



# UPDATE ON OFFERING OF SHARES IN ÍSLANDBANKI HF.: BASE VOLUME COVERED

Reykjavík, 13 May 2025, Iceland

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FOR IMMEDIATE RELEASE.

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## UPDATE ON OFFERING OF SHARES IN ÍSLANDBANKI HF.: BASE VOLUME COVERED

The Ministry of Finance and Economic Affairs refers to the announcement by the Ministry, dated 13 May 2025, regarding the launch of an offering of existing shares in Íslandsbanki hf. and the publication of the related prospectus.

Barclays Bank Ireland PLC, Citigroup Global Markets Europe AG, and Kvika banki hf. are acting as Joint Global Co-ordinators and along with ABN AMRO Bank N.V. (in collaboration with ODDO BHF SCA), Arctic Securities AS, Arctica Finance hf., Arion Bank hf., J.P. Morgan SE, Landsbankinn hf. and UBS Europe SE, as Joint Bookrunners in the offering.

The Ministry today announces that the order book of demand is covered and that the Joint Global Coordinators have received orders in excess of the deal size as defined in the announcement of the Offering, published on 13 May 2025. As outlined in the prospectus, the Minister of Finance and Economic Affairs has the authority to allocate additional shares if there is excess demand in the Offering during the Offering Period. Further announcements on the progress of the Offering are expected.

The offer period in respect of the Offering is expected to close on 15 May 2025 at 17:00 GMT.

Capitalised terms used but not otherwise defined in this announcement shall have the meanings set out in the Prospectus, which is available on the Bank's website at [www.islandsbanki.is](http://www.islandsbanki.is) and will remain publicly available on the Bank's website for at least 10 years following the date thereof.

**Important legal information**

This announcement has been issued by and is the sole responsibility of the Ministry of Finance and Economic Affairs. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed by any person for any purpose on the information contained in this announcement or its accuracy, fairness or completeness. The information in this announcement is subject to change without notice.

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In any member state of the European Economic Area, other than Iceland, this announcement and any offer if made subsequently is, and will be, directed only at persons who are “qualified investors” within the meaning of Article 2(e) of Regulation (EU) 2017/1129 and amendments thereto.

In the United Kingdom, this announcement is only being distributed to and is only directed at “qualified investors” within the meaning of Article 2(e) of Regulation (EU) 2017/1129, as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, (a) having professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act (Financial Promotion) Order 2005, as amended (the “Order”); (b) who are high net worth entities described in Article 49(2) (a) to (d) of the Order; or (c) other persons to whom they may lawfully be communicated (all such persons together being referred to as “Relevant Persons”). Any investment or investment activity to which this announcement relates will only be available to and will only be engaged in with Relevant Persons. Any person who is not a Relevant Person should not act or rely on this announcement or any of its contents. This announcement may include statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the current view of Íslandsbanki hf., with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Íslandsbanki hf. business, results of operations, financial position, liquidity, prospects, growth and strategies. Past performance cannot be relied upon as a guide to future performance and should not be taken as a representation that trends or activities underlying past performance will continue in the future. Forward-looking statements speak only as of the date they are made. No representation is made or will be made that any forward-looking statements will come to pass or prove to be correct.

Each of Íslandsbanki hf., as the Bank, the Ministry of Finance and Economic Affairs on behalf of the Treasury of Iceland, Barclays Bank Ireland PLC, Citigroup Global Markets Europe AG, Kvika banki hf., ABN AMRO Bank N.V. (in collaboration with ODDO BHF SCA), Arctic Securities AS, Arctica Finance hf., Arion Bank hf., J.P. Morgan SE, Landsbankinn hf., UBS Europe SE (together, except for the Bank and the Selling Shareholder, the “Managers”) and their respective affiliates as defined under Rule 501(b) of Regulation D of the Securities Act (“affiliates”), directors, officers, employees, advisers and agents, expressly disclaims any obligation or undertaking to update, review or revise any forward looking statement contained in this announcement whether as a result of new information, future developments or otherwise, and the distribution of this announcement shall not be deemed to be any form of commitment on the part of the Selling Shareholder to proceed with the offering or any transaction or arrangement referred to therein. Any purchase of any shares in the proposed offering should be made solely on the basis of information contained in the prospectus which has been issued by the Bank, in connection with the offering. The information in this announcement is subject to change. Before purchasing any shares in the offering, persons viewing this announcement should ensure that they fully understand and accept the risks which have been set out in the prospectus. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. This announcement shall not constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer to buy, whether by subscription or purchase, any shares or any other securities, nor shall it (or any part of it), or the fact of its distribution, form the basis of, or be relied on in connection with, or act as any inducement to enter into, any contract or commitment whatsoever.

Persons considering making investments should consult an authorised person specialising in advising on such investments. This announcement does not form part of or constitute a recommendation concerning any offer. The value of the shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of a possible offer for the person concerned. None of the Selling Shareholder, the Managers or any of their respective affiliates or any of their or their affiliates’ directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for/ or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Bank, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of the announcement or its contents or otherwise arising in connection therewith. Accordingly, each of the Selling Shareholder, the Managers, and any of their respective affiliates and any of their or their affiliates’ directors, officers, employees, advisers or agents expressly disclaims, to the fullest extent possible, any and all liability whatsoever for any loss howsoever arising from, or in reliance upon, the whole or any part of the contents of this announcement, whether in tort, contract or otherwise which they might otherwise have in respect of this announcement or its contents or otherwise arising in connection therewith.

Each of the Managers is acting exclusively for the Selling Shareholder and no-one else in connection with the proposed offering. They will not regard any other person as their respective clients in relation to the proposed offering and will not be responsible to anyone other than the Selling Shareholder for providing the protections afforded to their respective clients, nor for providing advice in relation to the proposed offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the offering, the Managers and any of their respective affiliates, may take up a portion of the shares referred to herein as a principal position and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such shares and other securities of the Bank, or related investments in connection with the offering or otherwise. Accordingly, references in the prospectus, to the shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by the Managers and any of their respective affiliates acting in such capacity. In addition, the Managers and any of their respective affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which they may from time to time acquire, hold or dispose of shares. None of the Managers nor any of their respective affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the shares have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares may decline and investors could lose all or part of their investment; the shares offer no guaranteed income and no capital protection; and an investment in the shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Managers will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares. Each distributor is responsible for undertaking its own target market assessment in respect of the shares and determining appropriate distribution channels.