Press Release
10 October 2025 15:41:00 GMT

Íslandsbanki hf.: Íslandsbanki enters a market making agreement for covered bonds

Íslandsbanki hf. has signed market-making agreements with Arion bank hf., Kvika hf., and Landsbankinn regarding covered bonds issued by Íslandsbanki on NASDAQ Iceland.

The purpose of the agreements is to stimulate trading in the bonds in order to generate normal market prices and to foster effective and transparent price formation.

The market makers will place bid and ask orders for the bonds every day. The minimum nominal amount of orders shall be based on the size of each series in accordance with the following table:

Size of series (ISK bn)	Minimum order size (ISKm)	
	Non index-linked series	Index-linked series
0 - 3	0	0
3 – 5	20	20
5 – 10	60	40
Yfir 10	80	40

Individual market makers are released from their obligations on a particular trading day once the trading volume (specified as "Standard") of that particular market maker totals ISK 500m for all series of covered bonds issued by Íslandsbanki.

The maximum bid-ask spread depends on the number of years to maturity at any given time in accordance with the table below:

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Years to maturity	**Maximum spread series** Non index-linked series	**Maximum spread series** Index-linked series
0 - 6 months	No maximum	No maximum
6 months - 2 years	0.20%	No maximum
2 - 4 years	0.30%	0.30%
4 - 6 years	0.35%	0.35%
6 - 9 years	0.60%	0.60%
9 -12 years	0.70%	0.70%
12 - 18 years	1.00%	1.00%
Over 18 years	1.15%	1.15%

Series issued on a floating rate basis, such as REIBOR or other equivalent public interest rate indexes shall have a maximum bid-ask spread of 0.20%.

Íslandsbanki pays the market makers commission and will provide them with bond lending facilities. The maximum loan in each series of covered bonds shall be ISK 320 million at nominal value.

For further information please contact:
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Attachments
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