

DECISION OF THE FINANCIAL SUPERVISORY AUTHORITY (FME)

on a fifth amendment to the decision of the FME dated 9 October 2008

on the disposal of assets and liabilities of Landsbanki Íslands hf. to New Landsbanki Íslands hf.

By the authority of Art. 100a of Act No. 161/2002 on Financial Undertakings, cf. Art. 5 of Act No. 125/2008, the FME has taken the following decision:

PREMISES:

The decision of the FME in this case dated 9 October 2008 stated that New Landsbanki hf., now NBI hf., shall issue a bond to Landsbanki Íslands hf. as payment of the remuneration for that which is allocated to the new bank. It is further stated that the terms of the bond shall be available within 10 days of the announcement of the conclusion of the appraiser. According to the decision of the FME dated 14 February 2009, the conclusion of the appraisers on assets and liabilities shall be available no later than 15 April 2009. The bond or financial instrument which will be issued by the new bank to the old bank is a complicated instrument and more extensive than previously presumed. Further, it is important that the government have leeway to take a position on the instrument after consultations with the resolution committees and representatives of creditors to the extent possible. For these reasons it is considered necessary to extend the deadline to complete the preparation of the financial instrument after the conclusion of the appraisers on the payment of the remuneration has been made available. Therefore, the following decision is made to amend the second sentence of point 13 of the decision of the FME of 9 October 2008 with subsequent amendments.

DECISION:

The terms of the financial instrument shall be available no later than 18 May 2009.

All provisions of prior decisions in this case are unchanged.

THE FINANCIAL SUPERVISORY AUTHORITY

6 March 2009

Gunnar Haraldsson
Chairman of the Board

Ragnar Hafliðason
Director General