



Press Release
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Íslandsbanki hf.: Approval of a resolution plan and a decision on the minimum requirement of own funds and eligible liabilities (MREL) for Íslandsbanki hf.

In accordance with the Act on Resolution of Credit Institutions and Investment Firms, no. 70 /2020 (the Act), institutions to which the Act applies must always meet a minimum requirement for own funds and eligible liabilities (MREL), cf. Article 17(1). The MREL must be met with regard to the total risk exposure amount (TREA) and the total exposure measure (TEM). Moreover, part of the MREL must be subordinated, i.e. ranking lower in the order of claims than liabilities excluded from bail-in. The decision on the MREL is made by the Resolution Authority of the Central Bank of Iceland (the Resolution Authority) in relation to its annual review and update of the resolution plan.

The Resolution Authority announced today that a resolution plan had been approved for Íslandsbanki hf. (the Bank) and thereby an MREL for the Bank. According to the decision of the Resolution Authority, the MREL-TREA for the Bank is 18.8% and MREL-TEM is 6.0%. The subordinated part of the Bank's MREL is equivalent to 13.5% of TREA and the deadline for the Bank to meet the subordinated part of MREL is 4 October 2027. The decision applies from the date of the announcement. The Bank is considered to fulfil the MREL from the outset.

MREL is published irrespective to the value of the combined buffer requirement, which must be met in parallel with MREL-TREA and the requirement for subordination, cf. chapter 4 of the MREL Policy of the Resolution Authority. By taking into account the Bank's combined buffer requirement as at 30 June 2025 the MREL-TREA for the Bank is 28.7% and the subordinated part of the Bank's MREL is equivalent to 23.4% of TREA.

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Attachments

[**Íslandsbanki hf.: Approval of a resolution plan and a decision on the minimum requirement of own funds and eligible liabilities \(MREL\) for Íslandsbanki hf.**](#)