

Supplement to Base Prospectus dated 8 January 2026



ÍSLANDSBANKI HF.
(incorporated with limited liability in Iceland)

€4,000,000,000
European Covered Bond (Premium) Programme

This Supplement (the **Supplement**) to the base prospectus dated 15 April 2025, as supplemented by the supplements thereto dated 12 May 2025, 22 May 2025 and 3 November 2025, which together comprise a base prospectus (together, the **Base Prospectus**) for the purposes of the Prospectus Regulation (as defined below), constitutes a supplementary prospectus for the purposes of Article 23 of the Prospectus Regulation and is prepared in connection with the €4,000,000,000 European Covered Bond (Premium) Programme (the **Programme**) under which Íslandsbanki hf. (the **Issuer** or the **Bank**) may from time to time issue covered bonds (the **Covered Bonds**). Terms defined in the Base Prospectus have the same meaning when used in this Supplement. When used in this Supplement, **Prospectus Regulation** means Regulation (EU) 2017/1129 (as amended).

Purpose of this Supplement

The purpose of this Supplement is to provide certain regulatory updates.

This Supplement has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Regulation. The Central Bank of Ireland only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the Covered Bonds that are the subject of this Supplement. Investors should make their own assessment as to the suitability of investing in the Covered Bonds.

This Supplement is supplemental to, and shall be read in conjunction with, the Base Prospectus. To the extent that there is any inconsistency between any statement in this Supplement and any other statement in the Base Prospectus, the statements in this Supplement will prevail.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer, the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

UK Retail Investors

(a) The second sentence of the section titled “Important – UK Retail Investors” starting on page vii of the Base Prospectus and the second sentence of the section titled “5. Form of Final Terms – Prohibition of Sales to UK Retail Investors” on page 59 of the Base Prospectus are each hereby amended to read as follows:

“For these purposes, a retail investor means a person who is neither (a) a professional client (as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the EUWA) nor (b) a qualified investor (as defined in Regulation (EU) 2017/1129 (as amended) as it forms part of UK domestic law by virtue of the EUWA or, on and from 19 January 2026, paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024).”

(b) The first three paragraphs of the section titled “17. Subscription and Sale and Selling Restrictions – United Kingdom” starting on page 185 of the Base Prospectus are hereby amended to read as follows:

“Unless the Final Terms in respect of any Covered Bonds specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Covered Bonds which are the subject of this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the UK. For the purposes of this provision:

- (a) the expression retail investor means a person who is neither (i) a professional client (as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of UK domestic law) nor (ii) a qualified investor (as defined in Regulation (EU) 2017/1129 (as amended) as it forms part of UK domestic law or, on and from 19 January 2026, paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024); and
- (b) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to buy or subscribe for the Covered Bonds.

If the Final Terms in respect of any Covered Bonds specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Covered Bonds which are the subject of this Base Prospectus as completed by the Final Terms in relation thereto to the public in the UK except that it may make an offer of such Covered Bonds to the public in the UK:

- (A) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation or, on and from 19 January 2026, paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024;
- (B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) or, on and from 19 January 2026, at any time to fewer than 150 persons (other than qualified investors as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024) in the UK subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (C) at any time in any other circumstances falling within section 86 of the FSMA or, on and from 19 January 2026, Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024,

provided that, up to (but excluding) 19 January 2026 only, no such offer of Covered Bonds referred to in (A) to (C) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision the expression **an offer of Covered Bonds** to the public in relation to any Covered Bonds means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to buy

or subscribe for the Covered Bonds and **UK Prospectus Regulation** means Regulation (EU) 1129/2017 as it forms part of UK domestic law by virtue of the EUWA.”

Benchmarks Regulation

(a) The paragraph titled “Benchmarks Regulation” on page viii of the Base Prospectus is hereby amended to read as follows:

“BENCHMARKS REGULATION

Interest and/or other amounts payable under the Covered Bonds may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the **Benchmarks Regulation**). If any such reference rate does constitute such a benchmark, the applicable Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (**ESMA**) pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmarks Regulation. Transitional provisions in the Benchmarks Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the applicable Final Terms. The registration status of any administrator under the Benchmarks Regulation is a matter of public record and, save where required by applicable law (including if disclosure is required under the Benchmarks Regulation following the issue of a public notice in relation to a significant benchmark by any relevant competent authority or other relevant official body), the Issuer does not intend to update the applicable Final Terms to reflect any change in the registration status of the administrator. Note also that from 1 January 2026 the scope of the Benchmarks Regulation will be reduced such that only critical benchmarks, significant benchmarks, certain commodity benchmarks, EU Climate Transition Benchmarks and EU Paris-aligned benchmarks will remain in mandatory scope of the core provisions in the revised Benchmarks Regulation.”

(b) The following is hereby inserted after the third sentence of the second paragraph of the risk factor titled “The regulation and reform of “benchmarks” may adversely affect the value of Floating Rate Covered Bonds linked to or referencing such “benchmarks” ” on page 29 of the Base Prospectus:

“The Benchmarks Regulation was amended by Regulation (EU) 2025/914 of 7 May 2025, which applies from 1 January 2026. One of the key changes to the regime is that only benchmarks perceived to have the greatest economic relevance for the EU market will be in mandatory scope of the core provisions of the new regime. Such benchmarks will be those defined as critical or significant (determined based on quantitative or qualitative criteria), EU Paris-aligned benchmarks, EU Climate Transition benchmarks, and certain commodity benchmarks will remain in scope of the mandatory application of the core provisions of the revised Benchmarks Regulation. An exemption will apply for certain FX benchmarks.

Other benchmarks will fall out of mandatory Benchmarks Regulation scope (other than certain limited provisions including in relation to statutory replacement of a benchmark, connected with cessation and/or non-representativeness).

For benchmarks that are in scope of the revised regime, similar risks will apply to those which apply to benchmarks in scope of the current regime. Investors should note however that benchmarks that fall out of scope of the revised regime (which have not been opted-in) will no longer be regulated in the same way from 1 January 2026. This means that previously mandatory requirements, for example, regulating governance, conflicts of interest, oversight functions, input data requirements, methodology and transparency of the methodology, requirements for contributors and in relation to input data, will fall away. Among other things, there is a risk that this could mean that the methodology of such benchmarks may be less robust, resilient or transparent (potentially being capable of being materially amended without consultation). This may reduce or increase or affect the volatility of the level of such benchmarks.

The UK Benchmarks Regulation is also expected to be repealed and reformed in the near future. It remains to be seen what, if any, changes will be proposed and consequently what, if any, impact any such changes may have on the Covered Bonds.”

Any information contained in or accessible through any website does not form a part of the Base Prospectus, unless specifically stated in the Base Prospectus, in any supplement hereto or in any document incorporated or deemed to be incorporated by reference in this Base Prospectus that all or any portion of such information is incorporated by reference in the Base Prospectus.

Statements contained in this Supplement shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in the Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of the Base Prospectus or this Supplement. Information on any website referenced in this Supplement is not part of the Base Prospectus or this Supplement.

Copies of this Supplement will be available for inspection at <https://www.islandsbanki.is/en/product/about/funding>. In addition, a copy of the Supplement will be published on the website of Euronext Dublin at <https://live.euronext.com/en/product/bonds-detail/20480/documents>.

Save as disclosed in this Supplement or automatically incorporated in this Base Prospectus upon publication on <https://www.islandsbanki.is/en/landing/about/financials>, no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since publication of the prior supplement to the Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus or this Supplement which is capable of affecting the assessment of any Covered Bonds, prepare a new supplement to the Base Prospectus or publish a new base prospectus for use in connection with any subsequent issue of Covered Bonds.