

## CERTIFIED TRANSLATION

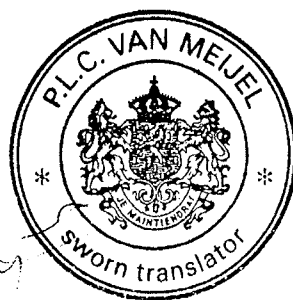
The undersigned, Ms P.L.C. van Meijel, registered as a sworn translator with the District Court in Amsterdam,

does hereby declare that the attached English translations of :

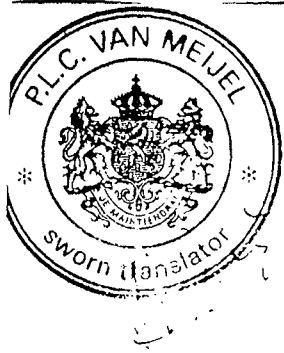
- (i) the Dutch *verbeterbeschikking* (rectification) of 14 October 2008, issued in respect of the decision rendered by the Amsterdam District Court Decree on 13 October 2008 in response to the petition filed by De Nederlandsche Bank N.V. against the Dutch branch of Landsbanki Islands Hf; and
- (ii) The Dutch *beschikking* (decision) rendered by the Amsterdam District Court Decree on 13 October 2008 in response to the petition filed by De Nederlandsche Bank N.V. against the Dutch branch of Landsbanki Islands Hf;

constitute fair and accurate representations of the original Dutch texts, copies of which have also been attached hereto.

Amsterdam, 15 October 2008



*P.L.C. van Meijel*



**COPY**

**IN THE DISTRICT COURT OF AMSTERDAM  
PRIVATE LAW SECTOR**

**RECTIFICATION**

Rectification of this Court's decision of 13 October 2008 on the petition with number HA RK 08.668 filed by:

DE NEDERLANDSCHE BANK N.V.,  
a public company (*naamloze vennootschap*)  
with its seat in Amsterdam, the Netherlands,  
petitioner,  
counsel: J.J. Knol and H.J. Sachse,

against

the Dutch branch of LANDESBANKI ISLANDS HF (a company organized under foreign law),  
established in Amsterdam, the Netherlands,  
registered with the Chamber of Commerce and Industry for Amsterdam under file number 34254169,  
having its registered office and business address in Amsterdam at Gustav Mahlerplein 78, ITO Tower,  
11<sup>th</sup> Floor,  
respondent,  
counsel: R.J. Abendroth, S. Jansen, B.C.G. Jennen, and A. Anakhrouch

The Court has concluded *ex officio* that its decision of 13 October 2008 was inadvertently dated 9 October 2008. This is a manifest error which requires rectification as follows:

**COURT ORDER**

The District Court:

Rectifies the error in its decision of 13 October 2008, ordering that:

the sentence reading:

“pronounced in public on *9 October 2008*, at 10.50 a.m.”

shall be construed as reading:

“pronounced in public on *13 October 2008*, at 10.50 a.m.”;

Orders that this rectification and the date hereof be duly recorded on the original of the aforesaid decision:

Orders that authenticated copies be issued as rectified in the manner provided herein.

This Court Order was issued by Judge R.H.C. Jongeneel and pronounced in public on 14 October 2008.

[signature]

[signature]

ISSUED AS A TRUE COPY,  
THE REGISTRAR OF THE AMSTERDAM DISTRICT COURT  
[signature]



COPY

## decision

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### IN THE DISTRICT COURT OF AMSTERDAM

Private Law Sector

Petition number HA-RK 08.668

Decision on the petition received by the Court Registry on 7 October 2008 from:

DE NEDERLANDSCHE BANK N.V.,  
a public company (*naamloze vennootschap*)  
with its seat in Amsterdam, the Netherlands,  
petitioner,  
counsel: J.J. Knol and H.J. Sachse,

against

the Dutch branch of LANDSBANKI ISLANDS HF (a company organized under foreign law),  
established in Amsterdam, the Netherlands,  
registered with the Chamber of Commerce and Industry for Amsterdam under file number 34254169,  
having its registered office and business address in Amsterdam at Gustav Mahlerplein 78, ITO Tower,  
11<sup>th</sup> Floor,  
respondent,  
counsel: R.J. Abendroth, S. Jansen, B.C.G. Jennen, and A. Anakhrouch

The petitioner will be referred to below as "DNB", the respondent as "Landsbanki".

### COURSE OF THE PROCEEDINGS

The petition was heard behind closed doors, as prescribed in Section 3:162(2) of the Dutch Financial Supervision Act ("FSA"), initially on 7 October 2008 and then on 9 and 13 October 2008. DNB explained its petition in greater detail at the hearing, and Landsbanki put forward a defence.

### GROUNDS OF THE DECISION

1. DNB has asked that this Court declare the emergency regulations applicable to the Dutch branch of Landsbanki for the duration of eighteen months, and that an administrator and a supervisory judge be appointed for that term. DNB based its request on Sections 3:160 and 3:202 of the FSA. It argued that Landsbanki had ceased paying its savers and was, hence, facing acute severe cash-flow problems. DNB concluded that granting the petition would be in the best interests of the creditors.



At the court hearing. Landsbanki acknowledged that it was going through acute cash-flow problems. It had not made any payments to savers since Monday, 6 October. Savers had sought to withdraw deposits worth €200 million. Landsbanki denied, however, that DNB was entitled under the FSA to request that emergency regulations be ordered against a branch, without legal personality, of a bank having its seat in Reykjavik, Iceland. Only the central bank of Iceland had that power, the Management Board of the Dutch branch of Landsbanki asserted.

3. The District Court finds that there can be no doubt that Landsbanki is facing acute cash-flow problems. DNB argued that its power to ask for application of the emergency regulations was based on the following two sections of the FSA:

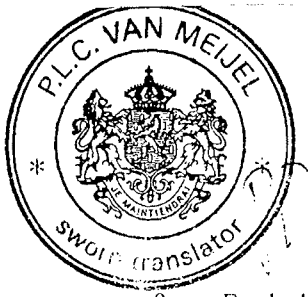
**Section 3:160 FSA**

1. Where the solvency or liquidity of a credit institution with its seat in the Netherlands, authorized to do business as referred to in Section 2:11(1), shows signs of a dangerous development and no improvement may in all reasonableness be expected, the district court within whose jurisdiction the credit institution has its seat may, on petition of the Netherlands Central Bank, declare the credit institution to be in a situation requiring emergency regulations in the best interests of the combined creditors.
2. Where the solvency or liquidity of a credit institution is such that it is in all reasonableness to be expected that the credit institution will be unable to honour all or part of its obligations in respect of the funds received by it, the district court within whose jurisdiction the credit institution has its seat may, on petition of the Netherlands Central Bank, declare the credit institution to be in a situation requiring emergency regulations in the best interests of the combined creditors.

**Section 3:202 FSA**

Where the solvency or liquidity of a branch situated in the Netherlands of an unauthorized credit institution with its seat in another Member State is such that it is in all reasonableness to be expected that it will be unable to honour all or part of its obligations in respect of the funds received by it, the district court within whose jurisdiction the credit institution has its seat or the branch is situated may, on petition of the Netherlands Central Bank, declare the credit institution to be in a situation requiring emergency regulations in the best interests of the combined creditors.

4. Section 3:160 FSA does not apply to the matter at hand, because it is clear that Landsbanki has its corporate seat in Reykjavik, Iceland, so that Landsbanki has no seat in the Netherlands. The Dutch branch has no legal personality and, hence, cannot be deemed to have a seat in the Netherlands.
5. In order for Section 3:202 FSA to apply, Landsbanki must be without banking authorization. DNB initially argued that this requirement was met because Landsbanki had discontinued its operations. The Dutch Management Board of Landsbanki denied this, however, asserting that even though the cash-flow problems currently made it impossible for the bank to comply with requests by savers for refunds of their saving deposits, there were also other operations, such as the management of a credit portfolio representing a nominal value of approximately €600 million, which were continued to the fullest extent possible.
6. At the court hearings of 7 and 9 October, this Court made clear that the mere cessation of payments in the Netherlands was insufficient to presume that Landsbanki had lost its banking authorization in Iceland. Since the situation in Iceland was unclear, the Court adjourned the hearing.
7. On Friday, 10 October, a DNB delegation met with the Icelandic Financial Supervisory Authority, FME. At the court hearing of 13 October 2008, DNB reported on the meeting and introduced into evidence a press release issued by the FME as well as the FME's decision to split up Landsbanki into Old Landsbanki and New Landsbanki. DNB stated that the Amsterdam operations were to remain with Old Landsbanki. DNB further stated that the DNB delegation who had gone to Iceland had been informed that the banking authorization of Old Landsbanki would be revoked. No written confirmation of that fact was presented at the court hearing.



8. For lack of knowledge to the contrary, the Management Board of the Dutch branch of Landsbanki has not denied that Old Landsbanki no longer has a banking authorization.
9. In this Court's opinion, Section 3:202 FSA applies to the current situation. The Dutch branch of Landsbanki (currently, Old Landsbanki) is now a branch of what must be assumed to be an unauthorized bank with its seat in another Member State. Furthermore, given the fact that the branch has ceased paying its customers requesting payment of their saving deposits, the cash flow of the branch is such as to warrant the conclusion that it will be unable to honour all or part of its obligations in respect of the funds received by it. This Court will, therefore, in the best interests of the combined creditors, declare the emergency regulations applicable.
10. To avoid any misunderstanding, the Court would like to add as follows as regards the legal consequences of its decision. As concerns savers who have deposited amounts below the threshold of the deposit guarantee scheme, that scheme will be activated by the entry into force of the emergency regulations. The information below may be relevant to savers and other creditors for whom the deposit guarantee scheme does not provide (full) cover. While the emergency regulations authorize the newly appointed administrations to transfer or wind up the loan portfolio and other assets managed in the Netherlands, the final settlement will have to include all assets and liabilities of (Old) Landsbanki in each of the countries in which Landsbanki has been active. The fundamental principle of equality of creditors should serve as a basis for any such settlement. Any preference given to Icelandic account holders over Dutch account holders would be incompatible with this principle. The press release entered into evidence by DNB appears to suggest that Icelandic account holders can fully withdraw their deposits, whereas other account holders, including the Dutch, cannot expect to be fully paid. In the light of the principle of equality of creditors, there are a few question marks concerning the way in which Landsbanki was split up and the consequences thereof for Icelandic and foreign account holders.

## DECISION

The District Court:

- Declares the emergency regulations applicable to the Dutch branch of LANDSBANKI ISLANDS HF (a company organized under foreign law), established in Amsterdam, the Netherlands, registered with the Chamber of Commerce and Industry for Amsterdam under file number 34254169, having its registered office and business address in Amsterdam at Gustav Mahlerplein 78, ITO Tower, 11<sup>th</sup> Floor, respondent;
- Orders that the emergency regulations remain in force for a period of eighteen months;
- Appoints as supervisory judge: K.D. van Ringen, member of this District Court;
- Appoints as administrator: M. Pannevis, lawyer and counsel, P.O. Box 75258, 1070 AG Amsterdam;
- Appoints as administrator: H. Sliedrecht, chartered accountant (*registeraccountant*), P.O. Box 75258, 1070 AG Amsterdam;

- Authorizes the administrator to transfer any or all of the liabilities and obligations assumed by the Dutch branch of Landsbanki Islands Hf (a company organized under foreign law) and to wind up the Dutch branch's business in full or part;
- Orders that this decision be published by the administrator in the manner provided in Section 3:162(5) FSA;
- Declares that this decision may be enforced immediately.

This Decision was rendered by Judge R.H.C. Jongeneel and pronounced in public on ~~9 October 2008~~, at 10:50 a.m..

[signature]

[signature]

===== 13 October 2008

Deletion and insertion as ordered by this Court  
in its rectification of 14 October 2008

[signature]

[signature]

ISSUED AS A TRUE COPY,  
THE REGISTRAR OF THE AMSTERDAM DISTRICT COURT  
[signature]

