



20th May 2025

The Republic of Iceland marked a highly successful return to the Capital Markets in 2025 with a new €750 million 5-year bond

Issuer:	Republic of Iceland
Issuer Rating:	A1/A+/A
Size:	EUR750 million
Lead Managers:	Barclays, BNP Paribas, Citi, JP Morgan
Pricing Date:	20 May 2025
Settlement Date:	27 May 2025
Maturity Date:	27 May 2030 (T+4)
Coupon:	2.625%
Spread to mid-swaps:	m/s+42bps
Spread to benchmark:	OBL 2.400% Apr-30 +52.3bps
Re-offer price:	99.783%
Re-offer yield:	2.672%

Transaction Summary

- On Tuesday, 20th May 2025, the Republic of Iceland, rated A1 /A+ /A (stab/stab/stab) successfully returned to the Euro debt capital markets with a new EUR750 million benchmark due 27th May 2030.
- The transaction was priced with minimal new issue concession at m/s+42bps, equivalent to a spread of 52.3bps vs the OBL 2.400% Apr-30, whilst amassing over EUR4.3 billion of high-quality orders. This represents the largest conventional orderbook on record for the Republic.
- Joint lead managers for the new issue were Barclays, BNP, Citi and JP Morgan.

Pricing and Execution:

- On 19th May 2025 at 09:23 UKT, the mandate was announced for a new 5-year Euro-denominated benchmark with 1-on-1 investor calls held with representatives of the Republic throughout the day. The Republic of Iceland concurrently announced an any-and-all tender offer for its EUR500 million 0.625% Notes due 3 June 2026, expiring 5.00pm CEST on Friday, 23rd May 2025.
- Following positive investor engagement overnight, initial guidance was released to the market the following day at 08:14 UKT at m/s+50bps area. With orders accelerating in excess of EUR2.8 billion (excl. JLM interest), the Republic revised guidance 5bps tighter to m/s+45bps area (+/- 3bps WPIR) at 10:35 UKT. The high-quality demand supported setting the final size at this stage which was communicated at EUR750 million.
- At 11:17 UKT, the high-quality orderbook surpassed EUR3.6 billion (excl. JLM interest) which enabled the spread to be set at m/s+42bps. This represented minimal new issue premium vis-à-vis the issuers EUR curve.
- Books officially closed at 11:45 UKT with orders above EUR4.3 billion (excl. JLM interest). This represents the largest conventional ICELND orderbook on record, with only the inaugural Green 10-year ICELND benchmark due Mar-34 attracting higher total demand.

- At 14:05 UKT, the new EUR750 million 2.625% May 2030 ICELND benchmark was priced at m/s+42bps with a re-offer yield of 2.672% p.a.

Distribution:

- This transaction confirms the strong investor demand for the Republic of Iceland's credit in the international investor community, with a wide range of investors participating across the United Kingdom and Europe. Accounts from Germany / Austria / Switzerland received 25% of the allocations, Nordics 21%, UK 16%, Southern EU 13%, Benelux 11%, France 8% and 6% to Others.
- By investor type, Fund Managers led the book with 53% of allocations, followed by Central Banks / Official Institutions with 17%, while Banks received 17% and Insurance / Pensions took 12%. Hedge Funds rounded out the remainder of the book with 1% allocation.