Latest lawsuit seems designed to recoup interest and costs incurred