

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes 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 (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 (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 Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes 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 Notes 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 UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (**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 UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes 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 manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended) (**MiFID II**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

7. December 2023

**KVIKA BANKI HF.**  
(incorporated with limited liability in Iceland)

**Legal entity identifier (LEI): 254900WR3I1Z9NPC7D84**

**Issue of ISK 2,000,000,000 Fixed Rate Inflation Linked Tier 2 Notes due December 2034  
under the €750,000,000  
Euro Medium Term Note 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 9 January 2023 (the **Base Prospectus**) which constitutes a base prospectus for the purposes of Regulation (EU) 2017/1129 (for the purposes of these Final Terms, the **Prospectus Regulation**). This document constitutes the Final Terms of the Notes described herein for the purpose of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus has been published on the website of the Issuer at <https://kvika.is/en/fjarfestaupplýsingar> 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 Katrínartún 2, 105 Reykjavík, Iceland and from the offices of the Principal Paying Agent at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, England.

1. Issuer: Kvika banki hf.
2. (a) Series Number: 6  
(b) Tranche Number: 1  
(c) Date on which the Notes will be consolidated and form a single Series: Not Applicable
3. Specified Currency or Currencies: ISK
4. Aggregate Nominal Amount:
  - (a) Series: ISK 2,000,000,000
  - (b) Tranche: ISK 2,000,000,000
5. Issue Price: 100 per cent. of the Aggregate Nominal Amount
6. (a) Specified Denominations: ISK 20,000,000  
(b) Calculation Amount: ISK 20,000,000
7. (a) Issue Date: 11 December 2023  
(b) Interest Commencement Date: Issue Date

- |     |   |  |
|-----|---|--|
| 8.  | Maturity Date:  | 11 December 2034   |
| 9.  | Interest Basis:   | Inflation linked<br>(see paragraph 19 below)                     |
| 10. | Redemption/Payment Basis:                                     | Inflation linked redemption in accordance with<br>Condition 6.15 |
| 11. | Change of Interest Basis:                                     | Not Applicable   |
| 12. | Put/Call Options:   | Issuer Call<br><br>(see paragraph 20 below)                      |
| 13. | (a) Status of the Notes:                                      | Subordinated   |
|     | (i) Redemption upon<br>occurrence of Capital<br>Event:        | Applicable – Condition 6.3 applies                               |
|     | (ii) Substitution or<br>variation:                            | Applicable – Condition 6.11 applies                              |
|     | (b) Date Board approval for<br>issuance of Notes<br>obtained: | Not Applicable   |

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

- |     |                                       |  |
|-----|---------------------------------------|--|
| 14. | Fixed Rate Note Provisions            | Not Applicable   |
| 15. | Floating Rate Note Provisions         | Not Applicable   |
| 16. | Reset Note Provisions:                | Not Applicable   |
| 17. | Zero Coupon Note Provisions:          | Not Applicable   |
| 18. | Inflation Linked Amortising<br>Notes: | Not Applicable   |
| 19. | Inflation Linked Notes:               | Applicable   |
|     | (a) Rate(s) of Interest:              | 6.25 per cent. per annum payable annually in arrear                            |
|     | (b) Interest Payment Date(s):         | The 11th day in December in each year up to and<br>including the Maturity Date |
|     | (c) Base Index:                       | 604.267, being the value of the CPI on 11 December<br>2023                     |
|     | (d) Day Count Fraction:               | 30E/360  |
|     | (e) Determination Dates:              | Not Applicable   |

## PROVISIONS RELATING TO REDEMPTION

20. Issuer Call: Applicable
- (a) Optional Redemption Date(s): Interest Payment Date falling in or nearest to December 2029 and on every Interest Payment Date thereafter (but excluding) the Maturity Date
- (b) Optional Redemption Amount: In accordance with Condition 6.15 per Calculation Amount
- (c) If redeemable in part: Not Applicable
- (d) Notice period (if other than as set out in the Conditions): Not Applicable
21. Final Redemption Amount: In accordance with Condition 6.15 per Calculation Amount
22. Clean-up Redemption Option: Not Applicable
23. Early Redemption Amount payable on redemption for taxation reasons or upon the occurrence of a Capital Event or an MREL Disqualification Event (as applicable): In accordance with Condition 6.15 per Calculation Amount

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes:
- (a) Form: CSD Notes
- (b) New Global Note: Not Applicable
25. Additional Financial Centre(s): Not Applicable
26. Talons for future Coupons to be attached to Definitive Bearer Notes: No

Signed on behalf of Kvika banki hf. :

By: Eiríkur M. Jónsson  
*Duly authorised*

By: Halldór M. Hjörvarðsson  
*Duly authorised*

## **PART B – OTHER INFORMATION**

### **1. LISTING AND ADMISSION TO TRADING**

- (a) Listing: Nasdaq Iceland
- (b) Admission to trading: Application has been made for the Notes to be admitted to trading on Nasdaq Iceland with effect from the issue date
- (c) Estimate of total expenses related to admission to trading: ISK 150,000

### **2. RATINGS**

Ratings: The Notes to be issued are not rated

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

Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The Dealers 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.

### **4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

- (a) Reasons for the offer: General corporate purposes
- (b) Estimated net proceeds: ISK 1,999,850,000

### **5. YIELD**

Indication of yield: 6.25%

### **6. BENCHMARKS REGULATION**

Not Applicable

### **7. PERFORMANCE OF FORMULA/CPI, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

The Notes are linked to the performance of the Icelandic Consumer Price Index (CPI) produced based on data from Statistics Iceland

Information about the CPI can be obtained from the website of Statistics of Iceland being <http://www.statice.is/Statistics/Prices-and-consumption/Indices-overview>

The Issuer does not intend to provide post-issuance information

## 8. OPERATIONAL INFORMATION

- (a) ISIN: IS0000035830
- (b) Common Code: 0000035830
- (c) CFI: DBFUGR, as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN
- (d) FISN: KVIKA BANKI/6.25 BD 20341211, as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN
- (e) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Nasdaq CSD Iceland (**CSD**), CSD identification number: 451015-2140
- (f) Delivery: Delivery against payment
- (g) Names and addresses of additional Paying Agent(s) and/or Transfer Agent(s) (if any): Not Applicable
- (h) CSD Calculation Agent: Kvika banki hf.
- (i) Intended to be held in a manner which would allow Eurosystem eligibility: Not Applicable

## 9. DISTRIBUTION

- (a) Method of distribution: Non-syndicated
- (b) If syndicated, names of Managers: Not Applicable
- (c) Date of Subscription Agreement: Not Applicable
- (d) Stabilising Manager(s) (if any): Not Applicable
- (e) If non-syndicated, name of Dealer: Kvika banki hf.
- (f) TEFRA applicability: TEFRA not applicable

(g) Prohibition of Sales to EEA Retail Investors: Applicable

(h) Prohibition of Sales to UK Retail Investors: Applicable

**10. THIRD PARTY INFORMATION**

Not Applicable