



Press Release  
12 October 2023 15:55:00 GMT

## Islandsbanki hf.: Islandsbanki 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.

As of 16 October 2023 the market makers will daily place bid and ask orders for the bonds in accordance with the contract.

The minimum nominal amount of orders shall be based on the size of each series in accordance with the following:

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
Over 10	80	40

Individual market makers are released from their obligations on a particular trading day once the trading volume (specified as "AUTO") 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.

**For further information please contact:**

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**About Íslandsbanki**

With a history that dates from 1875, Íslandsbanki is an Icelandic universal bank with a strong customer focus. The Bank believes in moving Iceland forward by empowering its customers to succeed - reflecting a commitment to run a solid business that is a force for good in society. Driven by the corporate vision to create value for the future with excellent service, Íslandsbanki's banking model is led by three business divisions that build and manage relationships with its customers. Íslandsbanki maintains a strong market share with the most efficient branch network in the country, supporting at the same time its customers' move to more digital services. The Bank operates in a highly attractive market and, with its technically strong foundations and robust balance sheet, is well positioned for the opportunities that lie ahead. Íslandsbanki has an A3 rating from Moody's Investor Services and a BBB/A-2 rating from S&P Global Ratings. The Bank's shares are listed on Nasdaq Iceland Main Market.

**Attachments**

[Íslandsbanki hf.: Íslandsbanki enters a market making agreement for covered bonds](#)