

## **DIVIDEND POLICY OF KVIKA BANKI HF.**

### **1 Purpose and objectives of the dividend policy**

- 1.1 The Board of Directors of Kvika banki hf. (hereinafter "*Kvika*" or "*the Company*") has laid down a policy for the Company that will serve as the basis for motions to its Annual General Meetings (AGMs) concerning dividend payments to shareholders.
- 1.2 The aim of the Company's dividend policy is to maximize the profitability and return on the Company's assets and to ensure that its shareholders benefit from its efficient and successful operations.

### **2 Dividends**

- 2.1 The aim shall be to return to shareholders each year a dividend equivalent to a minimum of 25% of the after-tax profit of the past year, whether this takes the form of a dividend payment or through the repurchase of own shares under a formal share buy-back programme, as provided for by law and the decision of a shareholders' meeting. The purpose of share buy-backs is to reduce the Company's share capital, if there is scope for doing so. In determining the amount of the dividend or, as the case may be, the amount to be used for share buy-backs, maintaining the Company's strong financial position shall be taken into consideration and, furthermore, regard shall be had for risk in the Company's internal and external environment, growth prospects and the maintenance of a long-term, robust equity and liquidity position. Dividends, however, shall be dependent on an assessment of the opportunities which are available for reinvestment of profit in the Company's operations and growth.
- 2.2 Dividend payments shall always be made in accordance with applicable laws and regulations at any given time, including Act No. 2/1995, on Public Limited Companies, Act No. 161/2002, on Financial Undertakings and Act No. 61/2017, on supplementary supervision of financial conglomerates.

### **3 Review**

- 3.1 Kvika's dividend policy is approved by the Company's Board of Directors and shall be reviewed at least once a year.

Approved by the Board of Directors of Kvika banki hf.  
on 25 February 2021.