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PRESS RELEASE

3 April 2019

Kaupskil sells 200 million existing shares in Arion Banki hf.

Further to the announcement made by Citigroup Global Markets Limited (“Citigroup”), Carnegie Investment Bank AB (“Carnegie”) and Fossar Markets hf. (“Fossar”), on 2 April 2019, Citigroup, Carnegie and Fossar announce that Kaupskil ehf. (“Kaupskil”) has sold 200 million existing ordinary shares (either in the form of shares or Swedish depositary receipts) (the “Placing Shares”) in Arion Banki hf. (“Arion Bank”) by way of an accelerated bookbuilt offering (the “Transaction”). The Placing Shares were priced at ISK 70 per share and SEK 5.31 per Swedish depositary receipt, raising gross sale proceeds of approximately ISK 14 billion or approximately SEK 1.062 billion, and represented approximately 11% of Arion Bank’s outstanding share capital (being the issued share capital excluding ordinary shares held by Arion Bank).

The proceeds of the transaction are payable in cash on the usual settlement terms. Settlement will occur on 5 April 2019. Citigroup, Carnegie and Fossar acted as Joint Global Coordinators and Joint Bookrunners in the Transaction (the “Managers”).

Kaupskil has agreed to a lock-up period ending on the date which is 90 days after the date of settlement of the Transaction, subject to waiver with the prior written consent of the Joint Global Coordinators and to certain customary exceptions.

Immediately after completion of the Transaction, Kaupskil will hold 453,471,629 shares in Arion Bank corresponding to 25% of the outstanding share capital in Arion Bank.

Arion Bank will not receive any proceeds from the Transaction.

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