

**Íslandsbanki hf. announces the termination of its Tender Offers for its
€300,000,000 0.500 per cent. Notes due 20 November 2023 and €300,000,000 Senior Callable Fixed to
Fixed Rate Notes due 19 January 2024**

THIS ANNOUNCEMENT RELATES TO THE DISCLOSURE OF INFORMATION THAT QUALIFIED OR MAY HAVE QUALIFIED AS INSIDE INFORMATION WITHIN THE MEANING OF ARTICLE 7(1) OF THE MARKET ABUSE REGULATION (EU) 596/2014

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9 November 2022. Further to the announcement dated 7 November 2022, Íslandsbanki hf. (the **Offeror**) announces today that it has terminated its separate invitations to holders of its outstanding: (i) €300,000,000 0.500 per cent. Notes due 20 November 2023 (ISIN: XS2259867039) (the **2023 Notes**); and (ii) €300,000,000 Senior Callable Fixed to Fixed Rate Notes due 19 January 2024 (ISIN: XS1755108344) (the **2024 Notes** and, together with the 2023 Notes, the **Notes** and each a **Series**) to tender their Notes for purchase by the Offeror for cash (each such invitation an **Offer** and together the **Offers**).

The purchase of Notes in the Offers was subject to the satisfaction (or waiver) of the New Financing Condition on or prior to the Settlement Date. The Company has today decided to postpone the issue of its previously announced New Notes, and therefore the New Financing Condition is not expected to be satisfied. In accordance with the terms and conditions of the Offers, the Offeror has therefore taken the decision to terminate the Offers today and consequently will not accept any tenders of Notes for purchase. For the avoidance of doubt, the Purchase Prices and the Accrued Interest Payments will not be paid or become payable. Any Notes in respect of which Tender Instructions have been submitted prior to this announcement will be unblocked in the relevant account in the relevant Clearing System.

The Offers were made on the terms and subject to the conditions contained in the Tender Offer Memorandum dated 7 November 2022 (the **Tender Offer Memorandum**). Capitalised terms used but not otherwise defined in this announcement shall have the meanings given to them in the Tender Offer Memorandum.

Barclays Bank Ireland PLC (Telephone: +44 20 3134 8515; Attention: Liability Management Group; Email: eu.lm@barclays.com); **Citigroup Global Markets Europe AG** (Telephone: +44 20 7986 8969; Attention: Liability Management Group; Email: liabilitymanagement.europe@citi.com); **Goldman Sachs Bank Europe SE** (Telephone: +49 69 7532 1615; Attention: Liability Management Group; Email: liabilitymanagement.eu@gs.com) **J.P. Morgan SE** (Telephone: +44 20 7134 2468; Attention: Liability Management; Email: liability_management_EMEA@jpmorgan.com) acted as Dealer Managers for the Offers. **Kroll Issuer Services Limited** (Telephone: +44 20 7704 0880; Attention: Jacek Kusion; Email: islandsbanki@is.kroll.com; Offer Website: <https://deals.is.kroll.com/islandsbanki>) acted as Tender Agent for the Offers.

DISCLAIMER This announcement must be read in conjunction with the Tender Offer Memorandum. No offer or invitation to acquire or sell any securities is being made pursuant to this announcement. The distribution of this announcement and the Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement or the Tender Offer Memorandum comes are required by the Offeror, the Company, the Dealer Managers and the Tender Agent to inform themselves about, and to observe, any such restrictions.

This announcement is released by Íslandsbanki hf. and contains information that qualified or may have qualified as inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (MAR), encompassing information relating to the termination of the Offers described above. For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is made by Jón Guðni Ómarsson, Chief Financial Officer at Íslandsbanki hf.