



Global Co-ordinator and Bookrunner ***Expression of Interest***

Goldman Sachs Bank Europe SE, London Branch
12 February 2021

I. Introduction

We are delighted to submit our proposal in response to the solicitation of expression of interest published by the Icelandic State Financial Investments (“ISFI”) on its website on 2-Feb-2020, outlining the decision by the Minister of Finance and Economic Affairs to initiate a sale process of Íslandsbanki hf (“Íslandsbanki”).

This document is submitted to communicate the interest of Goldman Sachs Bank Europe SE, London Branch, acting on behalf of Goldman Sachs Bank Europe SE (together, “Goldman Sachs”) in acting as Global Co-ordinator and Bookrunner in connection with the potential placement of Íslandsbanki shares in Iceland and internationally as well as its subsequent listing (“Expression of Interest”).

We fully recognise the importance of Íslandsbanki’s IPO to the bank, its owners and Iceland, and we believe Goldman Sachs is uniquely placed to act as Global Co-ordinator and Bookrunner. This document outlines our relevant credentials. We look forward to hearing from you in response to our Expression of Interest and remain available should you require any further clarifications.

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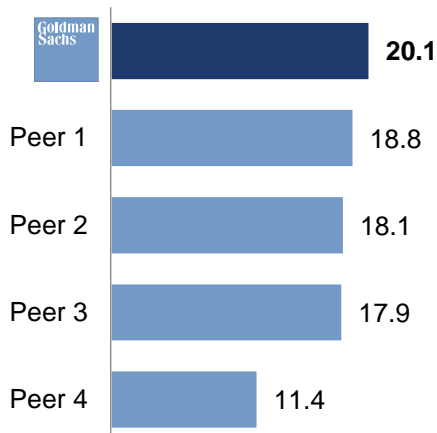
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II. Goldman Sachs Credentials

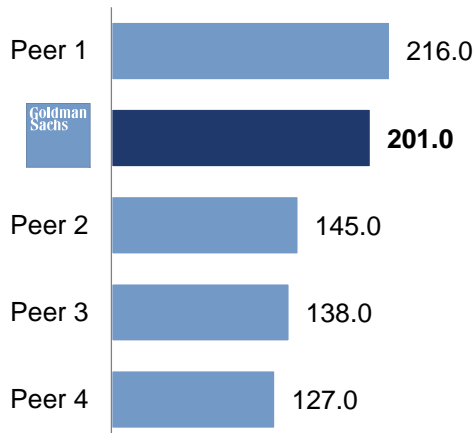
A. Leading Expertise in Financial Institutions

We see our financial institutions (“FIG”) industry expertise as core to our investment banking franchise. In Europe since 1-Jan-2015, we rank number 1 in FIG equity transactions and number 2 in FIG M&A transactions^{1,2}. Also in 2020, we ranked number 1 in FIG equity transactions¹.

European FIG ECM Transactions, \$bn¹



European FIG M&A Transactions, \$bn²



Source: Thomson Reuters and Dealogic as of 08-Feb-2021.

¹ All European FIG ECM deals between 1 Jan 2015 – 31 Dec 2020 (Bookrunner roles). ² All European FIG M&A transactions between 1 Jan 2015 – 31 Dec 2020.

Our experience stretches across areas highly relevant to the ISFI, having led some of the largest and most complex IPOs, follow-on offerings, sell-downs and rights issues for a variety of companies across the Banking, Insurance and Asset Management sectors. Furthermore, we have a leading bank capital franchise advising financial institutions across Europe on the issuance of capital instruments.

In the Nordics, over the past five years we have advised several of the largest financial institutions in the region on key transactions, including Nordea's acquisition of SG Finans AS, the merger of DNB and Nordea Baltic banking to create Luminor, DNB's and Nordea's sell-down in Luminor to Blackstone, Danske Bank's acquisition of SEB Life & Pension DK, the IPO of Arion banki, the ABO of Nordea for Sampo, the IPO of EQT and the IPO of Resurs Holding.

Selected FIG ECM Transactions

Date	Company	Size (\$bn)	Deal Type	GS Role
Nov-20	Nordea	1.4	ABO	JBR ¹
Sep-19	EQT	1.4	IPO	JBR
Jun-18	Arion banki	0.4	IPO	JBR
Jun-18	Royal Bank of Scotland	3.3	ABO	JBR ¹
Jul-17	Resurs Holding	8.2	RI	JBR
Jun-17	AIB	3.8	Re-IPO	JBR
Apr-17	Deutsche Bank	8.5	RI	JBR
Feb-17	UniCredit	13.7	RI	JBR
Apr-16	Resurs Holding	0.5	IPO	JGC

Selected FIG M&A Transactions

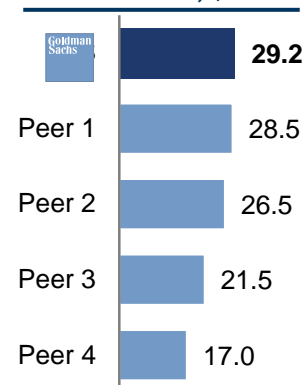
Date	Parties Involved	Value (\$bn) ²
Nov-20	nexi / nets	9.5
Nov-20	Tryg / Intact / RSA	9.9
Jul-20	INTESA SANNIPILO / UBI Banca	6.7
Dec-19	Nordea / SG Equipment Finance	0.7
Sep-18	Blackstone / Luminor	2.1
Dec-17	Danske Bank / SEB L&P DK	1.1
Nov-17	Lowell / intrum / RemCo	0.9
Nov-16	intrum / LINDORFF	4.5 ³
Aug-16 ⁴	Nordea / DNB / Luminor	n.a.

B. GS is the Leading EMEA and Nordic ECM House

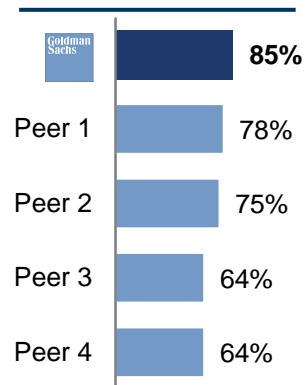
We consider ourselves to be the leading Global and EMEA Equity Capital Markets house. First, our consistency is unmatched as we have ranked as number 1 in 5 out of the past 6 years globally⁵, number 1 in EMEA IPOs and top 3 in 5 out of the past 6 years in EMEA⁶ in the ECM league tables during 2015-2020. Second, We have more experience in leading European IPOs than any other bank (between 2015-2020)⁷, making us the most trusted advisor. Third, during Covid-19 we have been at the forefront of the IPO market as the only bank to execute all of the 3 largest IPOs in EMEA in 2020, JDE Peet's, Allegro and THG, re-opening the IPO market.

We consider ourselves to be the leading Nordic Equity Capital Markets house, ranking number 1 over the past decade⁸. We have consistently led the most relevant benchmark transactions over time (Goldman Sachs led 3 out of the 5 largest IPOs, the largest equity transaction and the largest bank transaction over the past decade) and more recently we led the \$1.4bn sell down in Nordea by Sampo, the largest equity transaction in 2020.

EMEA IPOs, \$bn⁹



Share of JGC Roles⁷



Selected GS IPOs in EMEA Since 2015

Date	Company	Size (\$bn)	Industry	GS Role
Oct-16	Siemens	5.2	NR	JGC
Mar-18	SIEMENS Healthineers	5.2	HC	JGC
Feb-15	aena	4.8	NR	JGC
Oct-15	worldpay	3.8	FIG	JGC
May-20	JDE Peet's	2.9	CR	JGC
Sep-20	allegro	2.7	TMT	JGC
Sep-20	THEHUTGROUP	2.4	TMT	JGC
May-15	cellnex	2.4	TMT	JGC
Apr-19	nexi	2.3	FIG	JGC

Source: Dealogic (ECM related). ¹ No JGC roles were awarded; ² Based on public disclosure converted to USD as of 11-Feb-2021 (EUR: 1.2129, GBP: 1.3817, DKK: 0.1631); ³ Combined Post-merger Market Cap; ⁴ Combination of Nordea and DNB's Baltic banking operations to form Luminor; ⁵ All ECM deals globally larger than \$100m; ⁶ All ECM deals in EMEA; ⁷ All European IPOs between 1 Jan 2015 – 31 Dec 2020 (JGC roles); ⁸ All Nordic ECM deals 2010 – 2020 (bookrunner role); ⁹ All EMEA IPOs between 1 Jan 2015 – 31 Dec 2020 (JGC roles).

C. Track-record in advising Icelandic companies

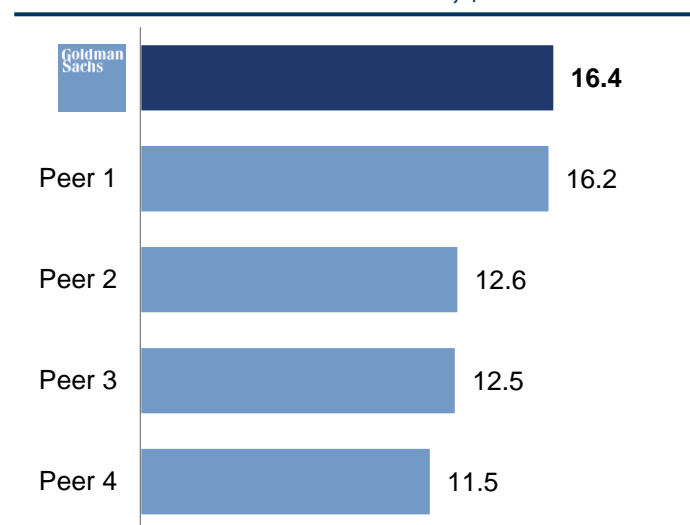
We have been involved in several milestone debt and equity capital markets transactions of the Icelandic banks since 2017. Most recently, in Nov-2020, we participated in Íslandsbanki's inaugural €300m sustainable bond issuance – the first ESG-linked issuance out of Iceland. Additionally in Feb-2020, we acted as Bookrunner in Arion banki's \$100m AT1 – the first AT1 issuance by an Icelandic bank. On the equity side, we acted as Bookrunner on Arion banki's IPO in Jun-2018 – the largest ever IPO in Iceland at that time. These transactions underpin our strong knowledge of the local and international investor base for Icelandic financial institutions.



D. Trusted advisor to governments

Goldman Sachs ranks as the number 1 advisor to governments on privatisations globally¹. In Europe since Jan-2015, governments in eight countries have trusted Goldman Sachs with the execution of sell-downs in 16 companies. Several of these transactions have been in the banking industry, including the IPO of AIB on behalf of the Irish government, the ABO in BNP Paribas on behalf of the Belgian government and the ABO in ABN AMRO on behalf of the Dutch government. Additionally, we have a long track-record as a trusted advisor to governments, as highlighted by our mandates with the UKGI/UKFI, de Volksbank, DOF and FROB.

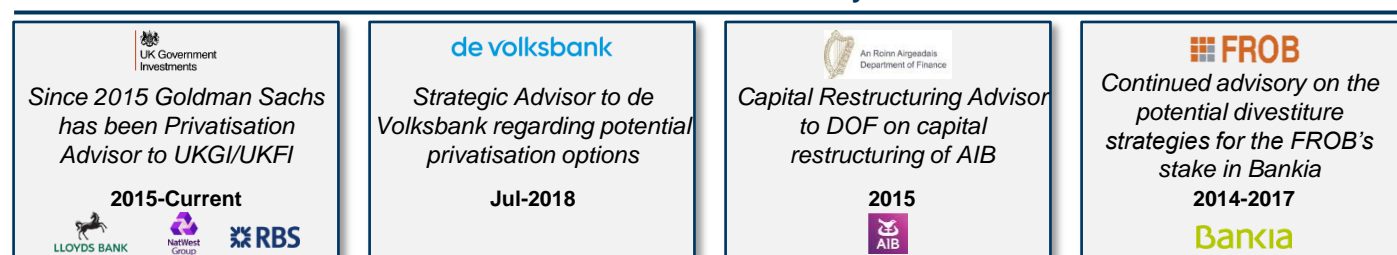
Global Privatisations, \$bn¹



Selected Privatisations

Date	Company	Type	Size	Role
Nov-19		IPO	€1.8bn	JGC
Jun-18		ABO	€2.9bn	JGC
Jun-17		IPO	€3.4bn	JBR
May-17		ABO	€2.2bn	JBR
Jan-17		ABO	€1.2bn	JBR
Nov-16		ABO	€1.5bn	JBR
Oct-15		ABO	€3.5bn	JBR
Oct-15 / Jun-15		ABO	€0.8bn / €1.0bn	JBR
Aug-15		ABO	€3.1bn	JBR
Feb-15		IPO	€4.3bn	JGC

Selected Government Advisory Roles



Source: Dealogic, Thomson Reuters as of 08-Feb-2021. ¹ All global privatisation deals between 1 Jan 2015 – 31 Dec 2020.

E. Strong Trading, Sales and Distribution

Goldman Sachs has leading sales and trading capabilities ranking number 1 in European equity trading¹, with the Nordic region being one of our highest-growing markets through a dedicated team based in Stockholm. We interact with Icelandic clients on a daily basis, and as a growth initiative, have hired Icelandic product specialists in equities focusing solely on this region. Our ability to leverage our equity sales and trading platforms and place stock is unmatched, as reflected in our leadership in offerings with overnight distribution, with a number 1 market share for accelerated offerings in 9 of the past 10 years in EMEA².

F. Significant Research Capabilities³

It is the firm's general practice to provide research coverage on companies whose IPOs the firm lead manages, subject to the final determination of research management. Goldman Sachs research currently covers 716 stocks in Europe. Within financial institutions, Goldman Sachs research actively covers 70 banks. In connection with IPOs, subject to determination by research management, we typically adopt a two-pronged approach combining an analyst from the sector coverage team, who leads research given industry expertise, with an IPO research analyst, who has a clear understanding of the goals and priorities of IPO research and can therefore provide input into research and be involved in pre-deal investor education.

G. Strong Secondary Market Support

Our distribution capabilities ideally position us to make an efficient and liquid market in the shares of our IPO clients by soliciting the broadest possible audience and we are typically a top 3 trader in the stock of our IPO clients within the 24 months of going public, irrespective of size, sector and geography.

III. Goldman Sachs' Focus on Corporate Social Responsibility

Corporate Social Responsibility ("CSR") is a key focus area for our Board of Directors, senior management and the whole organisation. Our commitments cover areas including Diversity & Inclusion, Community Engagement and Sustainability (please find full details on www.goldmansachs.com under Our Commitments).

Strategy	Selected Examples	Selected Awards
<p>Diversity & Inclusion We are committed to making progress toward racial and gender equality, and increasing representation at every level of our firm</p>	<p>Board diversity: we only take public those companies in the US and Europe with at least one diverse board member, to be increased to two diverse board members in July 2021</p>	<p>Human Rights Campaign's <i>Jan-21 Corporate Equality Index</i> Rating of 100%</p> <p>Euromoney Awards for Excellence <i>Jul-19 North America's Best Bank for Sustainable Finance</i></p>
<p>Community Engagement We significantly invested in Corporate Engagement, with over \$2.5bn deployed to philanthropic initiatives over the past decade</p>	<p>Goldman Sachs 10,000 Women: a global initiative providing women entrepreneurs around the world with critical support</p> <p>Goldman Sachs 10,000 Small Businesses: an investment to help entrepreneurs create jobs and economic opportunity</p>	<p>CDP – Jan-20 <i>Climate Change Leader list</i></p> <p>Reuters Responsible Business Awards – Oct-20 <i>Won Partnership of the Year for our work with The Conservation Fund</i></p>
<p>Sustainability Focused on climate solutions and inclusive growth, our Sustainable Finance Group is deploying \$750bn across investing, financing and advisory activities by 2030</p>	<p>Goldman Sachs worked with Enel to issue the first sustainability performance bond linked to the United Nations' Sustainable Development Goals. The bond links the payment of its coupon to the company's goal of generating at least 55% of its power from renewables by the end of 2021</p>	<p>Listed in NAFE Top Companies for Executive Women (March 2020)</p>

Source: Dealogic; ¹ #1 Position in EMEA and Top 3 across Regions for Trading Equity in 9M 2020 based on McKinsey and Coalition data; ² 2010-2020 ABOs in EMEA; ³ Goldman Sachs is committed to providing the highest quality fundamental research and investment opinions to its investor clients. The views of our research analysts are their own views, and our firm is committed to protecting their integrity. Members of our firm are prohibited from seeking to influence an analyst's research reports, ratings or price targets, and it is the firm's general policy not to enter into agreements, orally or in writing, that commit the firm to provide research coverage on a firm.

IV. Goldman Sachs Team for the Íslandsbanki IPO

(Years with GS/Years in Industry)

Senior Leadership

Dirk Lievens (22/25Y)
Managing Director
Head of FIG EMEA

Christoph Stanger (26/28Y)
Managing Director
Chairman of ECM EMEA

Antoine de Guillenchmidt (9/20Y)
Managing Director
Co-Head of EMEA ECM

Deal Captains

Tom Haraldsson (10/17Y)
Managing Director
Head of FIG Nordics

- Tom focuses on coverage of Nordic FIG clients. He earned a master's degree in Accounting and Financial Management from the Stockholm School of Economics and a master's degree in International Management from the Community of European Management Schools. He is a fellow chartered accountant of the Institute of Chartered Accountants in England and Wales
- Tom has been involved in all the Nordic FIG transactions of Goldman Sachs in the last five years, including the IPO of Arion banki and the IPO of Resurs Bank. Tom has also advised on all GS' bank M&A transactions in the Nordics

Marguerite-Marie Bion Tonteri (1/20Y)
Managing Director
Head of FIG ESG

- Marguerite-Marie focuses on coverage of Continental European financials and heads the ESG efforts in the EMEA FIG team at Goldman Sachs. She earned a master's degree in management from ESSEC Business School
- Marguerite-Marie joined Goldman Sachs in February 2021. She has 20 years of experience advising financial institutions in Europe and was previously at Barclays where she spent the last 10 years

Thorsten Zahn (5/15Y)
Executive Director
Head of Nordic ECM

- Thorsten is head of Nordic ECM and oversees all clients in the region. He earned a Master in Finance and Legal and Financial Engineering from ESCP Europe
- Thorsten has led a vast number of FIG ECM transactions including both IPOs and follow-ons. For instance Thorsten was involved in the IPOs of Arion banki, EQT, Resurs Bank, Nordax and Hoist Finance. More recently he led the Nordea sell down by Sampo

Selected transaction experience



FIG

Jurgen Magg (9/11Y)
Executive Director

Jussi Takaneva (2/2Y)
Analyst

ECM

Dick Peters (2/6Y)
Associate

Basid Mahdi (1/1Y)
Analyst

DCM & Bank Capital

Jens Lothe (2/8Y)
Executive Director

Jane Pan (3/5Y)
Associate

Michael Short (8/14Y)
Executive Director

Pascal Bourgi (10/10Y)
Executive Director

V. Miscellaneous

A. *Consent Regarding Publication of Expression of Interest*

Goldman Sachs hereby confirms to ISFI that it consents to the publication of its expression of interest on the Central Public Procurement website.

B. *Confirmation of Applicable Operating Licences*

Goldman Sachs Bank Europe SE (GSBE) is supervised by the European Central Bank and the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, BaFin), details of which are accessible via the BaFin Database, BaFin-ID: 10100395.¹ A full list of the products and services GSBE is authorised to provide is available under 'Authorisations/activities'.²

C. *Act no. 155/2012 and Íslandsbanki's policy on Sustainability*

We confirm that we have read and understood the provisions of Act no. 155/2012 and Íslandsbanki's policy on sustainability.

D. *Satisfactory Terms*

We welcome the opportunity to discuss structure of the IPO and terms of our engagement in the next phase and we would expect such structure and terms to be in line with international market practice for this kind of transaction.

VI. Appendix

1. Response Table

2. Biographies of Senior Leadership

Provided separately:

A. Experience in European FIG transactions between 1-Jan-2015 and 31-Dec-2020

B. Experience in Icelandic transactions between 1-Jan-2015 and 31-Dec-2020

C. Experience in Privatisations transactions between 1-Jan-2015 and 31-Dec-2020

D. Experience in Icelandic capital markets transactions between 1-Jan-2015 and 31-Dec-2020

¹ https://www.bafin.de/EN/PublikationenDaten/Datenbanken/Unternehmenssuche/unternehmenssuche_node_en.html

² <https://portal.mvp.bafin.de/database/InstInfo/institutDetails.do?cmd=loadInstitutAction&institutId=100395>

Appendix 1. – Response Table

Requested Information	Addressed in Section
1. Indication which role the interested party is considering	I
2. Contact details such as name, address, phone number, email along with specific contact person	I
3. Information on requisite capabilities and experiences as set forth in criteria for selection	
a. Experience between 1 January 2015 and 31 December 2020 in the sale or public offering of shares in financial undertakings in Europe including type, size and role in each transaction	II / A
b. Experience between 1 January 2015 and 31 December 2020 in the sale or public offering of shares in companies in Iceland including type, size and role in each completed transaction	II / B
c. Experience between 1 January 2015 and 31 December 2020 in advising European governments on the sale of holdings in corporations, include type, size and role in each completed transaction	II / C
d. Domestic and international experience in trading, sales, distribution and research capabilities, particularly in relation to shares in Nordic and other European financial undertakings	II
e. Ability to provide secondary market support in trading Íslandsbanki's shares and research coverage in the future	II
f. Expertise in Icelandic entities which have issues financial instruments in international markets	II / D
g. Emphasis on corporate social responsibility and management of potential conflicts of interest	III
h. Satisfactory terms	V
4. Brief CV of key personnel that will lead the project	IV / 2
5. Confirmation of applicable operating licenses of party	V
6. Confirmation that the party has read and understood provisions Act no. 155/2012 and Íslandsbanki's policy on sustainability	V
7. Advisor's consent regarding publication of advisor's expression of interest	V
8. Other information that the potential advisor considers important to demonstrate	NA

Appendix 2. – Biographies of Senior Leadership

Senior Leadership

Dirk Lievens
(22/25Y)

*Managing Director
Head of FIG EMEA*

- Dirk is head of the Financial Institutions Group (FIG) in EMEA. In addition he is responsible for the coverage of key FIG clients in the region and focuses on the European banking sector. Dirk earned a Master in Applied Economics from the University of Ghent, Belgium, a Master in Finance from the University of Louvain-la-Neuve, Belgium, and an MBA from the University of Chicago
- Dirk has been involved in various banking transactions of Goldman Sachs throughout Europe, including transactions involving financial institutions held by the Kingdom of Belgium, the Kingdom of the Netherlands, the United Kingdom and the Kingdom of Sweden. Additionally, Dirk has been involved in various transactions for banking clients including KBC, Nordea, DNB, SEB, Danske Bank, Commerzbank, ING, ABN AMRO, Lloyds Banking Group, Natwest, etc.
- Additionally, he has been involved in various FIG transactions in the Nordic region, including the IPO of Arion banki, the IPO of Resurs Bank and ABO of Nordea by Sampo

Christoph Stanger
(26/28Y)

*Managing Director
Chairman of ECM
EMEA*

- Christoph is chairman of Equity Capital Markets (ECM) in EMEA. Christoph joined Goldman Sachs in 1994 in Investment Banking in Frankfurt and moved to London in 2000. He was named managing director in 2002 and partner in 2006. Christoph earned a BA in Business Administration from Vienna Business School in 1989, a PhD from the University of Vienna in 1990 and an LLM from Cornell University in 1991
- Christoph has been involved in various relevant sector and privatization transactions by Goldman Sachs throughout Europe. Additionally, he has been involved in various banking transactions in the Nordic region, including the IPO of Arion banki, the IPO of EQT, the IPO of Resurs Bank, and ABO of Nordea by Sampo

Antoine de
Guillenchmidt
(9/20Y)

*Managing Director
Co-Head of EMEA
ECM*

- Antoine is co-head of EMEA Equity Capital Markets (ECM). He is responsible for driving origination and execution efforts across equity products, which include equity offerings (initial public offerings, follow-ons, rights issues and accelerated equity placings), structured equity transactions (convertible bonds and corporate equity derivatives) and alternative capital solutions (private placements, pre-IPO convertibles and SPACs). He is also involved in general equity, debt and acquisition finance advisory. Antoine graduated from ESSEC Business School in France in 1997 and earned an MBA from the Stanford Graduate School of Business in 2004
- Antoine has been involved in various relevant sector and privatization transactions by Goldman Sachs throughout Europe, including the IPO of FDJ and the ABO of ABN-Amro. Additionally, he has been involved in various banking transactions in the Nordic region, including the IPO of Arion banki, the IPO of EQT, the IPO of Resurs Bank and ABO of Nordea by Sampo

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