



# **General Terms and Conditions for Business of Íslandsbanki hf.**

**Effective date: 13. February 2026**

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## **General Terms and Conditions for Business of Íslandsbanki hf.**

### **1. About the terms and conditions, entry into effect and amendments**

The General terms and conditions for Business of Íslandsbanki hf., Reg. no. 491008-0160, apply to business between the Bank and its customers. The terms and conditions lay down standard provisions on the rights and obligations of the parties. The effective date of these terms and conditions is 13 February 2026. These terms and conditions apply to all customers of Íslandsbanki.

In certain instances, additional special terms will apply to trading between the parties. In the event of any discrepancy between these Terms and Conditions and any such special terms, the terms of the latter shall prevail. Customers of the Bank should read the rules and/or terms that apply to their transactions with the Bank.

Agreements with the Bank providing for specific deviations from these terms and conditions, or other specific terms of the Bank shall prevail over any standard terms.

These terms and conditions can be amended at any time and any such amendments shall take effect without notice if they favour the customer. Otherwise, amendments will take effect with two months' notice. Updated terms and conditions will be posted on the Bank's website at [www.islandsbanki.is](http://www.islandsbanki.is).

This is an English translation. The original Icelandic version, as published on our website, is the authoritative text. Should there be any discrepancy between the English and Icelandic versions, the latter prevails.

### **2. Start of business**

At the start of business, Íslandsbanki will conduct a process of customer due diligence in respect of any new customers by requesting various information regarding their affairs, such as their names, residence, domicile and ID number, their financial position and purpose of trading, as further laid down in chapter 8 on Measures against money laundering and terrorist financing, FATCA and CRS.

On the first transaction by a customer with Íslandsbanki following the entry into effect of these terms and conditions, the customer will be regarded as having accepted these terms and conditions and any other terms that apply to the transaction in question.

The Bank is permitted to deny any request for any transaction from any party, whether a natural or legal person, except as otherwise requested by law. In general, The Bank is not required to provide reasoning for its rejection except when required by law. If the customer making the request does not accept the Bank's reasoning, a complaint may be submitted to the Banking Complaints Committee, as provided in article 21.

### **3. Handling of security information and security measures**

On the execution of certain transactions, customers will be required to sign in using a password/pin or electronic identification device, e.g., in an online Bank or smart device, or a debit or credit card. The passwords shall meet the conditions regarded by the Bank as necessary to ensure customer security at any time, e.g., in regard to number of digits and/or characters and symbols and their form.

Customers are responsible for safeguarding all security information in a secure manner and ensuring that such information is not accessible by unauthorised parties. The same shall apply to the safeguarding of debit or credit cards.

Customers undertake to change any password immediately if there is any suspicion of unauthorised access. The Bank shall be notified of any such suspicion promptly. The same shall apply in the case of lost cards.

The holder of a password or electronic ID is responsible for any actions carried out in Íslandsbanki's online bank using his or her password or electronic ID. Customers are responsible for any transactions carried out or information obtained where the correct card and/or security information has been used, regardless of the nature of the transaction. The holder of a password or electronic identification device is also liable for any damage suffered by its owner (Auðkenni hf.) and/or Íslandsbanki that may result from inadequate safeguarding or improper use of the password or electronic identification device, e.g., misuse by the customer or any other party.

Íslandsbanki decides which security measures should be used in entering any record or conducting any business with the Bank. The Bank is permitted at any time to recall any debit or credit cards or electronic identification devices for the purpose of updating security factors. The Bank can without notice deactivate any password or electronic identification device or require customers to change them if there is any suspicion of misuse or risk of errors.

### **4. Power of attorney**

Powers of attorney from customers authorising a third party to conduct business with the Bank on their behalf shall be in writing or electronic form, approved by the Bank, and dated. A power of attorney shall bear a handwritten signature, or any other signature approved by the Bank, and be certified by two witnesses, a lawyer or their

representative, a certified estate agent, or a notary public (notario publico), or signed electronically, or by another electronic manner approved by the Bank.

The document shall specify the delegated authority it covers. Customers are fully responsible for any financial transactions carried out under the power of attorney. The authorised person acting on a customer's behalf must verify their identity in the same way as other customers.

Íslandsbanki may reject a business transaction under a power of attorney if the Bank reasonably believes it does not meet the Bank's or legal requirements for form and/or clarity.

Customers are responsible for notifying the Bank of any changes to powers of attorney. Changes must be in writing and meet the same signature and certification requirements as those for granting powers of attorney. Changes become effective when received by the Bank. A temporary power of attorney is cancelled when the customer revokes it. Only customers may revoke a power of attorney they have granted, unless otherwise provided by law. Notwithstanding, the authorised person may revoke a power of attorney granted to them. Notification of revocation or cancellation of powers of attorney must be in writing or in any other way approved by the Bank and becomes effective upon receipt and registration by the Bank. The Bank may also unilaterally cancel powers of attorney if it reasonably believes there is a risk of misconduct, fraud, money laundering or similar activity related to the power of attorney, if it reasonably deems it unsatisfactory, or if the power of attorney has been dormant for 24 months. Powers of attorney also automatically terminate upon the death of the customer or the authorised person, upon the termination of custody or guardianship, or upon the deprivation of the right to manage one's own financial affairs. Older powers of attorney remain valid even after new ones are registered unless specifically cancelled. In other respects, the laws and regulations governing the granting, amendment and revocation of powers of attorney apply.

## **5. Statements and transactions**

Records of all account transactions (bank statements) are available in Online Banking. Customers without user access can request paper bank statements by post. Account owners are required to review their statements regularly. If inaccuracies are identified, the Bank must be notified in writing, signed, within 30 days of the payment or within 20 days of the statement being issued. If the account owner is not a consumer, as defined by law, the Bank must be notified within 30 days of the payment. Bank statements are deemed accurate if no notification is submitted.

Íslandsbanki is obliged to reimburse customers for any incorrect payments it has made from their accounts. Similarly, the Bank may recover any incorrect payments made to customers' accounts, including duplicate transactions or payments to recipients with incorrect bank details. Such corrections shall be made promptly and reflected in customers' bank statements.

Forward-dated payments will be carried out even if subsequent events render the instructions inaccurate, for example, if the individual could not have registered the instructions due to a revoked procuration (or signing authority), or in the event of death.

Customers may revoke or cancel payment orders only if the relevant provisions of the Payment Services Act are met and they are consumers under the Act. The Bank may charge a fee for revoking payment orders. Once an account is closed, the Bank will not act on forward-dated instructions.

The Bank is responsible for executing payment orders in accordance with the law until the recipient's bank has received the payment. From that point on, the receiving bank is responsible for correctly executing the payment to the recipient.

Customers are responsible for ensuring their payment instructions are accurate. Any errors by customers in transactions, debits, or deposits in third-party accounts that result in payments being made to incorrect accounts will not be recovered by the Bank without the recipient's consent. Such mistakes are the responsibility of the Bank's customers.

If a customer can prove that the amount of a payment made from their account, authorised by the customer and initiated by the recipient, was inaccurately specified and is therefore higher than could reasonably be expected given the customer's spending habits, these Terms and Conditions, and the relevant facts, the customer shall notify the Bank and request a reimbursement within eight weeks of the funds being withdrawn from the account. If these requirements are met, the Bank shall reimburse the payment within ten banking days of receiving the customer's notification. Otherwise, the Bank will reject the reimbursement. The above does not apply to customers who are not consumers under the Payment Services Act, including any later amendments, and who give verbal consent to a third party to withdraw funds from the account. Customers also do not have the right to a reimbursement if they gave their direct consent to the Bank. The same applies if the Bank or the recipient of the payment provided payment instructions in advance or the relevant details at least four weeks before the due date. If payment orders have been revoked, the Bank is not liable for any interest or charges on past-due payments.

## 6. Interest

### 6.1. Interest terms

Interest on deposits and loans is variable except where otherwise stated and act in accordance with the Bank's interest rate schedule for the applicable type of account. The Bank's interest rate schedule is available on its website, [www.islandsbanki.is](http://www.islandsbanki.is). Changes to the interest rate schedule are published on the Bank's website, in the online bank, in the Bank's app or in another way the Bank decides. Changes in interest rates will depend, among other things, on changes in the Bank's financing cost (credit terms), operating expenses, public levies and/or other unforeseen expenses, the policy rate of the Central Bank of Iceland, changes in reference rates, e.g. LIBOR or EURIBOR, changes in the consumer price index etc. The weight of the above factors governing any decision on changes in interest rates is variable and may, *inter alia*, depend on decisions of public authorities and market conditions at any time. When interest rate changes are made, all these factors are evaluated jointly and/or separately. If any changes have occurred in any of these factors at the time of the conduct of an interest rate review, this may lead to either a decrease or increase in interest rates. Interest on deposits and loans can be decided and changed without notice in accordance with Íslandsbanki's decisions on interest at any time. Changes in interest on consumer's deposits and loans which result only from changes in the policy rates of the Central Bank of Iceland or other reference rates, e.g. LIBOR or EURIBOR, take effect immediately and without notice. The same applies if changes are based on a reference currency exchange rate. If changes in interest rates are not related to changes in reference rates and the Bank considers the prospective changes in interest rates to be favourable to customers, the changes will take effect without notice. Otherwise, the Bank will post the prospective changes in interest on deposits and loans in the manner provided for by law and regulations as current at any time.

In cases where an account holder is not a consumer as defined by the Act on payment services No.114/2021 or the Act on consumer credit No. 33/2013, as amended, the above provisions on changes in interest rates do not apply, and in such cases interest rates may change without notice in accordance with the decision of Íslandsbanki at any time.

Changes in the interest rates on payment accounts falling within the scope of the Act on payment services No. 114/2021 will take effect within two months' notice in accordance with Article 42 of the cited Act, unless the change is based on a change in reference interest rates or reference exchange rates and/or is favourable to customers.

Changes in the interest rates of loans that constitute consumer loans pursuant to Act No. 33/2013 take effect with 30 days' notice, unless the changes are based on changes in reference interest rates, reference currency exchange rates, indices and/or are favourable to customers.

If the Bank and a customer have contracted on special interest terms, such contract terms shall take precedence over general changes in the Bank's interest rate schedule in accordance with the provisions of the contract in question, where applicable. If the contracted special terms are not referred to in the Bank's interest rate schedule, they shall nevertheless take precedence in the overall changes of accounts of similar nature, given that the changes are due to the factors noted above. The Bank is authorised to change and/or suspend the special interest terms with one month notice if the contract does not state otherwise.

Information on interest rates on deposits and loans can be accessed on the Bank's website, [www.islandsbanki.is](http://www.islandsbanki.is), in the Bank's Call Centre and branches.

### 6.2. Calculation of Interest

A payment into a deposit account in the understanding of the Act on payment services No. 114/2021 will carry interest as of the date that the funds are credited to the account. The day before crediting to a payment account is the last interest date of a disbursement. Special rules may apply to calculations of interest on other accounts and to deposits and disbursements carried out on weekends and on statutory holidays, whether in online banks, in the Call Centre or the Bank's branches.

The nature and type of accounts and loans determine the time at which interest is added to the principal. Interest is generally added to the principal at the end of every year and when an account is terminated. In case of locked in deposit accounts interest, that is added to the principal at the end of the year, may be fixed in accordance with other deposits. Price level adjustments (if it applies) are added to the principal at the end of each month, unless otherwise specifically agreed. The computation of interest is based on 30 interest days per month and 360 interest days per year, except as otherwise agreed in special cases. The beginning and end of a period will depend on the type of deposit account and loan at any time. In case of indexed bank accounts, the price level adjustments are added to the principal at the end of each month according to the consumer price index for indexation. Capital gains tax is deducted from interest income, price level adjustments and exchange rate gains as required by law and is deducted from the applicable bank account.

Account holders undertake to pay interest and expenses on overdraft privileges according to the interest schedule and tariff of the Bank at any time, except as otherwise agreed. Interest on overdraft loans is calculated monthly and credited on the last business day of each month for the interest period, which extends from the 1st day until the last

day of the month in question, except as otherwise agreed. Unauthorised withdrawals are subject to a special fee pursuant to the Bank's tariff at any time.

If the balance of a current account/debit card account is insufficient when withdrawn, the resulting debt will incur default interest in accordance with the Act on interest and indexation and the decision of the Central Bank of Iceland on penalty rates from the date of withdrawal to the date of payment, calculated as per diem interest (on a daily basis) in addition to cost pursuant to the Bank's tariff.

Interest on loans vary by type of loan. The disbursement date of a loan is the first interest date, except as otherwise agreed. All payments on a customer's debt accrue first to the payment of interest and cost, including collection fees and attorney's fees.

A banking day is a day on which banks are open for business in Iceland. If a due date which is also a final due date falls on a public holiday or weekend, it is transferred to the banking day immediately following the due date. If the due date and final due date of claims for which the Bank undertakes collection on behalf of a third party are not the same day, the final due date will not be transferred, even if it falls on a public holiday or weekend.

## **7. Tariff (the Bank's fees)**

Customers shall pay fees for services rendered by the Bank and any other costs pursuant to the Bank's current tariff. When fees are stipulated for in other terms or agreements made by the Bank with its customers, those terms shall prevail over the Bank's tariff in the event of any disparity. The Bank can credit fees and costs to the customer's account with the Bank, and all such records shall be displayed in the bank statement for the account in question. The fees are collected variously as a specific amount for services, a percentage of an amount or an hourly rate based on the work done by employees of the Bank, or any combination of the previously mentioned.

Íslandsbanki can change its tariff without notice. If the Act on payment services No. 114/2021 applies to new services, the Bank is required to announce the relevant tariff changes with two months' notice. Changes are posted in the Bank's tariff on its website, [www.islandsbanki.is](http://www.islandsbanki.is). If a customer does not protest changes in the tariff before they take effect, the customer is regarded as having accepted them.

The provisions of special agreements with customers providing for different terms shall prevail over these terms and conditions and are subject to amendment in accordance with the provisions of the respective agreements.

Transactions in foreign currencies take place in accordance with the Exchange Rate Table of the Bank as current at any time. The Exchange Rate Table can be accessed on the Bank's website, [www.islandsbanki.is](http://www.islandsbanki.is). The nature of a transaction will determine at which rate of exchange a transaction is executed. If a transaction results in an exchange rate difference, the customer will carry the risk of the difference, except as otherwise agreed.

Information on the Bank's tariff can be accessed on the Bank's website, [www.islandsbanki.is](http://www.islandsbanki.is), in the Bank's Call Centre and branches.

## **8. Measures against money laundering and terrorist financing and due diligence in respect of tax matters**

Íslandsbanki is legally obliged to carry out customer due diligence in accordance with applicable laws, currently Article 10 of the Act on Measures against Money Laundering and Terrorist Financing, No. 140/2018, and Article 92 of the Act on Income Tax, No. 90/2003, cf. Regulation No. 1240/2015, and its subsequent amendments, on conducting customer due diligence for tax information purposes. Accordingly, due diligence is conducted when establishing a business relationship with new customers, regularly throughout the duration of the contract, and when opening an account or any other business relationship.

The Bank conducts due diligence with a questionnaire and by requesting customer details and information about the proposed business, including documents that verify the information. Among other things, the Bank is required to request an individual's key personal details, such as their name, ID number, telephone number, email address, role or position, tax residence, and nationality, as well as financial information. Legal entities are required, among other things, to provide information on their corporate structure, domicile, mailing address, ID number, sufficient information on their operations, information on the board of directors and executive board, the holder of procuration, and the individuals authorised to commit the entity, as well as information on beneficial owners. Information on the legal entity's tax residence and country of incorporation will also be requested. If a legal entity's tax residence is overseas, information regarding its management's tax residence shall also be requested.

Furthermore, information is requested concerning the nature of the business, whether its activities will benefit any third party, the purpose of the business relationship, and the origin of the funds used in transactions with the Bank. The Bank is also required to verify the identity of its customers by requesting valid government-issued identification documents, or accepted identification, (e.g., a passport, driving licence, or ID card), which must be copied and securely retained. Electronic ID is also accepted as proof of identity. This process must be completed prior to conducting any business. If an identification document's validity expires during the relationship, the customer must resubmit proof of identity. Legal entities must verify their identity by presenting a certificate from the Business

Register of Skatturinn (Iceland Revenue and Customs) or an equivalent public record. Those authorised to bind the legal entity must also provide proof of identity. Additional documents required for customer due diligence include copies of constitutive documents and audited annual financial statements. In certain cases, the Bank may request copies of the customer's tax return or the beneficial owner's tax return. For due diligence of a residents' association, verifying the treasurer's identity is sufficient if they are the only person acting on its behalf.

A guardian's signature is required for certain transactions and agreements when the customer is a minor or has been deprived of the ability to manage their own financial affairs. The guardian of a customer must present a valid government-issued identification. If the minor does not have valid identification, the guardian may present their own. Íslandsbanki is required to retain copies of identification documents and customer information collected under the cited act of law for at least five years from the conclusion of an individual transaction or the termination of a permanent business relationship.

Customers are required to notify Íslandsbanki of any changes to the information they have provided to the Bank regarding measures against money laundering and terrorist financing, FATCA or CRS. Throughout the business relationship, the customer's transactions will be subject to regular monitoring to verify their consistency with available information about the customer. Information on customers shall be kept up to date and further information obtained as needed, e.g., in cases of changes to the board of directors or beneficial ownership of legal entities. In certain cases, the Bank is obliged to carry out enhanced customer due diligence and is then authorised to request additional information, including personal information.

If there is suspicion that the funds a customer intends to use in a transaction with the Bank are proceeds of illegal activity and/or are connected to terrorist financing, the Bank is authorised to refuse to process the proposed transaction without prior notice. This specifically applies to cases involving cash and/or foreign exchange transactions, and when the Bank considers that sufficient explanations regarding the origin and/or allocation of the funds have not been provided.

In cases of suspicious transactions involving money laundering and/or terrorist financing, the Bank is required to notify the Financial Intelligence Unit of the transaction and provide all pertinent information.

The Bank is authorised to block an account for deposits and/or withdrawals if there are suspicions that the bank account is being used for illegal activities and/or money laundering.

Íslandsbanki will assess at each given time whether all necessary information and supporting documents for customer due diligence have been provided as required by law. The Bank is not authorised to process a transaction or establish a business relationship if the customer fails to provide the requested information or the required documents for due diligence purposes. If a business relationship has already been established without all the necessary documents, it should be terminated immediately in accordance with the law.

Under Article 92 of the Income Tax Act, the Bank is obliged to provide Skatturinn with specific information, including details about loans, balances, deposits, and interest paid and received. If the information pertains to a foreign party, Skatturinn forwards it to the relevant foreign tax authorities in accordance with international agreements ratified by the Icelandic government.

## **9. Lending**

At the outset of any credit transactions, customers shall authorise the Bank to obtain information disclosing their obligations to other financial undertakings, including contingent liabilities and third-party obligations collected by a financial firm. Customers are also required to provide any other documents that the Bank may require at any time with regards to credit transactions. The Bank is also authorised to obtain various necessary information from public records, e.g. from the National Register and Lánstraust hf., (Creditinfo) which operates a default credit register. The Bank will request the same authorisation from the spouses of its customers or related parties in the case of joint and/or mutual obligations.

Customers are also required to authorise the Bank to conduct a risk assessment in respect of credit transactions based on the information and documents that the Bank's customers have supplied, or the Bank has obtained on its own initiative.

The Bank will regularly verify whether there is reason to request collateral or increased collateral in respect of any loans or guarantees. If further business or changes in current loan terms are asked for, the Bank reserves the right to request additional collateral.

## **10. Trading in financial instruments**

Íslandsbanki is required pursuant to the Act on securities transactions to examine and evaluate important factors relating to the customer knowledge, financial strength, and experience with regards to investment advice or asset management. The Bank classifies its customers trading in financial instruments into three categories: eligible counterparties, professional investors, and retail investors.

The Bank's customers are afforded different degrees of investor protection, depending on the assigned category, the greatest protection being afforded to retail investors. Íslandsbanki will notify its customers of the assigned category; however, customers may request to be placed in another category.

Pursuant to the provisions of the same Act, Íslandsbanki maintains records of all services provided by the Bank and all transactions in which it serves as an intermediary in the area of trading in financial instruments. Also, the Bank is required to notify the Financial Supervisory Authority of all transactions that it executes in financial instruments listed on a regulated securities market.

Trading in financial instruments is subject to Íslandsbanki's General terms and conditions on such trading, which can be accessed at [www.islandsbanki.is/fjarfestavernd](http://www.islandsbanki.is/fjarfestavernd). Special supplementary terms apply to additional services, such as financial advice or asset management.

## **11. Ending the business relationship**

Íslandsbanki and its customers can terminate their business relationship without notice at any time, except as otherwise provided by law or contract terms. Should the customer wish to end the relationship or withdraw consent to processing personal data, the Bank shall be notified in writing or electronically. If the Bank wishes to end the relationship, it shall be notified as soon as possible.

To the extent the termination applies to payment accounts and services that fall within the scope of the Act on Payment Services, No. 114/2021, the customer shall, as a rule, be given two months' notice. If the following reasons apply to the termination, the Bank, nonetheless, reserves the right to end such a business relationship without notice, in its entirety or partly, at its discretion or with unilateral notice to the customer:

- The customer has violated the law, misused the services or products of the Bank, or the customer has broken these terms and conditions or other rules that apply to the business relationship.
- We reasonably believe that maintaining the business relationship could lead to significant financial loss or reputational risk for the Bank, including due to events described in section 8 of these terms and conditions.
- We reasonably believe the business relationship presents a risk of money laundering or terrorist financing. The same applies if the relationship is incompatible with the Bank's risk assessment or falls outside the scope of the Bank's risk appetite in line with the provisions of Act No. 140/2018 on Measures against Money Laundering and Terrorist Financing.
- The customer or a third party have used the products or services of the relevant customer for illegal purposes or in any other way that violates the law.
- If the Bank, on the basis of law or government orders, is obligated to end the business relationship, such as to comply with the Act on Measures against Money Laundering and Terrorist Financing, No. 140/2018.

The Bank is authorised to terminate a general payment account contract under the provisions of the Act on Payment Accounts, No. 5/2023.

In the aforementioned cases, the Bank can end the business relationship and close access to the service without notification in advance. The Bank also reserves the right to terminate business relationships in other cases without notice, for instance, when it concerns a business relationship with legal entities or service agreements not connected to payment services.

If the customer fails to comply with informational requirements, i.e., providing the Bank with an address, residence, phone number or email address, the contract is terminated without notification.

When the Bank ends the entire relationship, it applies to all products and services provided to the customer, including safe deposit boxes.

The Bank is authorised to block accounts should the customer default on payments. Termination may result in the immediate cancellation of overdraft and payment cards.

The Bank can only terminate credit agreements by giving a warning and only as a result of a breach of contract or other defaults, as defined by the terms of the respective agreements. Specific credit agreements are non-terminable under the term provisions or the law. Certain types of credit agreements, for instance, loans with the option of early settlement, authorise the Bank to demand an early settlement fee (as stated in its tariffs) unless there is a clause with an agreed settlement figure.

When the account owner requests the closing of a fixed-term deposit account, it will remain open until maturity.

The Bank is authorised, without giving notice, to close accounts without deposits that have been dormant for more than four years. Likewise, the Bank is authorised to close accounts after debt settlement in debt collection and the depreciation of account debt.

## **12. Foreign trade**

Íslandsbanki cannot be held liable for potential mistakes or negligence on the part of the customer's choice of foreign business partners and their reliability. The same applies to mistakes or negligence of foreign financial undertakings. We advise our customers to exercise prudence and familiarise themselves with the terms and conditions of the respective financial undertaking, the applicable legislation in the relevant jurisdiction and best business practices.

Íslandsbanki's exchange rates apply to all transactions in foreign currencies unless agreed upon otherwise. The nature of the transaction determines the exchange rate used, be it the spot rate, closing rate or a special exchange rate, determined by the Bank.

Regarding exchange rate differences, the customer shall bear the risk unless agreed upon otherwise.

Under the Act on Measures against Money Laundering and Terrorist Financing, No. 140/2018, Íslandsbanki is obligated to confirm the origin of the funds used in transactions with the Bank. Business transactions involving countries on the Central Bank of Iceland's list of high-risk and uncooperative jurisdictions are stopped in the Bank's systems and are subject to special examination. To enable further examination and verify the payments in question, the Bank requires that appropriate information accompany them. Should they be deemed unsatisfactory, the Bank shall call for additional information from either the payee or the payer.

The time of receipt of a payment order is when the Bank receives it. Under the Act on Payment Services No. 114/2021, the Bank may establish a cut-off time on a business day for specific payment transactions beyond which the relevant payment order shall be deemed received on the following business day. The Bank is not regarded as receiving a payment order until all information necessary to make the payment has been submitted. After receiving a payment order in Icelandic krona (ISK) the payment is credited to the payee's payment service provider's account by the end of the following business day at the latest.

Payments in ISK are executed during the opening hours of the Central Bank of Iceland's interbank system, which can be found on the Central Bank's website. If the payment order is in euros the payment is credited to the payee's payment service provider's account by the end of the following business day at the latest, given that it is executed within the European Economic Area and complies with the SEPA scheme requirements. Otherwise, when a payment order in a foreign currency is received it should be credited to the payee's payment service provider's account after five business days at the latest, should there be no special reason to the contrary.

Should the Bank refuse to execute a payment order the customer shall be notified thereof unless otherwise provided for by law. The Bank's refusal to execute a payment order is equivalent to it not being received.

Foreign payments are subject to restrictions that may apply under the Act on Foreign Exchange No. 70/2021, rules under that law and regulations about the information that shall accompany the transfer of funds.

## **13. Electronic information and electronic signatures**

Íslandsbanki is permitted to provide in electronic form to customers all information that the Bank is required to provide, except as otherwise stipulated by law. Signatures effected electronically by the customers are acceptable when doing business with the Bank.

## **14. Voice recordings of telephone calls**

Íslandsbanki reserves the right to record telephone calls for the purpose of verifying their substance. The Bank also reserves the right to use such information in the event of a dispute between parties or in other circumstances, as considered necessary by the Bank. The Bank does not guarantee that all telephone calls will be recorded.

All recording of telephone calls is in compliance with the provisions of legislation on personal data protection. Only certain employees of the Bank have the authority to examine or disclose recordings. Such information will be disclosed only to competent authorities, such as the police, prosecutors, and courts of law, as required for purposes of investigation and proof.

## **15. Surveillance cameras**

Íslandsbanki uses digital cameras (CCTV) for surveillance in its places of business, including ATMs. The use of CCTV is subject to the legislation on personal data protection. Only certain employees of the Bank are authorised to examine or disclose recordings. Such information will be disclosed only to competent authorities, such as the police, prosecutors, and courts of law, as required for purposes of investigation and proof.

## 16. Processing personal information

Íslandsbanki is committed to protecting your information and processes only the personal data necessary to provide financial services, fulfil our contracts and legal duties, ensure security and safeguarding, detect fraud and irregularities, secure the Bank's operations, systems and digital solutions, and for marketing and related services. Personal data is processed in accordance with the Data Protection Act.

Data processing is primarily based on the need to fulfil service agreements under the law, such as the Acts on Financial Undertakings, Measures Against Money Laundering, Mortgages, Consumer Credit, and Accounting. The Bank may also process data for legitimate interests, including marketing, target group analysis, the development of new services and business solutions, and the operation of loyalty programmes for its customers. When applicable, processing is based on customer consent. In certain circumstances, processing may be based on public interest or the urgent interests of individuals or other parties.

The personal data processed by the Bank is obtained ordinarily from individuals in connection with their banking and communication with the Bank. The Bank may also obtain personal data from third parties, including public bodies such as Registers Iceland and partners. Data may also be obtained through the Bank's operations, security, and supervision.

The data is accessible to the Bank's other profit centres, which may operate under different names, such as Ergo, unless the rules on the separation of divisions apply. The data is also shared with the Bank's partners and service and processing providers as necessary. It may also be shared with other entities within Íslandsbanki's consolidated group, if permitted under the Data Protection Act or other applicable laws. Personal data is also shared with supervisory authorities, law enforcement, or other bodies with court rulings or legal authority to request the data. Personal data is also provided upon the individual's request.

Customers consent to the Bank contacting them for marketing purposes via SMS, email, Online Banking, the App, or other electronic means. The Bank uses similar communication methods to notify its customers and evaluate the quality of its services.

Under the Data Protection Act, individuals have various rights, including the right to object to the use of their personal data for marketing purposes and to request a copy of their registered personal data held by the Bank, in accordance with the provisions of the Data Protection Act and Íslandsbanki's rules on the processing of customer information.

The Bank categorises transactions on accounts and cards by merchants' products and services. These categories include groceries, fuel, entertainment, health, travel, housing, and transport. The categorisation is intended to simplify customers' searches for transactions, offer exclusive offers (Fríða), and enable customers to analyse their spending habits if they so choose. This presentation of transactions is based on the legitimate interests of customers and the Bank, but further analysis always requires customer consent. The Bank ensures data security through strong authentication and end-to-end encryption in its source systems.

The emphasis is on classifying merchants as thoroughly as possible, but the Bank cannot guarantee the correct categorisation of all merchants. This classification is based on the available information at any given time and may change. Spending and transaction summaries and saving tips do not constitute financial advice.

Classification of personal data, such as financial transactions available to customers through the Bank's digital solutions, can be presented to customers through any means that enhance usability and transparency, or to fulfil the services available at any given time, provided the requirements for safeguarding data remain unchanged. The Bank may also collect service components and measure service quality to enable customers to join its loyalty programmes.

The processing and safeguarding of personal data shall be necessary for processing purposes and shall comply with applicable laws and regulations.

The Bank adheres to the strictest security measures when processing personal data, and employees and others acting on the Bank's behalf are bound by confidentiality obligations. The Bank has established specific policies on security and privacy; on this basis, strict security measures have been implemented to address physical and technical security, and specific rules for risk assessment have been set.

Customers shall be informed in Íslandsbanki's Privacy Policy of the specific processing of personal data at Íslandsbanki, how to lodge a complaint, and their rights. Customers may also be informed of personal data processing in special terms and conditions that apply to individual products, solutions or services.

## 17. Confidentiality

Íslandsbanki's employees are bound by confidentiality as to any information relating to the Bank's customers' affairs and other customer matters that they may become aware of and which are subject to confidentiality pursuant to the Act on financial undertakings.

However, the Bank may provide information on its customers at their own request or if they have granted their written consent for such disclosure.

Notwithstanding the legal confidentiality obligation to third parties regarding customers' affairs, the Bank is required by law to disclose such information to governmental authorities (e.g., customs, tax and police authorities) in certain circumstances.

Íslandsbanki will provide other financial undertakings with the names and ID numbers of the Bank's customers in cases where they have themselves requested a transfer to an account in another financial undertaking. This disclosure of information serves to enable the recipient to identify the payer.

Anyone who receives information that does not pertain to the recipient, whether it may be by chance, mistake or without express authorisation, is bound by confidentiality of that information and is prohibited to record, transmit or take advantage of such information in any way. The recipient shall delete the information and notify the Bank of the receipt of that information.

## 18. Liability for damage

Íslandsbanki is liable for any damage verifiably suffered by the Bank's customers as a result of errors or negligence on the part of the Bank's employees in the discharge of their functions. Íslandsbanki is not responsible for damage resulting from:

1. Breakdowns in the Bank's communication or computer systems or damage to data files, irrespective of whether the Bank or a third party is responsible for the operation of the systems.
2. Legal requirements, provisions on legal age of maturity or similar provisions, wars or threats of war, insurrections, civil unrest, acts of violence, sabotage, natural disasters, strikes, lockouts, trading bans or embargos, to the extent that such events affect any part of the Bank's operations.
3. Other events of *force majeure*.

The Bank's customers are liable for damage to the Bank that can be attributed to intent, failings or gross negligence on their part.

## 19. Complaints

Should the customers of Íslandsbanki have any suggestions or complaints about the services or alleged mistakes caused by the Bank/employees' faulty execution of the laws and rules, they can raise the issue via:

Our website: [www.islandsbanki.is](http://www.islandsbanki.is)

By letter:

Íslandsbanki  
"Thjonustumal"  
Hagasmári 3  
201 Kópavogur  
Iceland

By telephone: 440-4000

In the nearest Íslandsbanki [branch](#)

All complaints are viewed. We seek to resolve a complaint in writing, or how it was received, within four weeks after it was made. The Bank reserves the right to disregard complaints or communications reasonably regarded as improper, irrelevant or involving threats to employees.

## 20. The Complaints Committee on Transactions with Financial Firms

If the Bank's customers are dissatisfied with the responses or resolutions, they receive from Íslandsbanki they can direct their issues to the Complaints Committee on Transactions with Financial Firms.

Complaints Committee on Transactions with Financial Firms  
Guðrúnartún 1  
105 Reykjavík  
Iceland  
Tel. 578-6500

[fjarmal@nefndir.is](mailto:fjarmal@nefndir.is)

To request a decision from the Committee a special form needs to be completed, which can be accessed on the website [www.nefndir.is/fjarmala/](http://www.nefndir.is/fjarmala/).

See further information on Íslandsbanki's website regarding the processing of complaints and the website [www.nefndir.is/fjarmala/](http://www.nefndir.is/fjarmala/), where information is provided on the types of complaints that the Committee accepts for process.

## **21. Depositors' and Investors' Guarantee Fund**

The purpose of the Act on deposit guarantees and an investor compensation scheme is to guarantee, through the establishment of a Depositors' and Investors' Guarantee Fund, a minimum level of protection for depositors in commercial and savings banks, and for customers engaging in securities trading companies pursuant to law, in the event of solvency difficulties of a financial services organisation.

The Fund is required to pay to the customer a financial services organisation the amount of deposits, securities and cash relating to trading in securities if the organisation is not capable, in the opinion of the Financial Supervisory Authority, to pay the amount claimed by a customer for reimbursement or settlement. Special rules apply regarding the amount for payment if the assets of the Fund are insufficient to pay the total amount of guaranteed deposits, securities, and cash. See further the website of the Depositors' and Investors' Guarantee Fund, [www.tryggingarsjodur.is](http://www.tryggingarsjodur.is).