



Press Release

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Arion Bank: Launch of Share Buy-Back Program

As previously announced in a press release on 7 October 2021, the Financial Supervisory Authority of the Central Bank of Iceland has authorized Arion Bank to initiate share buy-back programs in Iceland and Sweden amounting up to a total of 54,490,370 shares or up to ISK 10 billion, representing around 3.28% of share capital. Own shares will therefore be up to 10% of issued shares. The purpose of the share buy-back is to reduce the Bank's share capital (in line with the Bank's Dividend Policy).

As authorized by the Board of Directors of the Bank, the management has now decided to launch 50% of authorized buy-backs on 28 October 2021. Arion Bank will thus purchase up to 27,245,185 shares for the total amount of up to ISK 5 billion, representing 1.64% of the Bank's share capital (the Program).

The Program will be managed by Íslandsbanki hf. with respect to both the Icelandic and Swedish markets. The Program will be launched on 28 October 2021. Íslandsbanki will act and make trading decisions independently and without influence from the Bank with regards to the timing of purchases. The Program will end no later than 16 March 2022. However, the Bank retains the right to discontinue the Program at any time.

The Bank may purchase up to 27,245,185 shares/SDRs in total under the Program, corresponding to 1.64% of its current issued share capital. The repurchase authorization will be divided between the Icelandic and Swedish markets. Consequently, up to 544,904 SDRs may be repurchased in Sweden, corresponding to 0.03% of the current issued capital, and up to 26,700,281 shares repurchased in Iceland, corresponding to 1.61% of the Bank's current issued capital. The total consideration for purchased SDRs shall not exceed ISK 100,000,000 in Sweden and ISK 4,900,000,000 for purchased shares in Iceland (ISK 5,000,000,000 total). The Bank currently holds a total of 111,509,630 own shares and SDRs representing around 6.72% of issued shares.

The daily volume limit on each market will be 25% of the average daily trading volume of the Bank's SDRs or shares on Nasdaq Stockholm and Nasdaq Iceland during the 20 trading days preceding the date of the purchase. On Nasdaq Stockholm purchases may only be effected through orders within the band of prices applying on Nasdaq Stockholm. The range of prices pertains to the range between the highest purchase price (best bid) and the lowest selling price (best offer) prevailing and disseminated by Nasdaq Stockholm from time to time, in accordance with Part H of Supplement D of the Nasdaq Nordic Main Market Rulebook for Issuers of Shares, effective as from 1 February 2021. On Nasdaq Iceland the purchase price shall not be higher than the price of the last



independent trade or the highest current independent bid, whichever is higher, on Nasdaq Iceland in accordance with Icelandic regulation No. 630/2005. Transactions under the Program shall be publicly disclosed in accordance with applicable law and regulation in Iceland and Sweden respectively.

The Program will be carried out in accordance with applicable law and regulation in Iceland and Sweden, as the case may be, including Regulation No. 596/2014 of the European Parliament and of the Council on market abuse ("MAR"), Commission delegated regulation (EU) 2016/1052 of 8 March 2016, Icelandic acts on limited liability companies, No. 2/1995 and on securities transactions, No. 108/2007, Icelandic regulation on insider information and market manipulation, No. 630/2005 and act on measures against market manipulation no. 60/2021.

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Attachments

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