

THIS DOCUMENT 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.

NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES OR TO ANY U.S. PERSON (AS DEFINED IN REGULATIONS OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED) OR IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO RELEASE, PUBLISH OR DISTRIBUTE THIS DOCUMENT

Íslandsbanki hf.

Tender Information Document in respect of a tender offer for outstanding SEK and NOK notes due in 2024

Íslandsbanki hf. (the “Issuer” or “Íslandsbanki”) is offering holders (the “Holders”) of certain of the Issuer’s outstanding SEK senior unsecured floating rate notes and the NOK senior unsecured fixed and floating rate notes outlined below (the “Notes”) to tender any and all of the Notes for purchase by the Issuer for cash (the “Tender Offer”) at the terms set out below. The Issuer has appointed Skandinaviska Enskilda Banken AB (publ) (“SEB”) to act as dealer manager (the “Dealer Manager”) in connection with the Tender Offer.

Purchase Spread

Subject to the applicable minimum denomination in respect of the Notes, the Issuer offers to purchase any and all of the Notes at the purchase spreads set out below (the “Purchase Spread”).

Description of the Notes / ISIN / Minimum Denomination / Purchase Spread

SEK 250,000,000 FRN due March 2024 / XS2325364110 / SEK 2,000,000 / DM + 110bps

SEK 200,000,000 FRN due July 2024 / XS2361673218 / SEK 2,000,000 / DM + 130bps

SEK 800,000,000 FRN due November 2024 / XS2557201394 / SEK 2,000,000 / DM + 140bps

NOK 400,000,000 FIXED due January 2024 / NO0010842396 / NOK 1,000,000 / MS + 30bps

NOK 150,000,000 FRN due March 2024 / NO0010964836 / NOK 2,000,000 / DM + 110bps

NOK 475,000,000 FRN due July 2024 / NO0011042269 / NOK 2,000,000 / DM + 130bps

The Issuer will also pay an amount equal to any accrued and unpaid interest on the Notes on the Settlement Date (as defined below) in accordance with the terms and conditions of the Notes.

Deadline

The Tender Offer expires at 12:00 CET on 4 December 2023, unless extended, re-opened, withdrawn or terminated at the sole discretion of the Issuer (“Expiration Date”). Pricing of the Tender Offer is expected to occur at or around 13:00 CET on 4 December 2023.

Settlement of the Tender Offer is expected to occur with settlement T+2 business days from the expiration date of the Tender Offer (“Settlement Date”).

The Issuer intends to cancel any Notes purchased pursuant to the Tender Offer. The Issuer will announce final results of the Tender Offer as soon as practically possible following the Expiration Date.

Participation

Only Holders who are clients of, and can execute a secondary trade upon settlement with SEB with all required know your customer (KYC) and similar documentation in place to the satisfaction of the Dealer Manager may participate in this Tender Offer and Holders must contact the Dealer Manager to participate in the Tender Offer.

Holders should consult their own tax, accounting, financial and legal advisers regarding the suitability to themselves of the tax, accounting, financial, legal and regulatory consequences of participating in the Tender Offer.

Holders who do not participate in the Tender Offer, or whose Notes are not accepted for purchase by the Issuer, will continue to hold their Notes subject to the terms and conditions of the Notes. The Issuer reserves its right to cancel, amend or extend the Tender Offer at any time.

To participate in the Tender Offer please contact the Dealer Manager at the details below.

Contact Information

Dealer Manager

Skandinaviska Enskilda Banken AB (publ)

Telephone: +44 7818 426 149

Email: liabilitymanagementdcm@seb.se

The Issuer

Islandsbanki hf.

Investor Relations

Email: ir@islandsbanki.is

DISCLAIMER

This announcement contains important information which should be read carefully before any decision is made with respect to the Tender Offer. If any holder is in any doubt as to the action it should take or is unsure of the impact of the Tender Offer, it is recommended to seek its own financial and legal advice, including as to any tax consequences, from its stockbroker, bank manager, solicitor, accountant or other independent financial or legal adviser. Any holder whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee or intermediary must contact such entity if it wishes to tender such Notes pursuant to the Tender Offer. Neither the Issuer nor the Dealer Manager nor their respective directors, employees or affiliates makes any recommendation as to whether holders of Notes should tender Notes for purchase pursuant to the Tender Offer.

This announcement does not constitute an invitation to participate in the Tender Offer in any jurisdiction in which, or to any person to or from whom, it is unlawful to make such invitation or for there to be such participation under applicable securities laws. The distribution of this announcement in certain jurisdictions may be restricted by law. Persons into whose possession this announcement comes are required by each of the Issuer and the Dealer Manager to inform themselves about and to observe any such restrictions.

United States

The Tender Offer is not being made and will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States or to any U.S. Person (as defined in Regulation S of the

United States Securities Act of 1933, as amended (each a "U.S. Person")). This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. Accordingly, copies of this announcement and any other documents or materials relating to the Tender Offer are not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to a U.S. Person and the Notes cannot be tendered in the Tender Offer by any such use, means, instrumentality or facility or from or within or by persons located or resident in the United States or by any U.S. Person. Any purported tender of Notes in the Tender Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of Notes made by a person located in the United States, a U.S. Person, by any person acting for the account or benefit of a U.S. Person, or by any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

Each holder of Notes participating in the Offer will be deemed to represent that it is not a U.S. Person, it is not located in the United States and is not participating in the Tender Offer from the United States, or it is acting on a nondiscretionary basis for a principal located outside the United States that is not giving an order to participate in the Tender Offer from the United States and who is not a U.S. Person. For the purposes of this and the above paragraph, "United States" means the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the District of Columbia.

United Kingdom

The communication of this announcement and any other documents or materials relating to the Tender Offer is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000, as amended. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order")) or any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order.

General

Neither this announcement nor the electronic transmission thereof constitutes an offer to buy or the solicitation of an offer to sell Notes (and tenders of Notes for purchase pursuant to the Tender Offer will not be accepted from holders) in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require the Tender Offer to be made by a licensed broker or dealer and the Dealers Manager or any of their affiliates are such a licensed broker or dealer in any such jurisdiction, the Tender Offer shall be deemed to be made by such affiliate, as the case may be, in such jurisdiction.

This document 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 Tender Offer 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.