



GOVERNMENT DEBT MANAGEMENT

Kalkofnsvegi 1 150 Reykjavík Iceland
phone: 569 9600 fax: 569 9604
email: lanamal@lanamal.is
internet: <http://www.lanamal.is>

Terms and conditions for securities lending facilities for primary dealers

Government Debt Management securities lending facilities for primary dealers

1. Securities available for lending

All series of Treasury bonds are eligible as loaned securities.

Credit lines shall be based on the total outstanding amount of loaned bonds in each series at any given time, to each primary dealer. The maximum amount loaned to each primary dealer, in each series, is 1 b.kr. nominal value but rises to 2 b.kr. when the size of the issue has reached 20 b.kr. nominal value. The exception to this, however, is that the maximum amount loaned to each primary dealer in RIKB 10 1210 and RIKB 13 0517 is 3 b.kr. The loan amount for each series must be a multiple of 1 m.kr. nominal value. Only instruments issued by the Treasury shall be considered eligible as collateral for securities lending exceeding 1.2 b.kr. nominal value.

2. Commission

The commission is based on the Central Bank's policy interest rate, which is presented as the nominal interest rate. The discount rate on securities loaned by the Central Bank is calculated by adding a 0.10% premium to the policy interest rate, and discount rate on collateral securities received by the Bank is calculated by deducting a 0.10% haircut from the policy interest rate. The total commission is therefore 0.20% per year.

3. Processing fee

A processing fee of 15,000 kr. is charged for each agreement concluded.

4. Entry into force and future amendments

These terms and conditions shall take effect on 1 June 2010, upon which date the previous terms and conditions, dated 31 March 2010, shall cease to apply. The Central Bank of Iceland reserves the right to make amendments to them. Such amendments will be published on the NASDAQ OMX Iceland Stock Exchange news system and on the website of the Central Bank of Iceland, under the heading National Debt Management.

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Government Debt Management
International and Market Operations Department
CENTRAL BANK OF ICELAND