Statement from the Kaupthing IOM Depositors Action Group (KSFIOM DAG) on the position two years on from the banks collapse in October 2008.

In October 2008 KSFIOM collapsed as a bank, leaving thousand's of peoples live's wrecked, and no access to their money. By October 2009, following liquidation of the bank and the eventual triggering of IOM's depositor compensation scheme, depositors were able to begin to have access to their money. By October 2010, 1000's of depositors have only received 50% of their money, and have the prospect of waiting until 2017 to find out what they may eventually receive. This situation is best understood by going to www.ksfiomdag.com, and reading any or all of the stories. Whilst reading them, imagine that for one year there is no access to any of these funds to carry out the plans outlined in each of the stories. Also imagine that after a period of 2 years you have access to just 50% of those funds. Remember that many of these people are retired, ill, etc and therefore cannot just 'return to work' to cover a situation of zero income, if work in a tightening economic marketplace was even an option. Depositors and bondholders still have a feeling of being abandoned, their funds are inaccessible, they are loosing interest, and they may also have lost due to the weakening of the pound against foreign currencies (up to perhaps 30%).

It will be seen from the stories, that these people are not high net worth tax evaders, but hard working individuals who were brought up in a society, and time, when banks truly looked after their customers and it was deemed good to save for your future.For some, this situation with KSFIOM has been truly devastating, the world as they understood it has fallen apart, and will never be rebuilt, the same as their plans for the future. For others they will not have the chance to see any further returns of their deposits.

According to the UK Treasury Select Committee report's conclusions to its inquiry into the crisis, issued in Spring 2009, the IOM government and the UK government should work together in order to resolve the situation surrounding KSFIOM. To this end we have spoken with the recently elected government of the UK (HM Treasury and Min of Justice) to discuss the creation of a loan trust, underwritten by both governments, which would allow depositors to draw down 100% of their deposits rather than wait until 2017 for the final liquidation payout. This would relieve depositors of the considerable uncertainty and hardship that would be endured by their funds being tied up for a further 6 years, without interest.

The IOM government have stated that they have done and are doing all they can for depositors of KSFIOM. We would therefore hope and ask that the IOM Treasury under Anne Craine's leadership take this proposal as a serious opportunity to at last put an end to the hardship and discomfort for many, and that they focus their full consideration on it.

KSFIOM Depositors Action Group

Contact us via our website: www.ksfiomdag.com