

To: **Landsbanki Islands hf**

Of: **Beaufort House, 15 St Botolph Street, London, EC3A 7QR**

Date: **6 October 2008**

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## **FIRST SUPERVISORY NOTICE**

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**TAKE NOTICE: The Financial Services Authority ("the FSA") of 25 The North Colonnade, Canary Wharf, London E14 5HS has taken the following action:**

### **1. ACTION**

1.1 For the reasons listed below and pursuant to sections 194, 196, 197 and 199 of the Financial Services and Markets Act 2000 ("the Act") the FSA has decided to impose the following requirement on you, Landsbanki Islands hf ("Landsbanki") in respect of your branch in the United Kingdom:

- a) You must not, in order to support your liquidity, invoke any contractual term or condition in relation to your deposit accounts that allows you to temporarily cease or limit withdrawals from accounts for up to 60 days unless you have given the FSA at least 1 day's written notice of the proposed action and the FSA has confirmed, in writing, that it has no objection to the proposal

1.2 This requirement take effect immediately.

### **2. REASONS FOR THE ACTION**

2.1 The FSA has concluded that in respect of your UK branch:

- a) you are contravening the liquidity requirement in GENPRU 1.2.26R and the requirement to maintain adequate financial resources in principle 4, both of which are imposed on you under the Act; and
- b) the FSA has decided it should exercise its power of intervention as a matter of urgency in order to protect the interests of consumers. Accordingly, that it is necessary for the requirements to take immediate effect. The FSA will, at the earliest possible opportunity, inform the home state regulator and the Commission of its decision.

### **3. PUBLICATION**

- 3.1. Our current intention is not to publicise this Notice.

### **4. DECISION MAKER**

- 4.1 The decision to give this notice was made by the FSA's Chief Executive, Hector Sants.

### **5. IMPORTANT**

- 5.1. This Supervisory Notice is given to you in accordance with section 197(3) of the Act. The following statutory rights are important.

#### **The Tribunal**

- 5.2. You may refer this matter to the Financial Services and Markets Tribunal ("the Tribunal"). Under section 133 of the Act, you have 28 days from the date this Supervisory Notice was given to refer the matter to the Tribunal or such other period as specified in the Tribunal Rules or as the Tribunal may allow. A reference to the Tribunal is made by way of a written notice signed by you and filed with a copy of this notice. The Tribunal's address is: 15-19 Bedford Avenue, London WC1B 3AS (telephone 020 7612 9700). The detailed procedures for making a reference to the Tribunal are contained in section 133 of the Act and the Tribunal Rules.
- 5.3. You should note that the Tribunal Rules provide that at the same time as filing a reference notice with the Tribunal, you must send a copy of the notice to the FSA. Any copy notice should be sent to Melanie Beaman at the FSA, 25 The North Colonnade, Canary Wharf, London, E14 5HS.

#### **Representations**

- 5.4. You have the right to make written and oral representations to the FSA (whether or not you refer this matter to the Tribunal). If you wish to make written representations you must do so by 9am on 7 October or such longer period as may be permitted by the FSA by telephoning Michael Ainley on 0207 066 0510 (see DEPP 3 of the Decision Procedure and Penalties manual).

#### **FSA contacts**

- 5.5. For more information concerning this matter generally, you should contact Melanie Beaman at the FSA (direct line: 020 7066 0592/ fax: 020 7066 0593).