



Íslandsbanki Factbook

4404000

@islandsbanki

islandsbanki.is

Contents

Overview	Page
<u>Financial ratios</u>	3
<u>Income statement</u>	4
<u>Balance sheet</u>	5
<u>Net interest income</u>	6
<u>Net fee & commissions income</u>	7
<u>Loans to customers</u>	8
<u>Capital and risk exposure amount</u>	9
<u>Personal Banking</u>	10
<u>Business Banking</u>	11
<u>Corporate & Investment Banking</u>	12
<u>Treasury & Proprietary Trading</u>	13
<u>Cost centers</u>	14
<u>Subsidiaries, eliminations and adjustments</u>	15
9 Quarters review	
<u>Financial ratios</u>	16
<u>Financial ratios (continued)</u>	17
<u>Income statement</u>	18
<u>Balance sheet</u>	19
<u>Net interest income</u>	20
<u>Net fee & commissions</u>	21
<u>Loans to customers</u>	22
<u>Capital and risk exposure amount</u>	23
<u>Macroeconomics</u>	24
Other	
<u>Allocation reporting</u>	25
<u>Impact reporting</u>	26
<u>Financial ratios - Definition</u>	27
<u>Disclaimer</u>	28

All investor material is available on [the Bank's Investor Relations website](#).

Information on the Bank's credit ratings is available on the Bank's website, [here](#).

Further information is available through Íslandsbanki Investor Relations, ir@islandsbanki.is.

Financial ratios - 5 years

	1H26	2025	2024	2023	2022
Profitability					
Return on equity	13.4%	11.2%	10.9%	11.3%	11.9%
Return on assets	1.6%	1.5%	1.5%	1.5%	1.7%
Basic earnings per share	8.41	13.62	12.53	12.34	12.27
Diluted earnings per share	8.41	13.62	12.53	12.34	12.27
Core income / Total operating income	99.7%	99.0%	95.8%	97.8%	99.9%
Net interest margin					
Net interest margin on total assets	3.7%	3.1%	2.9%	3.1%	2.9%
Net interest margin on interest bearing assets	3.8%	3.2%	3.0%	3.2%	3.0%
Efficiency					
Cost-to-income ratio	40.7%	42.4%	43.8%	40.6%	40.8%
Cost-to-core income ratio	40.8%	42.9%	45.8%	41.5%	40.8%
Cost-to-total assets ratio	1.80%	1.70%	1.72%	1.62%	1.54%
Cost of risk ¹	0.24%	0.05%	(0.05%)	0.08%	(0.14%)
Number of FTEs at period end - Consolidated ²	728	769	772	764	739
Number of FTEs at period end - Parent ²	691	725	733	725	700
Number of branches at period end	12	12	12	12	12
Assets					
Loans to customers (ISKm)	1,416,048	1,367,106	1,295,388	1,223,426	1,186,639
LTV on mortgages to individuals	56.0%	54.0%	54.0%	57.0%	60.0%
REA ratio	58.4%	59.8%	64.7%	61.7%	63.8%
Non-performing loans (NPL) ratio	2.6%	1.5%	1.6%	1.8%	1.8%
Asset encumbrance ratio	15.7%	18.6%	19.0%	21.7%	26.5%
Financial strength					
Equity as % of total assets	11.8%	13.0%	14.1%	14.2%	14.0%
Liquidity					
Net stable funding ratio (NSFR) - All currencies	126%	127%	125%	124%	118%
Net stable funding ratio (NSFR) - Foreign currencies	-	-	-	-	198%
Liquidity coverage ratio (LCR) - All currencies	188%	203%	168%	195%	205%
Liquidity coverage ratio (LCR) - ISK	151%	129%	126%	115%	109%
Liquidity coverage ratio (LCR) - EUR	532%	733%	449%	663%	-
Liquidity coverage ratio (LCR) - Foreign currencies	-	-	-	-	492%
Term deposits ratio	16.8%	17.0%	18.1%	18.8%	18.4%
Loan-to-deposit ratio	136%	141%	140%	144%	150%
Loan-to-deposit ratio (adj. for Covered bonds)	117%	119%	117%	119%	119%
Capital					
CET1 ratio	19.1%	20.1%	20.1%	21.4%	18.8%
Tier 1 ratio	20.7%	21.7%	21.0%	22.5%	19.8%
Total capital ratio	23.0%	24.0%	23.2%	25.3%	22.2%
Leverage ratio	11.7%	12.5%	13.2%	13.4%	12.1%
MREL ratio	43.9%	44.0%	33.4%	41.3%	34.5%
Risk exposure amount (ISKm)	1,043,713	1,033,788	1,040,972	977,032	999,491

1. Negative cost of risk means that there is a net release of impairments.

2. Numbers exclude seasonal employees.

Income statement - 5 year summary

ISK million	1H26	2025	2024	2023	2022
Interest income calculated using the effective interest rate method	77,850	129,324	135,278	126,095	87,671
Other interest income	1,501	3,648	6,064	11,047	6,342
Interest expense	(46,970)	(80,501)	(94,077)	(88,531)	(50,887)
Net interest income	32,381	52,471	47,265	48,611	43,126
Fee and commission income	9,515	20,129	18,944	18,591	17,630
Fee and commission expense	(2,989)	(6,030)	(5,822)	(5,308)	(4,342)
Net fee and commission income	6,526	14,099	13,122	13,283	13,288
Net financial income (expense)	(307)	(922)	(338)	241	(1,257)
Net foreign exchange gain	424	427	607	581	881
Other operating income	15	1,165	2,401	570	433
Other net operating income	132	670	2,670	1,392	57
Total operating income	39,039	67,240	63,057	63,286	56,471
Salaries and related expenses	(9,708)	(17,804)	(16,329)	(15,003)	(13,452)
Other operating expenses	(6,182)	(11,676)	(11,299)	(10,689)	(9,401)
Administrative fine	-	-	(470)	(960)	(300)
Contribution to the Depositors' and Investors' Guarantee Fund	-	-	-	-	(165)
Bank tax	(1,094)	(2,084)	(1,900)	(1,871)	(1,858)
Total operating expenses	(16,984)	(31,564)	(29,998)	(28,523)	(25,176)
Profit before net impairment on financial assets	22,055	35,676	33,059	34,763	31,295
Net impairment on financial assets	(1,673)	(681)	645	(1,015)	1,576
Profit before tax	20,382	34,995	33,704	33,748	32,871
Income tax expense	(5,857)	(9,746)	(9,458)	(9,198)	(8,485)
Profit for the year before profit (loss) from non-current assets	14,525	25,249	24,246	24,550	24,386
Profit (loss) from non-current assets held for sale, net of tax	-	-	-	35	149
Profit for the period	14,525	25,249	24,246	24,585	24,535
Basic earnings per share from profit for the period	8.41	13.62	12.53	12.34	12.27
Diluted earnings per share from profit for the period	8.41	13.62	12.53	12.34	12.27

Balance sheet - 5 year summary

ISK million	30.6.26	31.12.25	31.12.24	31.12.23	31.12.22
Cash and balances with Central Bank	91,559	80,394	65,716	87,504	94,424
Loans to credit institutions	65,288	80,009	50,486	73,475	110,364
Bonds and debt instruments	166,740	151,959	142,618	161,342	130,804
Derivatives	4,047	5,304	5,324	5,776	7,461
Loans to customers	1,416,048	1,367,106	1,295,388	1,223,426	1,186,639
Shares and equity instruments	12,770	20,517	24,330	13,241	15,868
Other assets ¹	31,933	22,858	23,945	17,181	19,947
Non-current assets and disposal groups held for sale	-	-	-	749	728
Total Assets	1,788,385	1,728,147	1,607,807	1,582,694	1,566,235
Deposits from Central Bank and credit institutions	17,664	13,250	12,535	16,149	15,269
Deposits from customers	1,038,206	968,695	926,846	850,709	789,897
Derivative instruments and short positions	2,691	6,183	7,306	5,090	10,804
Debt issued and other borrowed funds	440,206	444,593	367,586	417,573	468,270
Subordinated loans	40,874	40,315	31,695	38,155	34,392
Tax liabilities	13,440	12,757	12,916	13,107	12,128
Other liabilities	24,209	16,995	21,568	17,218	16,601
Total Liabilities	1,577,290	1,502,788	1,380,452	1,358,001	1,347,361
Share capital	8,371	8,900	9,473	9,898	10,000
Share premium	26,380	42,472	55,000	55,000	55,000
Reserves	5,774	7,201	7,102	5,083	9,158
Retained earnings	170,570	166,786	155,780	154,712	144,716
Total Equity	211,095	225,359	227,355	224,693	218,874
Total Liabilities and Equity	1,788,385	1,728,147	1,607,807	1,582,694	1,566,235

1. Other assets includes Investments in associates, Investment property, Property and equipment and Intangible assets.

Net interest income - 5 year summary

ISK million	1H26	2025	2024	2023	2022
Cash and balances with Central Bank	1,616	3,817	4,888	5,389	2,791
Loans to credit institutions	879	2,609	3,042	3,236	757
Loans to customers	71,253	116,039	121,730	117,470	84,123
Financial assets mandatorily at fair value through other comprehensive income	4,102	6,859	5,618	-	-
Interest income calculated using the effective interest rate method	77,850	129,324	135,278	126,095	87,671
Financial assets mandatorily at fair value through profit or loss	1,497	3,636	6,020	11,035	6,335
Other assets	4	12	44	12	7
Other interest income	1,501	3,648	6,064	11,047	6,342
Deposits from Central Bank and credit institutions	(126)	(299)	(380)	(243)	(364)
Deposits from customers	(28,190)	(51,283)	(60,587)	(50,073)	(23,049)
Financial liabilities mandatorily at fair value through profit or loss	(1,460)	(2,597)	(4,882)	-	-
Debt issued and other borrowed funds at fair value through profit and loss	(1,633)	(1,582)	(1,912)	(2,470)	(578)
Debt issued and other borrowed funds at amortised cost	(13,478)	(21,850)	(22,780)	(25,829)	(21,709)
Subordinated loans	(2,045)	(2,793)	(3,357)	(3,214)	(1,538)
Lease liabilities	(35)	(71)	(76)	(79)	(82)
Other liabilities	(3)	(26)	(103)	(6,623)	(3,567)
Total interest expense	(46,970)	(80,501)	(94,077)	(88,531)	(50,887)
Net interest income	32,381	52,471	47,265	48,611	43,126
Net interest income on loans					
Personal Banking	2,508	4,861	5,024	5,842	6,580
Business Banking	4,950	8,866	8,562	8,297	7,749
Corporate & Investment Banking	4,278	7,630	7,302	7,450	7,317
Total net interest income on loans	11,736	21,357	20,888	21,589	21,646
Net interest income on deposits					
Personal Banking	4,998	10,143	8,856	8,699	7,186
Business Banking	3,419	7,143	6,424	6,465	5,486
Corporate & Investment Banking	749	1,560	1,593	1,670	1,300
Total net interest income on deposits	9,166	18,846	16,873	16,834	13,972

Net fee & commission income - 5 year summary

ISK million	1H26	2025	2024	2023	2022
Asset management	1,473	3,040	2,864	2,908	3,154
Investment banking and brokerage	1,670	3,842	3,337	3,340	3,627
Payment processing	4,150	8,706	8,390	8,072	6,774
Loans and guarantees	1,280	2,257	2,009	2,251	2,350
Other fee and commission income	942	2,284	2,344	2,020	1,725
Fee and commission income	9,515	20,129	18,944	18,591	17,630
Brokerage	(286)	(574)	(536)	(496)	(484)
Payment processing expenses	(2,468)	(4,643)	(4,564)	(4,119)	(3,266)
Other fee and commission expense	(235)	(813)	(722)	(693)	(592)
Fee and commission expense	(2,989)	(6,030)	(5,822)	(5,308)	(4,342)
Net fee and commission income	6,526	14,099	13,122	13,283	13,288

Loans to customers - 5 year summary

ISK million	30.6.26	31.12.25	31.12.24	31.12.23	31.12.22
Individuals	689,511	653,291	625,262	594,631	570,522
- thereof mortgages	617,736	584,723	563,753	530,676	507,969
Commerce and services	234,412	210,241	184,667	182,808	172,222
Construction	104,431	99,990	95,558	80,099	59,815
Energy	19,062	17,001	11,800	7,938	10,411
Financial services	294	119	715	214	2,622
Industrial and transportation	80,851	92,018	82,423	75,802	91,078
Investment companies	47,012	46,597	42,960	45,931	40,336
Public sector and non-profit organisations	14,007	16,673	20,448	18,476	11,046
Real estate	133,982	141,267	154,913	144,173	126,297
Seafood	92,486	89,909	76,642	73,354	102,290
Loans to customers	1,416,048	1,367,106	1,295,388	1,223,426	1,186,639

Capital and risk exposure amount - 5 year summary

ISK million	30.6.26	31.12.25	31.12.24	31.12.23	31.12.22
Ordinary share capital	8,371	8,900	9,473	9,898	10,000
Share premium	26,380	42,472	55,000	55,000	55,000
Reserves	5,774	7,201	7,102	5,083	9,158
Retained earnings	170,570	166,786	155,780	154,712	144,716
IFRS 9 reversal due to transitional rules	-	-	-	-	1,301
Fair value changes due to own credit standing	1,261	913	135	1,827	(1,786)
Forseeable dividend payment and approved buyback	(11,149)	(16,671)	(15,760)	(14,990)	(27,267)
Tax assets	(162)	(151)	(164)	(122)	(116)
Intangible assets	(1,933)	(1,822)	(2,070)	(1,922)	(3,279)
Insufficient coverage for non-performing exposure	(31)	(52)	(17)	(3)	-
Total CET1 capital	199,081	207,576	209,479	209,483	187,727
Additional Tier 1 capital	16,604	17,216	9,371	10,019	10,062
Tier 1 capital	215,685	224,792	218,850	219,502	197,789
Tier 2 capital	24,270	23,099	22,324	28,135	24,330
Total capital base	239,955	247,891	241,174	247,637	222,119
Risk exposure amount					
- due to credit risk	947,909	939,768	922,533	865,758	893,110
- due to market risk:	5,417	4,093	10,606	10,360	15,417
- due to credit valuation adjustment	1,835	1,375	714	677	2,756
- due to operational risk	88,552	88,552	107,119	100,237	88,208
Total risk exposure amount	1,043,713	1,033,788	1,040,972	977,032	999,491
Capital ratios					
CET1 ratio	19.1%	20.1%	20.1%	21.4%	18.8%
Tier 1 ratio	20.7%	21.7%	21.0%	22.5%	19.8%
Total capital ratio	23.0%	24.0%	23.2%	25.3%	22.2%
Leverage ratio	11.7%	12.5%	13.2%	13.4%	12.1%
MREL ratio	43.9%	44.0%	33.4%	41.3%	34.5%

Operating segments - Personal Banking

ISK million	1H26	2025	2024	2023	2022
Net interest income	10,493	17,991	15,849	17,410	15,065
Net fee and commission income	1,837	4,299	3,983	4,206	4,198
Other net operating income	52	79	(16)	70	342
Total operating income	12,382	22,369	19,816	21,686	19,605
Salaries and related expenses	(1,529)	(2,772)	(2,763)	(2,473)	(2,355)
Other operating expenses	(1,328)	(2,666)	(2,716)	(2,462)	(2,310)
Contribution to the Depositors' and Investors' Guarantee Fund	-	-	-	-	(129)
Bank tax	(485)	(920)	(889)	(839)	(801)
Net impairment on financial assets	(277)	(239)	660	(1,589)	(300)
Cost allocation	(3,141)	(5,996)	(5,450)	(5,225)	(4,792)
Profit before tax	5,622	9,776	8,658	9,098	8,918
Income tax	(1,587)	(2,781)	(2,577)	(2,584)	(2,528)
Profit for the year	4,035	6,995	6,081	6,514	6,390
Net segment revenue from external customers	18,974	23,284	20,453	29,266	33,261
Net segment revenue from other segments	(6,592)	(915)	(637)	(7,450)	(13,520)
Fee and commission income	4,166	8,689	8,307	8,116	7,282
Depreciation, amortisation, and write-offs	(108)	(203)	(183)	(179)	(172)
At end of period					
Loans to customers	665,330	630,788	608,766	574,653	552,181
Other assets	3,577	3,978	3,654	3,176	3,158
Total segment assets	668,907	634,766	612,420	577,829	555,339
Deposits from customers	550,448	524,781	486,235	406,821	361,994
Other liabilities	2,840	3,033	3,404	3,720	2,597
Total segment liabilities	553,288	527,814	489,639	410,541	364,591
Allocated equity	38,772	46,965	44,719	41,160	39,228
Risk exposure amount	237,169	221,633	275,836	260,760	255,938

The individual segment balance sheet positions are with external customers and exclude internal transactions, thus explaining the differences in total assets, and total liabilities and equity.

Operating segments - Business Banking

ISK million	1H26	2025	2024	2023	2022
Net interest income	10,341	19,586	18,736	17,980	14,493
Net fee and commission income	1,052	2,051	2,020	2,075	2,051
Other net operating income	(22)	(19)	63	90	90
Total operating income	11,371	21,618	20,819	20,145	16,634
Salaries and related expenses	(1,392)	(2,374)	(2,349)	(2,161)	(1,900)
Other operating expenses	(641)	(1,260)	(1,304)	(1,063)	(949)
Contribution to the Depositors' and Investors' Guarantee Fund	-	-	-	-	(33)
Bank tax	(261)	(506)	(471)	(454)	(407)
Net impairment on financial assets	(834)	(91)	(984)	(669)	796
Cost allocation	(2,639)	(5,057)	(4,364)	(4,058)	(3,431)
Profit before tax	5,604	12,330	11,347	11,740	10,710
Income tax	(1,525)	(3,337)	(3,191)	(3,170)	(2,891)
Profit for the year	4,079	8,993	8,156	8,570	7,819
Net segment revenue from external customers	14,089	25,018	23,859	22,829	18,158
Net segment revenue from other segments	(2,718)	(3,400)	(3,040)	(2,551)	(1,401)
Fee and commission income	1,192	2,311	2,244	2,262	2,223
Depreciation, amortisation, and write-offs	(24)	(51)	(59)	(57)	(57)
At end of period					
Loans to customers	358,890	346,943	323,824	311,689	278,823
Other assets	1,714	1,703	1,618	2,210	2,100
Total segment assets	360,604	348,646	325,442	313,899	280,923
Deposits from customers	290,008	288,142	277,186	251,238	244,645
Other liabilities	1,379	2,870	3,997	3,828	2,054
Total segment liabilities	291,387	291,012	281,183	255,066	246,699
Allocated equity	53,715	55,352	51,133	47,210	40,433
Risk exposure amount	311,920	306,872	308,573	291,509	263,011

The individual segment balance sheet positions are with external customers and exclude internal transactions, thus explaining the differences in total assets, and total liabilities and equity.

Operating segments - Corporate & Investment Banking

ISK million	1H26	2025	2024	2023	2022
Net interest income	7,707	13,697	13,661	13,854	11,108
Net fee and commission income	2,311	5,126	4,497	4,492	4,480
Other net operating income	620	1,376	1,433	1,284	1,301
Total operating income	10,638	20,199	19,591	19,630	16,889
Salaries and related expenses	(1,333)	(2,304)	(2,273)	(2,132)	(1,819)
Other operating expenses	(635)	(1,260)	(1,204)	(978)	(894)
Contribution to the Depositors' and Investors' Guarantee Fund	-	-	-	-	(3)
Bank tax	(290)	(564)	(533)	(489)	(520)
Net impairment on financial assets	(714)	(339)	944	1,163	395
Cost allocation	(2,221)	(4,308)	(3,840)	(3,569)	(3,237)
Profit before tax	5,445	11,424	12,685	13,625	10,811
Income tax	(1,495)	(3,115)	(3,556)	(3,660)	(2,946)
Profit for the year	3,950	8,309	9,129	9,965	7,865
Net segment revenue from external customers	16,569	31,069	30,153	29,448	23,790
Net segment revenue from other segments	(5,931)	(10,870)	(10,562)	(9,735)	(6,824)
Fee and commission income	2,499	5,513	4,741	4,648	4,709
Depreciation, amortisation, and write-offs	(4)	(10)	(6)	(2)	(1)
At end of period					
Loans to customers	395,271	387,476	362,692	336,161	354,787
Other assets	4,339	1,268	4,784	889	3,859
Total segment assets	399,610	388,744	367,476	337,050	358,646
Deposits from customers	180,332	148,732	147,394	172,658	164,390
Other liabilities	13,025	3,778	10,536	5,370	5,565
Total segment liabilities	193,357	152,510	157,930	178,028	169,955
Allocated equity	70,899	70,303	65,596	63,033	62,400
Risk exposure amount	421,363	430,188	394,601	366,761	404,917

The individual segment balance sheet positions are with external customers and exclude internal transactions, thus explaining the differences in total assets, and total liabilities and equity.

Operating segments - Treasury & Proprietary Trading

ISK million	1H26	2025	2024	2023	2022
Net interest income (expense)	4,095	1,421	(842)	(475)	2,673
Net fee and commission income (expense)	55	(157)	(21)	(8)	(55)
Other net operating income	367	(262)	1,539	565	398
Total operating income	4,517	1,002	676	82	3,016
Salaries and related expenses	(149)	(328)	(324)	(272)	(289)
Other operating expenses	(212)	(460)	(454)	(505)	(467)
Contribution to the Depositors' and Investors' Guarantee Fund	-	-	-	-	-
Bank tax	(51)	(80)	6	(77)	(116)
Net impairment on financial assets	(30)	(13)	25	80	683
Cost allocation	245	566	536	581	551
Profit (loss) before tax	4,320	687	465	(111)	3,378
Income tax	(1,145)	(108)	61	203	108
Profit for the year	3,175	579	526	92	3,486
Net segment revenue from external customers	(10,873)	(14,546)	(13,899)	(19,989)	(18,922)
Net segment revenue from other segments	15,390	15,548	14,575	20,071	21,938
Fee and commission income	192	304	281	401	367
Depreciation, amortisation, and write-offs	-	-	-	-	-
At end of period					
Loans to customers	-	1,899	106	923	848
Other assets	345,393	342,241	291,344	343,823	360,594
Total segment assets	345,393	344,140	291,450	344,746	361,442
Deposits from customers	20,297	10,160	18,820	22,957	21,529
Other liabilities	510,869	516,573	428,420	487,357	540,189
Total segment liabilities	531,166	526,733	447,240	510,314	561,718
Allocated equity	43,569	48,023	61,675	69,975	73,966
Risk exposure amount	59,453	60,696	50,434	48,148	67,970

The individual segment balance sheet positions are with external customers and exclude internal transactions, thus explaining the differences in total assets, and total liabilities and equity.

Operating segments - Cost centers

ISK million	1H26	2025	2024	2023	2022
Net interest income (expense)	(175)	(413)	(413)	(365)	(260)
Net fee and commission income (expense)	(6)	(7)	(98)	(36)	(1)
Other net operating income	163	317	232	374	149
Total operating income	(18)	(103)	(279)	(27)	(112)
Salaries and related expenses	(4,607)	(8,874)	(7,556)	(6,959)	(6,253)
Other operating expenses	(3,132)	(5,823)	(5,452)	(5,579)	(4,598)
Administrative fine	-	-	(470)	(860)	(300)
Bank tax	(7)	(14)	(13)	(13)	(14)
Net impairment on financial assets	-	-	-	-	-
Cost allocation	7,756	14,795	13,118	12,271	10,909
Profit (loss) before tax	(8)	(19)	(652)	(1,167)	(368)
Income tax	(1)	-	160	291	92
Profit (loss) for the year	(9)	(19)	(492)	(876)	(276)
Net segment revenue from external customers	131	260	57	308	81
Net segment revenue from other segments	(149)	(363)	(336)	(335)	(193)
Fee and commission income	-	-	(2)	-	-
Depreciation, amortisation, and write-offs	(780)	(1,447)	(1,397)	(1,368)	(1,155)
At end of period					
Loans to customers	-	-	-	-	-
Other assets	9,959	9,773	9,180	8,716	9,387
Total segment assets	9,959	9,773	9,180	8,716	9,387
Deposits from customers	-	-	-	-	-
Other liabilities	6,886	6,049	5,635	5,768	5,785
Total segment liabilities	6,886	6,049	5,635	5,768	5,785
Allocated equity	1,434	1,308	1,218	1,145	962
Risk exposure amount	8,686	8,542	7,108	6,930	6,107

The individual segment balance sheet positions are with external customers and exclude internal transactions, thus explaining the differences in total assets, and total liabilities and equity.

Operating segments - Subsidiaries, eliminations & adjustments

ISK million	1H26	2025	2024	2023	2022
Net interest income	(80)	189	274	207	47
Net fee and commission income	1,277	2,787	2,741	2,554	2,615
Other net operating income	(1,048)	(821)	(581)	(991)	(2,223)
Total operating income	149	2,155	2,434	1,770	439
Salaries and related expenses	(698)	(1,152)	(1,064)	(1,006)	(836)
Other operating expenses	(234)	(207)	(169)	(202)	(183)
Contribution to the Depositors' and Investors' Guarantee Fund	-	-	-	-	-
Bank tax	-	-	-	-	-
Net impairment on financial assets	182	1	-	-	2
Cost allocation	-	-	-	-	-
Profit (loss) before tax	(601)	797	1,201	562	(578)
Income tax	(104)	(405)	(355)	(278)	(320)
Profit (loss) for the year	(705)	392	846	284	(898)
Net segment revenue from external customers	149	2,155	2,434	2,375	868
Net segment revenue from other segments	-	-	-	-	-
Fee and commission income	1,466	3,312	3,373	3,164	3,049
Depreciation, amortisation, and write-offs	(123)	(48)	(17)	(14)	(15)
At end of period					
Loans to customers	(3,443)	-	-	-	-
Other assets	7,355	2,078	1,839	454	498
Total segment assets	3,912	2,078	1,839	454	498
Deposits from customers	(2,879)	(3,120)	(2,789)	(2,965)	(2,661)
Other liabilities	4,085	1,790	1,614	1,249	1,274
Total segment liabilities	1,206	(1,330)	(1,175)	(1,716)	(1,387)
Allocated equity	2,706	3,408	3,014	2,170	1,885
Risk exposure amount	5,122	5,857	4,420	2,924	1,548

The individual segment balance sheet positions are with external customers and exclude internal transactions, thus explaining the differences in total assets, and total liabilities and equity.

Financial ratios - 9 quarters

	2Q26	1Q26	4Q25	3Q25	2Q25	1Q25	4Q24	3Q24	2Q24
Profitability									
Return on equity	13.3%	13.6%	10.5%	12.2%	13.0%	9.4%	11.2%	13.2%	9.7%
Return on assets	1.6%	1.7%	1.4%	1.6%	1.7%	1.3%	1.6%	1.8%	1.3%
Basic earnings per share	4.15	4.26	3.29	3.73	3.84	2.77	3.29	3.80	2.71
Diluted earnings per share	4.15	4.25	3.29	3.73	3.84	2.77	3.29	3.80	2.71
Core income / Total operating income	99.1%	100.2%	94.3%	100.5%	98.8%	103.1%	93.2%	95.5%	101.0%
Net interest margin									
Net interest margin on total assets	3.4%	3.9%	2.9%	3.1%	3.3%	3.2%	2.7%	2.9%	3.1%
Net interest margin on interest bearing assets	3.5%	4.0%	2.9%	3.2%	3.4%	3.3%	2.8%	3.0%	3.2%
Efficiency									
Cost-to-income ratio ¹	43.1%	38.5%	43.5%	38.2%	41.0%	47.6%	45.7%	40.4%	45.3%
Cost-to-core income ratio ¹	43.5%	38.4%	46.2%	38.0%	41.5%	46.2%	49.0%	42.3%	44.9%
Cost-to-total assets ratio	1.80%	1.78%	1.74%	1.51%	1.73%	1.81%	1.76%	1.58%	1.74%
Cost of risk ²	0.13%	0.35%	0.32%	0.00%	(0.12%)	0.00%	(0.11%)	(0.27%)	(0.04%)
Number of FTEs at period end - Consolidated ³	728	758	769	778	760	770	772	783	766
Number of FTEs at period end - Parent ³	691	717	725	736	720	731	733	744	726
Asset quality									
Loans to customers (ISKm)	1,416,048	1,401,212	1,367,106	1,333,234	1,331,288	1,298,849	1,295,388	1,274,094	1,276,608
LTV on mortgages to individuals	56.0%	56.0%	54.0%	57.0%	54.0%	54.0%	54.0%	57.0%	58.0%
REA ratio	58.4%	58.7%	59.8%	62.5%	63.9%	63.7%	64.7%	62.9%	63.9%
Non-performing loans (NPL) ratio	2.6%	2.0%	1.5%	1.6%	1.6%	1.8%	1.6%	1.6%	1.8%
Asset encumbrance ratio	15.7%	18.4%	18.6%	17.4%	18.0%	18.1%	19.0%	18.4%	18.4%

1. Ratios for 4Q25 exclude salary expenses of ISK 804m due to early retirement of employees and a income of ISK 237m within net interest income (ISK 550m reversed from charge in 3Q25 due to provision for legal proceedings and a charge of ISK 313m due to correction from previous years. Ratios for 3Q25 exclude a charge of ISK 550m reversed in 4Q25.

2. Negative cost of risk means that there is a net release of impairments.

3. Numbers exclude seasonal employees.

Financial ratios - 9 quarters

	2Q26	1Q26	4Q25	3Q25	2Q25	1Q25	4Q24	3Q24	2Q24
Financial strength									
Equity as % of total assets	11.8%	11.9%	13.0%	13.1%	13.3%	13.1%	14.1%	13.8%	13.6%
Liquidity									
Net stable funding ratio (NSFR) - All currencies	126%	123%	127%	129%	125%	128%	125%	126%	123%
Liquidity coverage ratio (LCR) - All currencies	188%	177%	203%	207%	185%	202%	168%	223%	190%
Liquidity coverage ratio (LCR) - ISK	151%	141%	129%	125%	121%	110%	126%	154%	129%
Liquidity coverage ratio (LCR) - EUR	532%	411%	733%	569%	542%	736%	449%	621%	575%
Term deposits ratio	16.8%	18.3%	17.0%	16.7%	17.4%	18.6%	18.1%	18.9%	19.2%
Loan-to-deposit ratio	136%	138%	141%	132%	138%	139%	140%	137%	139%
Loan-to-deposit ratio (adj. for Covered bonds)	117%	116%	119%	112%	116%	117%	117%	116%	118%
Capital									
CET1 ratio ¹	19.1%	18.6%	20.1%	18.9%	18.5%	18.6%	20.1%	20.2%	19.9%
Tier 1 ratio ¹	20.7%	20.2%	21.7%	19.8%	19.4%	19.5%	21.0%	21.2%	20.9%
Total capital ratio ¹	23.0%	22.5%	24.0%	21.9%	21.5%	21.6%	23.2%	23.4%	23.1%
Leverage ratio ¹	11.7%	11.5%	12.5%	11.9%	12.0%	12.1%	13.2%	13.0%	13.0%
MREL ratio	43.9%	40.3%	44.0%	36.8%	36.7%	37.8%	33.4%	35.6%	35.6%
Risk exposure amount (ISKm)	1,043,713	1,049,435	1,033,788	1,084,527	1,084,492	1,061,903	1,040,972	1,021,243	1,019,494

1. Including first quarter profit for 1Q26 and third quarter profit for 3Q25.

Income statement - 9 quarter summary

ISK million	2Q26	1Q26	4Q25	3Q25	2Q25	1Q25	4Q24	3Q24	2Q24
Interest income calculated using the effective interest rate method	37,005	40,845	29,339	32,507	34,609	32,869	29,404	34,093	37,619
Other interest income	666	835	680	839	1,048	1,081	1,099	1,113	1,391
Interest expense	(22,390)	(24,580)	(17,628)	(20,086)	(21,776)	(21,011)	(19,628)	(23,429)	(26,519)
Net interest income	15,281	17,100	12,391	13,260	13,881	12,939	10,875	11,777	12,491
Fee and commission income	4,826	4,689	5,817	4,706	4,979	4,627	5,162	4,649	4,664
Fee and commission expense	(1,568)	(1,421)	(1,634)	(1,477)	(1,359)	(1,560)	(1,555)	(1,353)	(1,455)
Net fee and commission income	3,258	3,268	4,183	3,229	3,620	3,067	3,607	3,296	3,209
Net financial income (expense)	(94)	(213)	404	(353)	13	(986)	169	228	(499)
Net foreign exchange gain	267	157	157	152	71	47	113	124	174
Other operating income	1	14	447	124	131	463	777	359	165
Other net operating income	174	(42)	1,008	(77)	215	(476)	1,059	711	(160)
Total operating income	18,713	20,326	17,582	16,412	17,716	15,530	15,541	15,784	15,540
Salaries and related expenses	(5,096)	(4,612)	(5,110)	(3,793)	(4,412)	(4,489)	(4,244)	(3,787)	(4,130)
Other operating expenses	(2,964)	(3,218)	(3,234)	(2,686)	(2,849)	(2,907)	(2,856)	(2,585)	(2,916)
Administrative fine	-	-	-	-	-	-	-	-	(470)
Bank tax	(548)	(546)	(522)	(549)	(513)	(500)	(454)	(494)	(459)
Total operating expenses	(8,608)	(8,376)	(8,866)	(7,028)	(7,774)	(7,896)	(7,554)	(6,866)	(7,975)
Profit before net impairment on financial assets	10,105	11,950	8,716	9,384	9,942	7,634	7,987	8,918	7,565
Net impairment on financial assets	(454)	(1,219)	(1,087)	7	402	(3)	352	860	137
Profit before tax	9,651	10,731	7,629	9,391	10,344	7,631	8,339	9,778	7,702
Income tax expense	(2,582)	(3,275)	(1,682)	(2,490)	(3,152)	(2,422)	(2,056)	(2,498)	(2,436)
Profit for the period	7,069	7,456	5,947	6,901	7,192	5,209	6,283	7,280	5,266

Balance sheet - 9 quarter summary

ISK million	30.6.26	31.3.26	31.12.25	30.9.25	30.6.25	31.3.25	31.12.24	30.9.24	30.6.24
Cash and balances with Central Bank	91,559	88,909	80,394	114,055	87,241	69,944	65,716	104,777	84,981
Loans to credit institutions	65,288	79,739	80,009	99,117	80,481	92,259	50,486	58,177	46,599
Bonds and debt instruments	166,740	164,093	151,959	139,432	138,839	142,937	142,618	126,396	128,410
Derivatives	4,047	4,052	5,304	5,092	7,397	9,092	5,324	6,014	4,178
Loans to customers	1,416,048	1,401,212	1,367,106	1,333,234	1,331,288	1,298,849	1,295,388	1,274,094	1,276,608
Shares and equity instruments	12,770	15,497	20,517	16,815	18,158	20,606	24,330	18,242	19,496
Other assets ¹	31,933	33,195	22,858	26,311	32,630	33,742	23,945	34,758	35,624
Total Assets	1,788,385	1,786,697	1,728,147	1,734,056	1,696,034	1,667,429	1,607,807	1,622,458	1,595,896
Deposits from Central Bank and credit institutions	17,664	11,419	13,250	15,972	14,876	14,374	12,535	11,525	10,466
Deposits from customers	1,038,206	1,013,431	968,695	1,008,919	966,075	936,779	926,846	927,011	916,127
Derivative instruments and short positions	2,691	5,950	6,183	5,599	8,502	6,677	7,306	4,764	4,647
Debt issued and other borrowed funds	440,206	452,085	444,593	409,170	411,009	407,266	367,586	380,814	384,747
Subordinated loans	40,874	40,530	40,315	32,550	32,687	32,502	31,695	32,084	32,133
Tax liabilities	13,440	13,386	12,757	14,544	13,403	12,912	12,916	15,637	14,060
Other liabilities	24,209	37,178	16,995	20,328	24,757	39,025	21,568	27,235	17,215
Total Liabilities	1,577,290	1,573,979	1,502,788	1,507,082	1,471,309	1,449,535	1,380,452	1,399,070	1,379,395
Share capital	8,371	8,657	8,900	9,180	9,368	9,368	9,473	9,564	9,604
Share premium	26,380	26,380	42,472	42,472	42,472	42,472	55,000	55,000	55,000
Reserves	5,774	6,321	7,201	7,062	7,133	7,673	7,102	7,211	6,263
Retained earnings	170,570	171,360	166,786	168,260	165,752	158,381	155,780	151,613	145,634
Total Equity	211,095	212,718	225,359	226,974	224,725	217,894	227,355	223,388	216,501
Total Liabilities and Equity	1,788,385	1,786,697	1,728,147	1,734,056	1,696,034	1,667,429	1,607,807	1,622,458	1,595,896

1. Other assets includes Investments in associates, Investment property, Property and equipment and Intangible assets.

Net interest income - 9 quarter summary

ISK million	2Q26	1Q26	4Q25	3Q25	2Q25	1Q25	4Q24	3Q24	2Q24
Cash and balances with Central Bank	839	777	1,223	1,297	802	495	1,318	1,504	961
Loans to credit institutions	385	494	606	608	643	752	577	583	991
Loans to customers	33,659	37,594	25,115	29,427	31,662	29,835	25,732	30,351	34,137
Financial assets mandatorily at fair value through other comprehensive income	2,122	1,980	1,845	1,725	1,502	1,787	1,777	1,655	1,530
Provision for legal proceedings	-	-	550	(550)	-	-	-	-	-
Interest income calculated using the effective interest rate method	37,005	40,845	29,339	32,507	34,609	32,869	29,404	34,093	37,619
Financial assets mandatorily at fair value through profit or loss	664	833	673	837	1,047	1,079	1,060	1,110	1,391
Other assets	2	2	7	2	1	2	39	3	-
Other interest income	666	835	680	839	1,048	1,081	1,099	1,113	1,391
Deposits from Central Bank and credit institutions	(63)	(63)	(67)	(70)	(93)	(69)	(100)	(84)	(107)
Deposits from customers	(13,909)	(14,281)	(11,388)	(12,757)	(13,356)	(13,782)	(13,627)	(15,537)	(16,217)
Financial liabilities mandatorily at fair value through profit or loss	(751)	(709)	(429)	(638)	(679)	(851)	(1,035)	(1,225)	(1,286)
Debt issued and other borrowed funds at fair value through profit and loss	(820)	(813)	(657)	(418)	(419)	(88)	(53)	(96)	(866)
Debt issued and other borrowed funds at amortised cost	(5,881)	(7,597)	(4,517)	(5,466)	(6,374)	(5,493)	(4,266)	(5,717)	(6,897)
Subordinated loans	(946)	(1,099)	(550)	(717)	(820)	(706)	(528)	(748)	(1,124)
Lease liabilities	(18)	(17)	(17)	(18)	(18)	(18)	(18)	(19)	(19)
Other liabilities	(2)	(1)	(3)	(2)	(17)	(4)	(1)	(3)	(3)
Total interest expense	(22,390)	(24,580)	(17,628)	(20,086)	(21,776)	(21,011)	(19,628)	(23,429)	(26,519)
Net interest income	15,281	17,100	12,391	13,260	13,881	12,939	10,875	11,777	12,491
Net interest income on loans									
Personal Banking	1,243	1,265	1,221	1,138	1,249	1,254	1,147	1,251	1,291
Business Banking	2,495	2,455	2,220	2,269	2,208	2,168	2,105	2,138	2,185
Corporate & Investment Banking	2,179	2,099	2,039	1,871	1,830	1,891	1,855	1,863	1,832
Total net interest income on loans	5,917	5,819	5,480	5,278	5,287	5,313	5,107	5,252	5,308
Net interest income on deposits									
Personal Banking	2,587	2,411	2,556	2,558	2,525	2,504	2,412	2,272	2,104
Business Banking	1,704	1,715	1,805	1,828	1,767	1,744	1,762	1,683	1,489
Corporate & Investment Banking	388	360	399	365	381	414	423	385	422
Total net interest income on deposits	4,679	4,486	4,760	4,751	4,673	4,662	4,597	4,340	4,015

Net fee and commission income - 9 quarter summary

ISK million	2Q26	1Q26	4Q25	3Q25	2Q25	1Q25	4Q24	3Q24	2Q24
Asset management	714	759	881	695	711	753	836	657	664
Investment banking and brokerage	841	829	1,179	790	1,091	782	883	787	874
Payment processing	2,190	1,960	2,613	2,085	2,112	1,896	2,278	2,128	2,118
Loans and guarantees	633	647	619	607	534	497	458	503	529
Other fee and commission income	448	494	525	529	531	699	707	574	479
Fee and commission income	4,826	4,689	5,817	4,706	4,979	4,627	5,162	4,649	4,664
Brokerage	(141)	(145)	(158)	(111)	(177)	(128)	(165)	(106)	(157)
Payment processing expenses	(1,292)	(1,176)	(1,222)	(1,231)	(1,063)	(1,127)	(1,211)	(1,049)	(1,157)
Other fee and commission expense	(135)	(100)	(254)	(135)	(119)	(305)	(179)	(198)	(141)
Fee and commission expense	(1,568)	(1,421)	(1,634)	(1,477)	(1,359)	(1,560)	(1,555)	(1,353)	(1,455)
Net fee and commission income	3,258	3,268	4,183	3,229	3,620	3,067	3,607	3,296	3,209

Loans to customers - 9 quarter summary

ISK million	30.6.26	31.3.26	31.12.25	30.9.25	30.6.25	31.3.25	31.12.24	30.9.24	30.6.24
Individuals	689,511	670,817	653,291	652,965	640,868	629,868	625,262	618,904	611,620
- thereof mortgages	617,736	601,529	584,723	586,843	577,891	568,882	563,753	556,207	548,995
Commerce and services	234,412	230,014	210,241	193,601	200,978	184,789	184,667	185,519	190,997
Construction	104,431	103,436	99,990	97,955	97,889	100,613	95,558	91,478	91,345
Energy	19,062	17,669	17,001	16,526	15,767	15,127	11,800	7,822	8,032
Financial services	294	323	119	195	100	974	715	124	1,121
Industrial and transportation	80,851	88,101	92,018	93,100	95,002	90,769	82,423	79,011	80,119
Investment companies	47,012	47,156	46,597	42,989	43,880	42,193	42,960	40,558	40,401
Public sector and non-profit organisations	14,007	15,056	16,673	17,442	16,922	16,106	20,448	20,125	20,242
Real estate	133,982	140,045	141,267	145,738	147,327	146,107	154,913	158,072	158,939
Seafood	92,486	88,595	89,909	72,723	72,555	72,303	76,642	72,481	73,792
Loans to customers	1,416,048	1,401,212	1,367,106	1,333,234	1,331,288	1,298,849	1,295,388	1,274,094	1,276,608

Capital and risk exposure amount - 9 quarter summary

ISK million	30.6.26	31.3.26	31.12.25	30.9.25	30.6.25	31.3.25	31.12.24	30.9.24	30.6.24
Ordinary share capital	8,371	8,657	8,900	9,180	9,368	9,368	9,473	9,564	9,604
Share premium	26,380	26,380	42,472	42,472	42,472	42,472	55,000	55,000	55,000
Reserves	5,774	6,321	7,201	7,062	7,133	7,673	7,102	7,211	6,263
Retained earnings	170,570	171,360	166,786	168,260	165,752	158,381	155,780	151,613	145,634
Unaudited interim net earnings	-	(7,456)	-	(6,901)	-	-	-	-	-
Fair value changes due to own credit standing	1,261	771	913	525	420	40	135	242	491
Forseeable dividend payment and approved buyback	(11,149)	(12,121)	(16,671)	(17,555)	(22,223)	(18,627)	(15,760)	(14,882)	(12,058)
Tax assets	(162)	(148)	(151)	(253)	(223)	(127)	(164)	(184)	(122)
Intangible assets	(1,933)	(1,791)	(1,822)	(1,647)	(1,875)	(1,777)	(2,070)	(1,847)	(1,821)
Insufficient coverage for non-performing exposure	(31)	(24)	(52)	(24)	(23)	(29)	(17)	(25)	(12)
Total CET1 capital	199,081	191,949	207,576	201,119	200,801	197,374	209,479	206,692	202,979
Additional Tier 1 capital	16,604	16,747	17,216	9,625	9,525	9,819	9,371	9,934	9,762
Tier 1 capital	215,685	208,696	224,792	210,744	210,326	207,193	218,850	216,626	212,741
Tier 2 capital	24,270	23,783	23,099	22,926	23,162	22,684	22,324	22,150	22,371
Total capital base	239,955	232,479	247,891	233,670	233,488	229,877	241,174	238,776	235,112
Risk exposure amount									
- due to credit risk	947,909	954,541	939,768	970,472	966,801	941,470	922,533	911,826	909,132
- due to market risk:	5,417	4,991	4,093	5,923	9,431	12,039	10,606	8,466	9,411
- due to credit valuation adjustment	1,835	1,351	1,375	1,013	1,141	1,275	714	714	714
- due to operational risk	88,552	88,552	88,552	107,119	107,119	107,119	107,119	100,237	100,237
Total risk exposure amount	1,043,713	1,049,435	1,033,788	1,084,527	1,084,492	1,061,903	1,040,972	1,021,243	1,019,494
Capital ratios									
CET1 ratio ¹	19.1%	18.6%	20.1%	18.9%	18.5%	18.6%	20.1%	20.2%	19.9%
Tier 1 ratio ¹	20.7%	20.2%	21.7%	19.8%	19.4%	19.5%	21.0%	21.2%	20.9%
Total capital ratio ¹	23.0%	22.5%	24.0%	21.9%	21.5%	21.6%	23.2%	23.4%	23.1%
Leverage ratio ¹	11.7%	11.5%	12.5%	11.9%	12.0%	12.1%	13.2%	13.0%	13.0%
MREL ratio	43.9%	40.3%	44.0%	36.8%	36.7%	37.8%	33.4%	35.6%	35.6%

1. Including first quarter profit for 31.3.26 and third quarter profit for 30.9.25.

Macroeconomics - summary

	1Q26	4Q25	3Q25	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24
YoY change, %									
GDP growth	2.7	-0.6	3.2	-0.4	3.1	-0.5	-1.5	-0.2	-3.0
Total investment	-12.0	-12.5	5.7	8.6	17.1	14.3	0.6	5.9	5.4
Business investment	-12.0	-15.3	16.4	14.2	17.5	19.6	-5.8	6.0	1.6
Residential investment	-8.3	-15.6	-10.3	-12.2	18.0	21.4	16.4	15.5	25.0
Personal consumption	2.2	5.5	4.7	3.7	3.3	1.9	2.1	-0.3	-0.1
Unemployment rate, % of workforce	4.9	4.2	3.4	3.7	4.2	3.6	3.2	3.4	3.8
Current account, % of GDP	-2.5	-6.0	-8.6	2.5	-3.1	-7.3	2.9	-4.3	-4.5
International investment position, % of GDP	72.9	46.1	43.8	40.0	41.3	48.8	44.0	40.8	40.6
Gross general govt. debt, % of GDP		56.1				60.4			
Household debt, gross, % of GDP	69.6	69.8	70.5	70.9	71.0	71.8	72.3	72.2	72.0
Corporate debt, gross, % of GDP	75.3	75.4	74.9	75.6	75.5	76.3	76.0	76.7	75.2
YoY change, %									
Inflation	5.3	4.2	4.0	4.0	4.2	4.9	5.9	6.0	6.7
Residential real estate price index (CPI adjusted)	-2.7	-1.2	-0.5	1.9	4.5	4.6	5.2	1.7	-0.4
Wages	7.1	7.4	7.7	8.2	8.3	6.2	6.3	6.6	7.4
Real wages	1.8	3.1	3.6	4.0	3.9	1.3	0.4	0.5	0.6
ISK index, average	186.4	186.5	182.6	186.7	191.5	192.7	196.8	196.1	195.3
Central bank policy rate (1W)	7.3	7.4	7.5	7.6	8.2	8.8	9.3	9.3	9.3
Long-term nominal yield	6.7	6.6	7.0	6.8	6.7	6.5	6.8	6.8	6.6
Long-term real yield	2.7	2.8	3.1	2.8	2.8	2.7	2.7	2.6	2.5

Allocation reporting for Íslandsbanki's Sustainable Funding Framework (2025+)

The Bank updated its Sustainable Financing Framework (2020-2024) in January 2024. The Bank advanced eligible assets to the updated Sustainable Funding Framework (2024+) during the year. Assets are shown back in time based on the category they were advanced to if it is relevant.

Allocation to Eligible Projects (outstanding amount)

ISK million	31.12.25	31.12.24	31.12.23	31.12.22	31.12.21
Clean Transportation	14,599	6,690	-	-	-
Eco-efficient products	5,096	763	796	828	-
Renewable energy	2,732	10,450	5,988	6,257	6,332
Green buildings	12,703	33,150	26,343	16,100	9,688
Pollution prevention and control	87,595	1,044	1,025	772	836
Energy efficiency	32,241	6,764	880	5,283	5,055
Sustainable management of living natural resources and land use	729	27,593	25,958	26,535	20,187
Employment Generation	905	630	1,455	2,757	3,636
Affordable housing	7,388	8,951	3,521	356	366
Access to Essential Services – Education and vocational training	222	3,053	253	96	431
Socioeconomic Advancement and Empowerment	8,415	10,454	8,593	7,141	4,988
<i>Sustainable Financing Framework (2020-2023)</i>					
Clean Transportation ¹	5,245	10,328	22,579	12,444	6,259
Total sustainable assets	177,870	119,870	97,391	78,570	57,778

ISK million	31.12.25	31.12.24	31.12.23	31.12.22	31.12.21
Green bonds	120,294	29,251	10,320	10,320	6,603
Sustainable bonds	-	21,424	45,150	87,420	44,657
Loan from the Nordic Investment Bank	10,882	12,023	12,337	12,337	-
Sustainable deposits	178	124	153	10	-
Total sustainable debt	131,354	62,822	67,960	110,087	51,260

Thereoff older than 18 months at year end ²	32,412	43,856	46,543	44,950	-
Allocation ratio of debt issued more than 18 months old ³	100%	100%	100%	100%	100%
Allocation ratio of debt issued less than 18 months old ⁴	100%	100%	100%	52%	113%

1. Assets from Sustainable Financing Framework that are not eligible in the Bank's Sustainable Funding Framework and will not advance to the updated framework.

2. Íslandsbanki is committed to allocating all sustainable funding within 18 months of disbursement.

3. While any proceeds or Sustainability Instruments remain unallocated to Sustainability Loans, Íslandsbanki will temporarily hold or invest any unallocated net proceeds at its own discretion in its liquidity portfolios. Íslandsbanki strives, over time, to maintain a level of allocation for Eligible Assets which matches or exceeds the balance of net proceeds from its outstanding Sustainability Instruments.

4. Íslandsbanki strives, over time, to maintain a level of allocation for Eligible Assets which matches or exceeds the balance of net proceeds from its outstanding Sustainability Instruments.

Impact of Eligible Projects for Íslandsbanki's Sustainable Financing Framework 2025

Allocation to Eligible Projects				Selected impact indicators																Avoided greenhouse gas emissions per million ISK	Avoided greenhouse gas emissions per million EUR ⁷
	Amount outstanding 31.12.2025	Share of funding*	Share of capex ³	Avoided GHG emissions	Clean vehicles ⁵	Fiber optic cables laid	Connected homes	Additional waste recycled	Clean energy produced	Green buildings	MSC certified products sold	Geo-thermally heated greenhouse	Eco-efficient products	Students reached	Dwellings	Companies supported ⁶	Loans to gender balanced companies				
	ISK million	%	%	tCO2e	number of	km	number of	GWh	number of	tonnes	km	number of	tonnes	number of	number of	number of	number of	tCO2e	tCO2e		
Clean Transportation	14,580	100%	96%	5,212	3,529													0.36	52.62		
Energy Efficiency ²	5,096	32%	100%			4,523	5,927														
Pollution prevention and control	2,732	17%	100%					10,863													
Renewable energy ⁴	12,704	81%	100%	6,611					268									0.52	76.61		
Green Buildings ¹	87,595	82%	100%							98,835											
Sustainable management of living natural resources and land use	32,241	92%	96%								27,799	1									
Eco-efficient products	729	96%	100%										64,276								
Education and vocational training	905	95%	100%												120	56					
Affordable housing	7,388	85%	100%													250					
Employment Generation	223	n/a	18%														55				
Equality, diversity and empowerment	8,415	n/a	94%															25			
Sustainable Financing Framework (2020-2023)																					
Clean Transportation	5,245	100%	100%	3,123	2,161													0.60	87.64		
	177,852			14,946																	

1. A benchmark for building emissions in Iceland is currently being developed. Once available, Íslandsbanki will report on the estimated reduced/avoided GHG emissions (tonnes CO2e) per year from the green buildings financed as per its Sustainable Financing Framework.

2. No benchmark is available for GHG emissions from using copper-based broadband technology in Iceland. Estimated avoided emissions in this category are therefore omitted from the report.

3. Share of capex = how much of Íslandsbanki's share of funding finances capital expenditures.

4. Calculated using the average GHG emission intensity of electricity generation in Iceland. The Icelandic benchmark emission factor for 2022 is estimated to be 8.54 gCO2e/kWh, and has not been updated since.

5. Average loan size ISK 4m.

6. EUR/ISK=147.2 on 30.12.2025.

* Estimated based on Share of funding from 2024.

Impact of Eligible Projects for Íslandsbanki's Sustainable Financing Framework 2024

Allocation to Eligible Projects				Selected impact indicators															Avoided greenhouse gas emissions per million ISK	Avoided greenhouse gas emissions per million EUR ⁷
	Amount outstanding 31.12.2024	Share of funding*	Share of capex ³	Avoided GHG emissions	Clean vehicles ⁵	Fiber optic cables laid	Connected homes	Additional waste recycled	Clean energy produced	Green buildings	MSC certified products sold	Geo-thermally heated greenhouse	Eco-efficient products	Students reached	Dwellings	Companies supported ⁶	Loans to gender balanced companies			
	ISK million	%	%	tCO2e	number of	number of	number of	GWh	number of	tonnes	km	number of	tonnes	number of	number of	number of	number of	tCO2e	tCO2e	
Clean Transportation	6,690	100%	85%	2,373	1,553													0.36	51.52	
Energy Efficiency ²	6,764	100%	100%			4,500														
Pollution prevention and control	1,044	61%	100%	3,952				11,811										6.08	874.76	
Renewable energy ⁴	10,450	85%	100%	1,379					162									0.15	21.74	
Green Buildings ¹	33,150	82%	100%							78,921										
Sustainable management of living natural resources and land use	27,593	70%	95%								28,508									
Eco-efficient products	763	96%	100%										66,973							
Education and vocational training	3,053	100%	100%											125	106					
Affordable housing	8,951	90%	100%												398					
Employment Generation	630	n.a.	0%													84				
Equality, diversity and empowerment	10,454	n.a.	94%														19			
Sustainable Financing Framework (2020-2023)																				
Clean Transportation	10,328	100%	100%	4,760	3,431													0.46	66.32	
	119,870			12,464														0.47	67.84	

1. A benchmark for building emissions in Iceland is currently being developed. Once available, Íslandsbanki will report on the estimated reduced/avoided GHG emissions (tonnes CO2e) per year from the green buildings financed as per its Sustainable Financing Framework.

2. No benchmark is available for GHG emissions from using copper-based broadband technology in Iceland. Estimated avoided emissions in this category are therefore omitted from the report.

3. Share of capex = how much of Íslandsbanki's share of funding finances capital expenditures.

4. Calculated using the average GHG emission intensity of electricity generation in Iceland. The Icelandic benchmark emission factor for 2022 is estimated to be 8.54 gCO2e/kWh, and has not been updated since.

5. In addition 28 electric bikes were funded.

6. Average loan size ISK 7.5m.

7. EUR/ISK=143.9 on 31.12.2024.

* Estimated based on Share of funding from 2023, will be updated later in 2025 and flagged if significant changes.

Financial ratios

Profitability

Return on equity ¹	Profit for the period / Average equity
Return on assets ¹	Profit for the period / Average assets
Basic earnings per share	Profit for the period / Average number of outstanding shares
Diluted earnings per share	Profit for the period / Average number of outstanding shares + dilutive potential ordinary shares
Core income / Total operating income	(Net interest income + Net fee & commission income) / Total operating income

Net interest margin

Net interest margin on total assets ¹	Net interest income / Average assets
Net interest margin on interest bearing assets ¹	Net interest income / Average interest-bearing assets

Efficiency

Cost-to-income ratio ²	(Administrative expenses + Contribution to the Depositors' and Investors' Guarantee Fund – One-off expenses) / (Total operating income – One-off income)
Cost-to-core income ratio ^{1,2}	(Administrative expenses + Contribution to the Depositors' and Investors' Guarantee Fund – One-off expenses) / (Net interest income + Net fee and commission income – One-off income)
Cost-to-total assets ratio ^{1,2}	(Administrative expenses + Contribution to the Depositors' and Investors' Guarantee Fund – One-off expenses) / Average assets
Cost of risk ¹	Net impairment on financial assets / Average gross carrying amount of loans to customers

Asset quality

Average LTV for mortgages to individuals	The cumulative loan-to-value (LTV) ratio for an individual mortgage is calculated by adding the outstanding balance of the loan and the outstanding balances of any prior liens on the same property, and dividing that total by the value of the residential real estate securing the loan. The average LTV for the portfolio of mortgages to individuals is derived as a weighted average. The weight for each property is Íslandsbanki's total outstanding amount secured on that property, and the LTV applied is the highest LTV of all Íslandsbanki loans on that property.
REA ratio	Risk exposure amount / Total assets
Non-performing loans (NPL) ratio	Gross carrying amount of loans to customers in default (Stage 3) / Gross carrying amount of loans to customers
Asset encumbrance ratio	(Carrying amount of encumbered assets + collateral received re-used) / (Total assets + collateral received available for encumbrance)

Financial strength

Equity as % of total assets	Total equity / Total assets
-----------------------------	-----------------------------

Liquidity

Liquidity coverage ratio (LCR)	Liquidity buffer / Net liquid outflows over the coming 30 days
Net stable funding ratio (NSFR)	Available stable funding / Required stable funding
Term deposits ratio	Term deposits maturing within 30 days / Total deposits
Loan-to-deposit ratio	Loans to customers / Deposits from customers
Loan-to-deposit ratio (adj. for Covered bonds)	(Loans to customers - Loans funded by Covered bonds) / Deposits from customers

Capital

CET1 ratio	Common equity tier 1 capital / Total risk exposure amount
Tier 1 ratio	(CET 1 capital + Additional Tier 1 capital) / Total risk exposure amount
Total capital ratio	(Tier 1 capital + Tier 2 capital) / Total risk exposure amount
Leverage ratio	Tier 1 capital / (On-balance sheet exposures + Off-balance sheet exposures + Derivative exposures)
MREL ratio	(Total capital base + Eligible liabilities) / Total risk exposure amount

1. Calculated based on annualised figures for periods shorter than a year.

2. As of 2Q22 contribution to the Depositors' and Investors' Guarantee Fund was ceased.

Average balances are calculated as the average of the opening balance for the applicable period and closing balance for each quarter of the applicable period.

Until year-end 2023, average balances were calculated as the average of the opening balance for the applicable period and closing balance for each month of the applicable period.

Disclaimer

All information contained in this document should be regarded as preliminary and based on company data available. Due care and attention has been used in the preparation of forecast information. However, actual results may vary from their forecasts, and any variation may be materially positive or negative. Forecasts, by their very nature, are subject to uncertainty and contingencies, many of which are outside the control of Íslandsbanki.

Íslandsbanki cannot guarantee that the information contained herein is without fault or entirely accurate. The information in this material is based on sources that Íslandsbanki believes to be reliable. Íslandsbanki can however not guarantee that all information is correct. Furthermore, information and opinions may change without notice. Íslandsbanki is under no obligation to make amendments or changes to this publication if errors are found or opinions or information change. Íslandsbanki accepts no responsibility for the accuracy of its sources.

Íslandsbanki and its management may make certain statements that constitute "forward-looking statements". These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often use words such as "anticipates," "targets," "expects," "estimates," "intends," "plans," "goals," "believes" and other similar expressions or future or conditional verbs such as "will," "should," "would" and "could."

The forward-looking statements represent Íslandsbanki's current expectations, plans or forecasts of its future results and revenues and beliefs held by the company at the time of publication. These statements are not guarantees of future results or performance and involve certain risks, uncertainties and assumptions that are difficult to predict and are often beyond Íslandsbanki's control. Actual outcomes and results may differ materially from those expressed in, or implied by, any of these forward-looking statements.

Forward-looking statements speak only as of the date they are made, and Íslandsbanki undertakes no obligation to update any forward-looking statement to reflect the impact of circumstances or events that arise after the date the forward-looking statement was made.

Íslandsbanki does not assume any responsibility or liability for any reliance on any of the information contained herein. Íslandsbanki is the owner of all works of authorship including, but not limited to, all design, text, sound recordings, images and trademarks in this material unless otherwise explicitly stated. The use of Íslandsbanki's material, works or trademarks is forbidden without written consent except were otherwise expressly stated. Furthermore, it is prohibited to publish material made or gathered by Íslandsbanki without written consent.

