



Press Release  
06 October 2025 00:34:00 GMT

## Íslandsbanki hf.: Íslandsbanki initiates merger discussions with Skagi hf.

**The Board of Directors of each of Íslandsbanki hf. (the Bank) and Skagi hf. (Skagi) have approved the initiation of formal merger discussions between the two companies, and a head of terms to that effect has been signed by both parties.**

According to the term sheet for Skagi's operations to be merged with Íslandsbanki, and Skagi's shareholders will receive a total of 323,859,440 new shares in Íslandsbanki in exchange for their shares in Skagi, which corresponds to around 15% of the issued share capital in the merged entity. The CEO of the merged entity will be Jón Guðni Ómarsson, CEO of Íslandsbanki.

Both parties see numerous opportunities in the merger of the companies and have expressed their desire for external growth and believe that there are various opportunities in the integration of the financial market, which can create significant value for the merged entity, its customers, and other stakeholders. There are several opportunities in the increased integration of banking services for individuals and companies with insurance activities, with the aim of improving the quality and efficiency of services. Both companies have strong asset management operations, which form the basis for continued growth in that market. Additionally, the Bank believes that a merger with Skagi will further strengthen Íslandsbanki's leading investment banking position. The merger is also assumed to include benefit in the form of synergies, with direct annual synergies estimated to be in the range of ISK 1.8-2.4 billion.

The Board of Directors of Íslandsbanki believes this is a favourable transaction for Íslandsbanki's shareholders in line with the Bank's strategy on profitable growth. It increases the diversity of the Bank's revenue generation and the weight of fee income. Furthermore, it is expected that the planned changes to the capital requirements of financial institutions with the implementation of CRR3 will lead to more efficient use of capital. Overall, Íslandsbanki believes that the merger will further support the increased profitability of the merged entity. Additionally, the merged entity will continue to have significant excess capital, which creates further growth opportunities.

The parties plan to hold discussions in the coming weeks and will provide information on the progress of the matter when appropriate and in accordance with the Bank's statutory information obligations.

*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 merger discussions described above. For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is made by Ellert Hlöðversson, CFO of Íslandsbanki hf.*



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**Attachments**

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