



Press Release

03 October 2023 16:00:00 GMT

Arion Bank enters a market making agreement for its covered bonds

Arion Bank has entered into market making agreements with Íslandsbanki, Kvika and Landsbankinn on covered bonds issued by Arion Bank on Nasdaq Iceland hf.

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

The market makers will submit bids and asks for the bonds every day. The minimum amount at nominal value for bond series shall generally be ISK 80 million. The bond series ARION CBI 29, ARION CBI 26, ARION CBI 25 and ARION CBI 48 are not subject to aforementioned condition. The minimum amount shall be ISK 40 million for bond series ARION CBI 29, ARION CBI 26, ARION CBI 25 and ISK 20 million for bond series ARION CBI 48. Market makers are not obliged to submit bids and asks for new bond series until the series has reached ISK 3 billion and the minimum bid /ask size shall be ISK 20 million until the series has reached ISK 5 billion, when the minimum shall increase to ISK 60 million until the series has reached ISK 10 billion and then the minimum shall be ISK 80 million.

The maximum bid-ask spread depends on the number of years to maturity at any given time, cf. table below:

Years to maturity	Maximum spread Non indexed bonds	Maximum spread Indexed linked bonds
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%



>18 years	1.15%	1.15%
-----------	-------	-------

An exemption is made from the maximum bid-ask spread requirement in the table above for indexed-linked series with less than 2 years to final maturity and non-indexed bonds with less than 6 months to maturity. Market makers are nonetheless required to submit bids and asks for these series, but the maximum bid-ask spread requirement is not applicable.

Arion Bank pays the market makers commission and will provide them with bond lending facilities.

For any further information please contact:

Theodór Friðbertsson, Head of Investor Relations at Arion Bank, ir@arionbanki.is, tel. +354 856 6760 or Eirikur Dor Jonsson, Head of Treasury at Arion Bank, eirikur.jonsson@arionbanki.is, tel. +354 856 7171

Attachments

[Arion Bank enters a market making agreement for its covered bonds](#)