

**THIS DOCUMENT IS AN UPDATE OF THE FINAL TERMS DATED 7 MARCH 2022 SOLELY FOR THE PURPOSES OF ADMISSION TO TRADING OF A PRINCIPAL AMOUNT OF ISK 1,020,000,000 OF THE COVERED BONDS OF THE TRANCHE WHICH WERE PREVIOUSLY HELD BY THE ISSUER (OR TO OR FOR THE ACCOUNT OR BENEFIT OF THE ISSUER)**

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Covered Bonds are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended) (the **PRIPs Regulation**) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Covered Bonds are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the **EUWA**); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act, 2000 (as amended, **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 (as amended) as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended) as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**MiFID II product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in [MiFID II/Directive 2014/65/EU (as amended) (**MiFID II**)]; and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. [*Details of any negative target market to be included if applicable*]. Any person subsequently offering, selling or recommending the Covered Bonds (a **distributor**) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.

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28 February 2025

**FINAL TERMS**

**ÍSLANDSBANKI HF.**

**Legal entity identifier (LEI): 549300PZMFIQR79Q0T97**

**Issue of ISK 10,000,000,000 Floating Rate Covered Bonds under the ISK 270,000,000,000 Covered Bond Programme (which is now known as the €4,000,000,000 European Covered Bond (Premium) Programme)**

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Covered Bonds set forth in the Base Prospectus dated 30 June 2021 (the **Conditions**). This document constitutes the Final Terms of the Covered Bonds described herein for the purpose of Regulation (EU) 2017/1129 (as amended, the **Prospectus Regulation**) and must be read in conjunction with the (i) Conditions and (ii) the base prospectus dated 3 May 2024 (as supplemented by the supplements to it dated 10 June 2024, 29 July 2024, 24 October 2024 and 18 February 2025, the **Base Prospectus**) to obtain all the relevant information. The Base Prospectus and the supplements have been published on the website of the Issuer at <https://www.islandsbanki.is/en/product/about/funding> and on the website of Euronext Dublin at <https://live.euronext.com/en/markets/dublin> and copies may be obtained during normal business hours from the registered office of the Issuer at Hagasmári 3, 201 Kópavogur, Iceland and from the offices of the Fiscal Agent at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, England.

- 1. Issuer: Íslandsbanki hf.
  
- 2. i Series Number: 15
  
- ii Tranche Number: 1
  
- iii Series which Covered Bonds will be consolidated and form a single Series with: Not Applicable
  
- iv Date on which the Covered Bonds will be consolidated and form a single Series with the Series specified above: Not Applicable
  
- v Trade Date: Not Applicable

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3. **Specified Currencies:** or ISK
4. **Aggregate Nominal Amount:**
  - i Series: 10,000,000,000
  - ii Tranche: 10,000,000,000
5. **Issue Price:** 100 per cent. of the Aggregate Nominal Amount
6. **Specified Denominations:** ISK 20,000,000
7.
  - i Issue Date: 10 March 2022
  - ii Interest Commencement Issue Date  
Date:
8.
  - i Maturity Date: 10 May 2027
  - ii Extended Maturity Date: Applicable  
The Extended Maturity Date is 10 May 2030
9.
  - i Interest Basis to Maturity Date: 1-month REIBOR +0,40% Floating Rate
  - ii Interest Basis from Maturity Date to Extended Maturity Date: 1-month REIBOR + 0,40% Floating Rate
10. **Redemption/Payment Basis:** Redemption at par
  - i Payment Basis: Not Applicable
  - ii Instalment Amounts: Not Applicable
  - iii Instalment Dates: Not Applicable
11. **Change of Interest Basis or Redemption/Payment Basis:** Not Applicable

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12. **Call Option:** Not Applicable

13. **Status of Covered Bonds:** Senior

14. **Approval for issuance of the Covered Bonds:**

Date of Board approval for issuance of Covered Bonds obtained: 1 December 2021

15. **Method of distribution:** Non-syndicated

**PROVISIONS RELATING TO INFLATION LINKED ANNUITY COVERED BONDS**

16. **Inflation Linked Annuity Covered Bonds:** Not Applicable

**PROVISIONS RELATING TO INFLATION LINKED EQUAL PRINCIPAL PAYMENT COVERED BONDS INCLUDING COVERED BONDS WITH ONE PAYMENT OF PRINCIPAL ON MATURITY DATE**

17. **Inflation Linked Equal Principal Payment Covered Bonds:** Not Applicable

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

18. **Fixed Rate Covered Bond Provisions:** Not Applicable

19. **Floating Rate Covered Bond Provisions:** Applicable

i Specified Period(s)/Specified Interest Payment Dates: The 10th day in every month each year up to and including the Maturity Date. First Interest Payment Date being 10 April 2022.

ii Business Day Convention: Modified Following Business Day Convention

iii Additional Business Centre(s): Reykjavík

iv Party responsible for calculating the Rate of Interest and Interest Amount: Issuer

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|      |   |   |
|------|---|---|
| v    | Screen Rate Determination:                              |   |
|      | ▪ Reference Rate:                                       | Reference Rate: 1-month REIBOR  |
|      | ▪ Interest Determination Date(s):                       | Two business days prior to the start of each Interest Period  |
|      | ▪ Relevant Screen Page:                                 | <a href="https://www.cb.is/other/key-interest-rate/">https://www.cb.is/other/key-interest-rate/</a> |
|      | ▪ Calculation Method:                                   | Not Applicable  |
|      | ▪ Observation Method:                                   | Not Applicable  |
|      | ▪ Observation Look-back Period:                         | Not Applicable  |
|      | ▪ D:  | Not Applicable  |
| vi   | Margin(s) to Maturity Date:                             | 0,40% per cent. per annum   |
| vii  | Margin(s) from Maturity Date to Extended Maturity Date: | 0,40% per cent. per annum   |
| viii | Minimum Rate of Interest:                               | Not Applicable  |
| ix   | Maximum Rate of Interest:                               | Not Applicable  |
| x    | Day Count Fraction:                                     | Actual/360  |
| 20.  | <b>Zero Coupon Covered Bond Provisions:</b>             | Not Applicable  |

**PROVISIONS RELATING TO REDEMPTION**

|     |  |                |
|-----|--|----------------|
| 21. | <b>Issuer Call:</b>                                  | Not Applicable |
| 22. | <b>Final Redemption Amount of each Covered Bond:</b> | Not Applicable |

**GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS**

|     |                                 |    |
|-----|---------------------------------|----|
| 23. | <b>New Global Covered Bond:</b> | No |
|-----|---------------------------------|----|

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24. **Form of Covered Bonds:** VS System Covered Bonds
25. **Additional Financial Centre(s) or other special provisions relating to Payment Days:** Not Applicable
26. **Talons for future Coupons or Receipts to be attached to definitive Covered Bonds (and dates on which such Talons mature):** No
27. **Details relating to partly paid Covered Bonds: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Covered Bonds and interest due on late payment:** Not Applicable
28. **Details relating to Instalment Covered Bonds:**
- i Instalment Amount(s): Not Applicable
- ii Instalment Date(s): Not Applicable

#### **DISTRIBUTION**

- 29.
- i If syndicated, names of Managers: Not Applicable
- ii Stabilisation Manager (if any): Not Applicable
30. If non-syndicated, name of relevant Dealer: Íslandsbanki hf.
31. Additional selling restrictions: Not Applicable

#### **LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Covered Bonds described herein pursuant to the ISK 270,000,000,000 Covered Bond Programme (which is now known as the €4,000,000,000 European Covered Bond (Premium) Programme) of Íslandsbanki hf.

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**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:

*Duly authorised*

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**PART B – OTHER INFORMATION**

**1. LISTING**

- i Listing: Nasdaq Iceland
- ii Admission to trading: Application has been made for the Covered Bonds to be admitted to trading on Nasdaq Iceland from the issue date or, in the case of the ISK 1,020,000,000 in principal amount of the Covered Bonds of the Tranche previously held by the Issuer (or to or for the account or benefit of the Issuer), from the date of these Final Terms.

**2. RATINGS**

Not Applicable

**3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

Save for any fees payable to the Dealer, so far as the Issuer is aware, no person involved in the issue of the Covered Bonds has an interest material to the issue.

**4. USE OF PROCEEDS, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

- i Use of proceeds: For general funding purposes of the Issuer
- ii Estimated net proceeds: ISK 9,999,150,000
- iii Estimated total expenses: ISK 850,000

**5. YIELD** (*Fixed Rate Covered Bonds only*)

Indication of yield: Not Applicable

**6. HISTORIC INTEREST RATES** (*Floating Rate Covered Bonds Only*)

Not Applicable

**7. PERFORMANCE OF CPI, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING** (*Inflation Linked Annuity Covered Bonds and Inflation Linked Equal Principal Payment Covered Bonds Only*)



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The general cash-flow of the Covered Bonds is determined in real terms on the Issue Date. The nominal value of each future payment depends on the development of the CPI as demonstrated by the formula in paragraph 16 and 17 of Part A of this Final Terms.

Information about the CPI can be accessed free of charge on the website of Statistics of Iceland, <https://www.statice.is/statistics/economy/prices/consumer-price-index/>.

**8. OPERATIONAL INFORMATION**

- |      |   |                                 |
|------|---|---------------------------------|
| i    | ISIN Code:  | IS0000033900                    |
| ii   | Common Code:  | 000003390                       |
| iii  | CFI Code:   | D-B-V-S-F-R                     |
| iv   | FISN Code:  | ISLANDSBANKI HF/VAR BD 20270510 |
| v    | Any clearing system(s) other than Euroclear Bank S.A./N.V. or Clearstream Banking, société anonyme and the relevant identification number(s): | Nasdaq CSD Iceland hf.          |
| vi   | Delivery:   | Delivery against payment        |
| vii  | Names and addresses of additional Paying Agent(s) (if any):   | Not Applicable                  |
| viii | Intended to be held in a manner which would allow Eurosystem eligibility:   | No                              |