

ARTICLES OF ASSOCIATION OF NBI HF.

Article 1

The name of the Company is NBI hf.

Article 2

Domicile of the Company is Austurstræti 11, 155 Reykjavík, and its legal venue shall be in Reykjavík.

The creation of the Company is part of actions undertaken in accordance with Article 5 of Act No. 125/2008, on Authorisation for Treasury Disbursement Due to Unusual Financial Market Circumstances etc.

Article 3

The Company's purpose is to operate a commercial bank. The Company may pursue any and all activities of financial undertakings as provided for by current law, as well as other activities in normal connection with this.

The Company may participate in activities relevant to its operations and acquire holdings in other limited-liability companies for that purpose.

Article 4

The share capital of the Company shall be ISK 24,000,000,000.- –twenty-four billion 00/100-. The Company's share capital is divided into shares of one Icelandic *króna* or a multiple of this amount. One share may be issued for the entire share capital of the Company and the same applies to increased share capital.

Article 5

Shares shall be numbered and issued in the name of the shareholder. Share certificates confer full rights on shareholders as stipulated by the Act on Limited-Liability Companies and the Company's Articles.

Article 6

General rules on commercial instruments apply to shares in the Company.

Article 7

Final authority in all Company dealings rests with the duly constituted shareholders' meeting.

Article 8

Shareholders' meetings shall be announced with at least one week's notice.

Article 9

The Annual General Meeting of the Company shall be held before the end of April each year.

Article 10

The following items shall be on the agenda of the Company's AGM:

1. Report of the Board of Directors.
2. Approval of balance sheet and income statement for the previous operating year.
3. Decision on how any profit or loss from the previous operating year shall be dealt with.
4. Election of the Board of Directors.
5. Board of Directors proposes a remuneration policy and submits it to the meeting for approval.
6. Election of the auditor
7. Decision on remuneration to directors for the next term of office.
8. Other business.

Article 11

Each *króna* of share capital entitles the owner to one vote.

Shareholders may give written authorisation for proxies to attend a shareholders' meeting on their behalf and exercise their voting rights.

The majority of votes shall determine the outcome at shareholders' meetings, unless otherwise provided for by national law or the Company's Articles.

Article 12

Minutes shall be kept in which the events of the shareholders' meetings shall be recorded.

Article 13

The Company's accounting year shall be the calendar year. The Board of Directors shall have compiled the annual accounts no later than one month prior to the AGM.

Article 14

The Company's Board, referred to in these Articles as its Board of Directors (Icel. *Bankaráð*), shall consist of five persons and an equal number of alternates. The Chairman of the Board of Directors shall be elected individually but the Board divides responsibility for other tasks between its members.

The National Audit Bureau shall serve as the Company's auditor.

The term of office of members of the Board of Directors shall be one year.

Article 15

The signatures of three members of the Board of Directors oblige the Company.

The Board of Directors grants authority to sign for the Company.

The Board of Directors may oblige the Company, including pledge right of ownership. If major assets of the Company are to be sold, meaning assets that have a material effect on its activities and operations, a majority of shareholders must approve.

The majority of votes shall determine the outcome of questions by a simple majority at Board meetings. In the case of a tie the Chairman shall cast the deciding vote.

Each meeting of the Board of Directors shall be noted in the Minutes.

Article 16

The Company's Board of Directors shall engage a managing director and determine the terms of his employment.

The managing director shall be in charge of the Company's day-to-day operations and shall represent it in all matters concerning regular operations. He shall be responsible for record keeping and hiring of staff. The managing director shall provide members of the Board and auditors with all information concerning Company operations which they may request and are entitled to by law.

Article 17

No privileges are conferred by shares in the Company. Shareholders shall not be subject to redemption of their shares, unless the Company is dissolved or share capital decreased in accordance with law.

Article 18

These Articles may be amended by a legally constituted AGM or extraordinary general meeting by a majority of 2/3 of votes cast, and by agreement of shareholders controlling at least 2/3 of the Company's share capital represented by the voting rights at the meeting, at least half of shareholders being represented and provided no other majority is specified in the Articles or by national law.

Article 19

Proposals for the winding up or termination of the Company shall be addressed at an AGM or extraordinary general meeting, this item on the agenda of the meeting having been specified in its announcement. For a motion proposing the winding up or termination of the Company to be valid, the votes of shareholders controlling at least 2/3 of the total share capital of the Company are required.

A shareholders' meeting, which has taken a legal decision on the termination or winding up of the Company, shall also decide on the disposal of its assets and payment of debts.

Article 20

Unless provided for in these Articles, the provisions of the Act on Public Limited Companies, currently Act No. 2/1995, shall apply with subsequent amendments, as well as provisions of other applicable laws.

Thus adopted at the initial meeting of the Company, 7 October 2008,
with amendments adopted by a shareholders' meeting on 21 October 2008,
with amendments adopted by a shareholders' meeting on 15 December 2010 and
with amendments adopted by a shareholders' meeting on 22 January 2010.

Reykjavík, 22 January 2010

On behalf of NBI hf.

Ásmundur Stefánsson, CEO.