

FINAL TERMS

THESE AMENDED AND RESTATED FINAL TERMS HAVE BEEN CREATED SOLELY AS A MATTER OF RECORD TO RECORD THE CURRENT FINAL TERMS OF THE COVERED BONDS AS AMENDED WITH EFFECT FROM [●] 2023 BY A SUPPLEMENTAL AGENCY AGREEMENT DATED [●] 2023 (THE "SUPPLEMENTAL AGENCY AGREEMENT"). NO OFFER OF ANY OF THE COVERED BONDS IS BEING MADE BY THE ISSUER (AS DEFINED BELOW) PURSUANT TO THIS DOCUMENT OR OTHERWISE AND THE ISSUER DOES NOT ACCEPT ANY ADDITIONAL OBLIGATIONS TO COVERED BONDHOLDERS IN RELATION TO THIS DOCUMENT.

AMENDED AND RESTATED FINAL TERMS

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES.

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 **PRIIPs 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 PRIIPs 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 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; and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a **distributor**) should take into consideration the manufacturers' 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 manufacturers' target market assessment) and determining appropriate distribution channels.

16 September 2022 (as amended and restated on [●] 2023)

754171426.5

ÍSLANDSBANKI HF.

Legal entity identifier (LEI): 549300PZMFIQR79Q0T97

Issue of €300,000,000 Series 2022-2 3.000% Covered Bonds due 20 September 2027 under the €2,500,000,000 Covered Bond Programme

(which is, as at the date of the Amended and Restated Final Terms, is referred to 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 Conditions set forth in the Base Prospectus dated 8 April 2022 (the **Base Prospectus**) as supplemented by the supplement to it dated 6 September 2022 which together constitute a base prospectus for the purposes of Regulation (EU) 2017/1129 (as amended, the **Prospectus Regulation**). By virtue of a supplemental agency agreement dated [●] 2023 amongst the Issuer, the Fiscal Agent and the other parties thereto, the Conditions have been modified (the Amended Conditions). This document constitutes the Final Terms of the Covered Bonds described herein for the purpose of the Prospectus Regulation and must be read in conjunction with the Base Prospectus as so supplemented and the Amended Conditions in order to obtain all the relevant information. The Base Prospectus and the supplement 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:	2
	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:	12 September 2022
3.	Specified Currency or Currencies:	Euro (€)
4.	Aggregate Nominal Amount:	

i Series: €300,000,000

ii Tranche: €300,000,000

5. **Issue Price:** 99.936 per cent. of the Aggregate Nominal Amount

6. **Specified Denominations:** €100,000 and integral multiples of €1,000 in excess thereof.

7.

i Issue Date: 20 September 2022

ii Interest Commencement Date: Issue Date

8.

i Maturity Date: 20 September 2027

ii Extended Maturity Date: Applicable
The Subject to Condition 9.11, the Extended Maturity Date is 20 September 2028

9.

i Interest Basis to Maturity Date: 3.000 per cent. Fixed Rate

ii Interest Basis from Maturity Date to Extended Maturity Date: 1 month EURIBOR +0.700 per cent. Floating Rate

10. **Redemption/Payment Basis:** Subject to any purchase and cancellation or early redemption, the Covered Bonds will be redeemed on the Maturity Date or Extended Maturity Date (as applicable) at 100 per cent. of their nominal amount.

11. **Change of Interest Basis or Redemption/Payment Basis:** In accordance with paragraph 9 and paragraph 18.

12. **Call Option:** Not Applicable

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

Date of Board approval for issuance of Covered Bonds obtained: 28 July 2022

14. **Method of distribution:** Syndicated

Provisions relating to Inflation Linked Annuity Covered Bonds

15. **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

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

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17. **Fixed Rate Covered Bond Provisions:** Applicable

i	Rate(s) of Interest to Maturity Date:	3.000 per cent. per annum payable annually in arrear
ii	Rate(s) of Interest from Maturity Date to Extended Maturity Date:	See paragraphs 9 and 18
iii	Interest Payment Date(s):	20 September in each year up to and including the Maturity Date
iv	Day Count Fraction:	Actual/Actual (ICMA)
v	Determination Date(s)	20 September in each year
vi	Other terms relating to the method of calculating interest for Fixed Rate Covered Bonds:	None

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

i	Specified Period(s)/Specified Interest Payment Dates:	20th day of each month, from and excluding the Maturity Date, to and including the Extended Maturity Date
ii	Business Day Convention:	Following Business Day Convention
iii	Additional Business Centre(s):	None
iv	Manner in which the Rate of Interest and Interest Amount is to be determined:	Screen Rate Determination
v	Party responsible for calculating the Rate of	Fiscal Agent

	Interest and Interest Amount:	
vi	Screen Rate Determination:	
	▪ Reference Rate, Relevant Time and Relevant Financial Centre:	Reference Rate: 1 month EURIBOR Relevant Time: 11:00am in the Relevant Financial Centre Relevant Financial Centre: Brussels
	▪ Interest Determination Date(s):	Second day on which the TARGET2 System is open prior to the start of each Interest Period.
	▪ Relevant Screen Page:	Reuters EURIBOR 01
	▪ Calculation Method:	Not Applicable
	▪ Observation Method:	Not Applicable
	▪ Observation Look-back Period:	Not Applicable
	▪ D:	Not Applicable
vii	ISDA Determination:	Not Applicable
viii	Margin(s) to Maturity Date:	Not Applicable
ix	Margin(s) from Maturity Date to Extended Maturity Date:	+0.700 per cent. per annum
x	Minimum Rate of Interest:	Zero
xi	Maximum Rate of Interest:	Not Applicable
xii	Day Count Fraction:	Actual/360
xiii	Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Covered Bonds, if different from those set out in the Terms and Conditions:	Not Applicable
19.	Zero Coupon Covered Bond Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

20. **Issuer Call:** Not Applicable

21. **Final Redemption Amount of each Covered Bond:** €100,000 per Covered Bond of €100,000 Specified Denomination

For the avoidance of doubt, in the case of a holding of Covered Bonds in an integral multiple of €1,000 in excess of €100,000 as envisaged in paragraph 6 above, such holding will be redeemed at its nominal amount.

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

22. **New Global Covered Bond:** No

23. **Form of Covered Bonds:** Registered Covered Bond:
Global Covered Bond registered in the name of a nominee for a common safekeeper for Euroclear and Clearstream, Luxembourg

24. **Additional Financial Centre(s) or other special provisions relating to Payment Days:** Not Applicable

25. **Talons for future Coupons or Receipts to be attached to definitive Covered Bonds (and dates on which such Talons mature):** No

26. **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

27. **Details relating to Instalment Covered Bonds:**

- i Instalment Amount(s): Not Applicable
- ii Instalment Date(s): Not Applicable

28. **Other final terms:** Not Applicable

DISTRIBUTION

29.

i	If syndicated, names of Managers:	Barclays Bank Ireland PLC UBS Europe SE
ii	Date of Subscription Agreement	16 September 2022
iii	Stabilisation Manager (if any):	Not Applicable
30.	If non-syndicated, name of relevant Dealer:	Not Applicable
31.	U.S. Selling Restrictions:	Reg S Category 2; TEFRA not applicable
32.	Prohibition of Sales to EEA Retail Investors	Applicable
33.	Prohibition of Sales to UK Retail Investors	Applicable
34.	Relevant Benchmark:	EURIBOR is provided by European Money Markets Institute. As at the date hereof, European Money Markets Institute appears in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) No. 2016/1011 (the EU Benchmarks Regulation).
35.	<u>European Covered Bonds (Premium)</u>	<u>Yes</u>

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 €2,500,000,000 Covered Bond Programme of Íslandsbanki hf. [\(which is, as at the date of the Amended and Restated Final Terms, referred to as the €4,000,000,000 European Covered Bond \(Premium\) Programme\).](#)

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. The extract from S&P Global Ratings Europe Limited's November 2021 publication "Ratings Definitions" set out in Part B – Other Information, Paragraph 2 below in respect of its credit rating methodology has been extracted from S&P Global Ratings Europe Limited's November 2021 publication "Ratings Definitions". The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by S&P Global Ratings Europe Limited, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING

i	Listing:	Official List of Euronext Dublin
ii	Admission to trading:	Application has been made for the Covered Bonds to be admitted to trading on the Regulated Market of Euronext Dublin with effect from 20 September 2022

2. RATINGS

The Covered Bonds to be issued are expected to be rated A by S&P.

S&P Global Ratings Europe Limited (**S&P**) has, in its November 2021 publication “Ratings Definitions”, described a credit rating of ‘A’ in the following terms: “An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitments on the obligation is still strong.

Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories”.

S&P is established in the EEA and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).

3. NOTIFICATION

The Central Bank of Ireland has provided the Financial Supervisory Authority of the Central Bank of Iceland with a certificate of approval attesting that the Base Prospectus, as supplemented by the supplement to it dated 6 September 2022, has been drawn up in accordance with the Prospectus Regulation.

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the issue of the Covered Bonds has an interest material to the issue. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

5. USE OF PROCEEDS, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

i	Use of proceeds:	General corporate purposes
ii	Estimated net proceeds:	€298,968,000
iii	Estimated total expenses:	€1,000

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

Indication of yield:	3.014%
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Calculated as on the Issue Date.

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

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

Details of historic EURIBOR rates can be obtained from Reuters.

8. **OPERATIONAL INFORMATION**

i	ISIN Code:	XS2530443659
ii	Common Code:	253044365
iii	CFI Code:	See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN
iv	FISN Code:	See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN
v	Any clearing system(s) other than Euroclear Bank S.A./N.V. or Clearstream Banking, société anonyme and the relevant identification number(s):	Not Applicable
vi	Delivery:	Delivery against payment
vii	Names and addresses of additional Paying Agent(s) (if any):	Not Applicable
viii	CSD Agent	Not Applicable
ix	Intended to be held in a manner which would allow Eurosystem eligibility:	Yes. Note that the designation "yes" simply means that the Covered Bonds are intended upon issue to be deposited with one of the

ICSDs as common safekeeper, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper and does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.

Summary report: Litera Compare for Word 11.2.0.54 Document comparison done on 28/06/2023 09:45:54	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original filename: Original Final Terms.docx	
Modified filename: Amended and Restated Final Terms(754171426_5).docx	
Changes:	
Add	13
Delete	4
Move From	0
Move To	0
Table Insert	2
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	19