



Íslandsbanki Factbook

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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.

Key performance indicators - 5 years

	9M25	2024	2023	2022	2021
Profitability					
Return on equity	11.5%	10.9%	11.3%	11.9%	12.3%
Return on assets	1.5%	1.5%	1.5%	1.7%	1.7%
Earnings per share	10.33	12.53	12.34	12.27	11.87
Core income / Total operating income	100.7%	95.9%	97.8%	99.9%	93.5%
Net interest margin					
Net interest margin on total assets	3.2%	2.9%	3.1%	2.9%	2.4%
Efficiency					
Cost-to-income ratio ^{1,2}	42.1%	43.9%	40.6%	40.8%	46.2%
Cost-to-total assets ratio ¹	1.68%	1.72%	1.62%	1.54%	1.64%
Cost of risk ³	(0.04%)	(0.05%)	0.08%	(0.14%)	(0.28%)
Number of FTEs at period end - Consolidated ⁴	778	772	764	739	735
Number of FTEs at period end - Parent ⁴	736	733	725	700	702
Number of branches at period end	12	12	12	12	12
Assets					
Loans to customers (ISKm)	1,333,234	1,295,388	1,223,426	1,186,639	1,086,327
LTV on mortgages to individuals	57.0%	54.0%	57.0%	60.0%	66.0%
REA ratio	62.5%	64.7%	61.7%	63.8%	63.1%
Non-performing loans (NPL) ratio	1.6%	1.6%	1.8%	1.8%	2.0%
Asset encumbrance ratio	17.4%	19.0%	21.7%	26.5%	19.6%
Financial strength					
Equity as % of total assets	13.1%	14.1%	14.2%	14.0%	14.3%
Liquidity					
Net stable funding ratio (NSFR) - All currencies	129%	125%	124%	118%	122%
Net stable funding ratio (NSFR) - Foreign currencies	-	-	-	198%	157%
Liquidity coverage ratio (LCR) - All currencies	207%	168%	195%	205%	156%
Liquidity coverage ratio (LCR) - ISK	125%	126%	115%	109%	141%
Liquidity coverage ratio (LCR) - EUR	569%	449%	663%	-	-
Liquidity coverage ratio (LCR) - Foreign currencies	-	-	-	492%	235%
Term deposits ratio	16.7%	18.1%	18.8%	18.4%	18.3%
Loan-to-deposit ratio	132%	140%	144%	150%	146%
Capital					
CET1 ratio ⁵	18.9%	20.1%	21.4%	18.8%	21.3%
Tier 1 ratio ⁵	19.8%	21.0%	22.5%	19.8%	22.5%
Total capital ratio ⁵	21.9%	23.2%	25.3%	22.2%	25.3%
Leverage ratio ⁵	11.9%	13.2%	13.4%	12.1%	13.6%
MREL ratio ⁶	36.8%	33.4%	41.3%	34.5%	-
Risk exposure amount (ISKm)	1,084,527	1,040,972	977,032	999,491	901,646

1. Comparative figures have been changed. Expenses recognised in the line item "Other operating expenses" in the Consolidated Financial Statements have been reclassified in the line item "Fee and commission expense". Ratios were restated accordingly.

2. C/I ratio for 9M25 excludes a charge of ISK 550m within net interest income due to a provision for legal proceedings.

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

4. Numbers exclude seasonal employees.

5. Including third quarter profit for 9M25.

6. MREL ratio includes the CET1 capital held to meet the combined buffer requirement.

Income statement - 5 year summary

ISK million	9M25	2024	2023	2022	2021
Interest income calculated using the effective interest rate method	99,985	135,278	126,095	87,671	56,220
Other interest income	2,968	6,064	11,047	6,342	2,405
Interest expense	(62,873)	(94,077)	(88,531)	(50,887)	(24,582)
Net interest income	40,080	47,265	48,611	43,126	34,043
Fee and commission income	14,312	18,944	18,591	17,630	15,167
Fee and commission expense ¹	(4,396)	(5,822)	(5,308)	(4,342)	(2,318)
Net fee and commission income	9,916	13,122	13,283	13,288	12,849
Net financial income (expense)	(1,326)	(338)	241	(1,257)	2,499
Net foreign exchange gain	270	607	581	881	479
Other operating income	725	2,282	570	433	302
Other net operating income	(331)	2,551	1,392	57	3,280
Total operating income	49,665	62,938	63,286	56,471	50,172
Salaries and related expenses	(12,694)	(16,329)	(15,003)	(13,452)	(13,397)
Other operating expenses ¹	(8,442)	(11,299)	(10,689)	(9,401)	(9,799)
Administrative fine	-	(470)	(960)	(300)	-
Contribution to the Depositors' and Investors' Guarantee Fund	-	-	-	(165)	(688)
Bank tax	(1,562)	(1,900)	(1,871)	(1,858)	(1,683)
Total operating expenses	(22,698)	(29,998)	(28,523)	(25,176)	(25,567)
Profit before net impairment on financial assets	26,967	32,940	34,763	31,295	24,605
Net impairment on financial assets	406	645	(1,015)	1,576	3,018
Profit before tax	27,373	33,585	33,748	32,871	27,623
Income tax expense	(8,066)	(9,426)	(9,198)	(8,485)	(5,119)
Profit for the year before profit (loss) from non-current assets	19,307	24,159	24,550	24,386	22,504
Profit (loss) from non-current assets held for sale, net of tax	(5)	87	35	149	1,221
Profit for the period	19,302	24,246	24,585	24,535	23,725
Basic earnings per share from profit for the period	10.33	12.53	12.34	12.27	11.87

1. Comparative figures have been changed. Expenses of ISK 951m in 2023 and ISK 765m in 2022 recognised in the line item "Other operating expenses" in the Consolidated Financial Statements were restated in the line item "Fee and commission expense".

Balance sheet - 5 year summary

ISK million	30.9.25	31.12.24	31.12.23	31.12.22	31.12.21
Cash and balances with Central Bank	114,055	65,716	87,504	94,424	113,667
Loans to credit institutions	99,117	50,486	73,475	110,364	43,988
Bonds and debt instruments	139,432	142,618	161,342	130,804	132,289
Derivatives	5,092	5,324	5,776	7,461	2,445
Loans to customers	1,333,234	1,295,388	1,223,426	1,186,639	1,086,327
Shares and equity instruments	16,815	24,330	13,241	15,868	31,677
Investments in associates	4,948	4,701	4,051	3,844	939
Investment property	2,900	2,600	-	-	-
Property and equipment	4,769	5,039	6,562	6,752	7,010
Intangible assets	2,632	2,684	2,930	3,279	3,351
Other assets	9,314	7,304	3,638	6,072	5,784
Non-current assets and disposal groups held for sale	1,748	1,617	749	728	1,344
Total Assets	1,734,056	1,607,807	1,582,694	1,566,235	1,428,821
Deposits from Central Bank and credit institutions	15,972	12,535	16,149	15,269	13,384
Deposits from customers	1,008,919	926,846	850,709	789,897	744,036
Derivative instruments and short positions	5,599	7,306	5,090	10,804	9,467
Debt issued and other borrowed funds	409,170	367,586	417,573	468,270	402,226
Subordinated loans	32,550	31,695	38,155	34,392	35,762
Tax liabilities	14,544	12,916	13,107	12,128	6,432
Other liabilities	20,328	21,568	17,218	16,601	12,848
Non-current liabilities and disposal groups held for sale	-	-	-	-	956
Total Liabilities	1,507,082	1,380,452	1,358,001	1,347,361	1,225,111
Share capital	9,180	9,473	9,898	10,000	10,000
Share premium	42,472	55,000	55,000	55,000	55,000
Reserves	7,062	7,102	5,083	9,158	6,086
Retained earnings	168,260	155,780	154,712	144,716	132,624
Total Equity	226,974	227,355	224,693	218,874	203,710
Total Liabilities and Equity	1,734,056	1,607,807	1,582,694	1,566,235	1,428,821

Net interest income - 5 year summary

ISK million	9M25	2024	2023	2022	2021
Cash and balances with Central Bank	2,594	4,888	5,389	2,791	948
Loans to credit institutions	2,003	3,042	3,236	757	128
Loans to customers	90,924	121,730	117,470	84,123	55,144
Financial assets mandatorily at fair value through other comprehensive income	5,014	5,618	-	-	-
Provision for legal proceedings	(550)	-	-	-	-
Interest income calculated using the effective interest rate method	99,985	135,278	126,095	87,671	56,220
Financial assets mandatorily at fair value through profit or loss	2,963	6,020	11,035	6,335	2,388
Other assets	5	44	12	7	17
Other interest income	2,968	6,064	11,047	6,342	2,405
Deposits from Central Bank and credit institutions	(232)	(380)	(243)	(364)	(306)
Deposits from customers	(39,895)	(60,587)	(50,073)	(23,049)	(6,815)
Financial liabilities mandatorily at fair value through profit or loss ¹	(2,168)	(4,882)			
Debt issued and other borrowed funds at fair value through profit and loss	(925)	(1,912)	(2,470)	(578)	(729)
Debt issued and other borrowed funds at amortised cost ¹	(17,333)	(22,780)	(25,829)	(21,709)	(14,104)
Subordinated loans	(2,243)	(3,357)	(3,214)	(1,538)	(829)
Lease liabilities	(54)	(76)	(79)	(82)	(84)
Other liabilities ¹	(23)	(103)	(6,623)	(3,567)	(1,715)
Total interest expense	(62,873)	(94,077)	(88,531)	(50,887)	(24,582)
Net interest income	40,080	47,265	48,611	43,126	34,043
Net interest income on loans					
Personal Banking	3,641	5,024	5,842	6,580	7,464
Business Banking	6,646	8,562	8,297	7,749	7,842
Corporate & Investment Banking	5,591	7,302	7,450	7,317	7,773
Total net interest income on loans	15,878	20,888	21,589	21,646	23,079
Net interest income on deposits					
Personal Banking	7,587	8,856	8,699	7,186	4,535
Business Banking	5,339	6,424	6,465	5,486	2,999
Corporate & Investment Banking	1,161	1,593	1,670	1,300	948
Total net interest income on deposits	14,087	16,873	16,834	13,972	8,482

1. The presentation of interest expense has been updated, and comparative figures have been changed accordingly. Expenses of ISK 5,895 million recognised in the line item "Other liabilities" in the Consolidated Interim Financial Statements for 2024, have been reclassified to other line items, with ISK 4,882 million reclassified as "Financial liabilities mandatorily at fair value through profit or loss" and ISK 1,013 million reclassified as "Debt issued and other borrowed funds at amortised cost".

Net fee & commission income - 5 year summary

ISK million	9M25	2024	2023	2022	2021
Asset management	2,159	2,864	2,908	3,154	3,100
Investment banking and brokerage	2,663	3,337	3,340	3,627	3,544
Payment processing	6,093	8,390	8,072	6,774	4,979
Loans and guarantees	1,638	2,009	2,251	2,350	2,212
Other fee and commission income	1,759	2,344	2,020	1,725	1,332
Fee and commission income	14,312	18,944	18,591	17,630	15,167
Brokerage	(416)	(536)	(496)	(484)	(471)
Payment processing expenses ¹	(3,421)	(4,564)	(4,119)	(3,266)	(1,834)
Other fee and commission expense ¹	(559)	(722)	(693)	(592)	(13)
Fee and commission expense	(4,396)	(5,822)	(5,308)	(4,342)	(2,318)
Net fee and commission income	9,916	13,122	13,283	13,288	12,849

1. Comparative figures have been changed. Expenses of ISK 951m in 2023 and ISK 765m in 2022 recognised in the line item "Other operating expenses" in the Consolidated Financial Statements were reclassified in the line item "Fee and commission expense" (2023: ISK 272m as payment processing expenses and ISK 679m as other fee and commission expense. 2022: ISK 267m as payment processing expenses and ISK 498m as other fee and commission expense).

Loans to customers - 5 year summary

ISK million	30.9.25	31.12.24	31.12.23	31.12.22	31.12.21
Individuals	652,965	625,262	594,631	570,522	520,733
- thereof mortgages	586,843	563,753	530,676	507,969	457,800
Commerce and services	193,601	184,667	182,808	172,222	165,222
Construction	97,955	95,558	80,099	59,815	36,773
Energy	16,526	11,800	7,938	10,411	9,493
Financial services	195	715	214	2,622	1,978
Industrial and transportation	93,100	82,423	75,802	91,078	89,627
Investment companies	42,989	42,960	45,931	40,336	23,677
Public sector and non-profit organisations	17,442	20,448	18,476	11,046	9,987
Real estate	145,738	154,913	144,173	126,297	109,314
Seafood	72,723	76,642	73,354	102,290	119,523
Loans to customers	1,333,234	1,295,388	1,223,426	1,186,639	1,086,327

Capital and risk exposure amount - 5 year summary

ISK million	30.9.25	31.12.24	31.12.23	31.12.22	31.12.21
Ordinary share capital	9,180	9,473	9,898	10,000	10,000
Share premium	42,472	55,000	55,000	55,000	55,000
Reserves	7,062	7,102	5,083	9,158	6,086
Retained earnings	168,260	155,780	154,712	144,716	132,624
Third quarter profit	(6,901)	-	-	-	-
IFRS 9 reversal due to transitional rules	-	-	-	1,301	2,768
Fair value changes due to own credit standing	525	135	1,827	(1,786)	1,054
Forseeable dividend payment and approved buyback	(17,555)	(15,760)	(14,990)	(27,267)	(11,863)
Tax assets	(253)	(164)	(122)	(116)	(94)
Intangible assets	(1,647)	(2,070)	(1,922)	(3,279)	(3,351)
Insufficient coverage for non-performing exposure	(24)	(17)	(3)	-	-
Total CET1 capital	201,119	209,479	209,483	187,727	192,224
Additional Tier 1 capital	9,625	9,371	10,019	10,062	10,626
Tier 1 capital	210,744	218,850	219,502	197,789	202,850
Tier 2 capital	22,926	22,324	28,135	24,330	25,136
Total capital base	233,670	241,174	247,637	222,119	227,986
Risk exposure amount					
- due to credit risk	970,472	922,533	865,758	893,110	802,147
- due to market risk:	5,923	10,606	10,360	15,417	17,100
- due to credit valuation adjustment	1,013	714	677	2,756	1,829
- due to operational risk	107,119	107,119	100,237	88,208	80,570
Total risk exposure amount	1,084,527	1,040,972	977,032	999,491	901,646
Capital ratios					
CET1 ratio ¹	18.9%	20.1%	21.4%	18.8%	21.3%
Tier 1 ratio ¹	19.8%	21.0%	22.5%	19.8%	22.5%
Total capital ratio ¹	21.9%	23.2%	25.3%	22.2%	25.3%
Leverage ratio ¹	11.9%	13.2%	13.4%	12.1%	13.6%
MREL ratio ²	36.8%	33.4%	41.3%	34.5%	-

1. Including third quarter profit for 30.9.25

2. MREL ratio includes the CET1 capital held to meet the combined buffer requirement.

Operating segments - Personal Banking

ISK million	9M25	2024	2023	2022	2021
Net interest income	12,940	15,849	17,410	15,065	12,027
Net fee and commission income ¹	2,862	3,983	4,206	4,198	3,850
Other net operating income	60	(19)	70	342	189
Total operating income	15,862	19,813	21,686	19,605	16,066
Salaries and related expenses	(2,057)	(2,763)	(2,473)	(2,355)	(2,388)
Other operating expenses ¹	(2,012)	(2,716)	(2,462)	(2,310)	(2,354)
Contribution to the Depositors' and Investors' Guarantee Fund	-	-	-	(129)	(538)
Bank tax	(692)	(889)	(839)	(801)	(723)
Net impairment on financial assets	(157)	660	(1,589)	(300)	318
Cost allocation	(4,164)	(5,450)	(5,225)	(4,792)	(4,539)
Profit before tax	6,780	8,655	9,098	8,918	5,842
Income tax	(1,943)	(2,576)	(2,584)	(2,528)	(1,707)
Profit for the period before profit from non-current assets	4,837	6,079	6,514	6,390	4,135
Net segment revenue from external customers	18,327	20,450	29,266	33,261	26,175
Net segment revenue from other segments	(2,465)	(637)	(7,450)	(13,520)	(10,109)
Fee and commission income	6,091	8,307	8,116	7,282	5,669
Depreciation, amortisation, and write-offs	(150)	(183)	(179)	(172)	(166)
At 30 September 2025					
Loans to customers	633,423	608,766	574,653	552,181	502,354
Other assets	3,386	3,654	3,176	3,158	3,609
Total segment assets	636,809	612,420	577,829	555,339	505,963
Deposits from customers	510,014	486,235	406,821	361,994	344,776
Other liabilities	2,448	3,404	3,720	2,597	1,603
Total segment liabilities	512,462	489,639	410,541	364,591	346,379
Allocated equity	47,032	44,719	41,160	39,228	37,549
Risk exposure amount	287,291	275,836	260,760	255,938	247,970

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.

1. Comparative figures have been changed. Expenses of ISK 130m in 2023 and ISK 136m in 2022 recognised in the line item "Other operating expenses" in the Consolidated Financial Statements were reclassified in the line item "Fee and commission expense".

Operating segments - Business Banking

ISK million	9M25	2024	2023	2022	2021
Net interest income	14,697	18,736	17,980	14,493	10,867
Net fee and commission income ¹	1,507	2,020	2,075	2,051	2,111
Other net operating income	26	78	90	90	61
Total operating income	16,230	20,834	20,145	16,634	13,039
Salaries and related expenses	(1,739)	(2,349)	(2,161)	(1,900)	(1,815)
Other operating expenses ¹	(933)	(1,304)	(1,063)	(949)	(1,037)
Contribution to the Depositors' and Investors' Guarantee Fund	-	-	-	(33)	(135)
Bank tax	(371)	(471)	(454)	(407)	(344)
Net impairment on financial assets	685	(984)	(669)	796	2,401
Cost allocation	(3,529)	(4,364)	(4,058)	(3,431)	(3,113)
Profit before tax	10,343	11,362	11,740	10,710	8,996
Income tax	(2,786)	(3,195)	(3,170)	(2,891)	(2,428)
Profit for the period before profit from non-current assets	7,557	8,167	8,570	7,819	6,568
Net segment revenue from external customers	19,235	23,874	22,829	18,158	14,806
Net segment revenue from other segments	(3,005)	(3,040)	(2,551)	(1,401)	(1,767)
Fee and commission income	1,697	2,244	2,262	2,223	2,136
Depreciation, amortisation, and write-offs	(40)	(59)	(57)	(57)	(58)
At 30 September 2025					
Loans to customers	345,495	323,824	311,689	278,823	237,388
Other assets	1,396	1,618	2,210	2,100	2,004
Total segment assets	346,891	325,442	313,899	280,923	239,392
Deposits from customers	297,779	277,186	251,238	244,645	239,871
Other liabilities	1,560	3,997	3,828	2,054	1,630
Total segment liabilities	299,339	281,183	255,066	246,699	241,501
Allocated equity	55,858	51,133	47,210	40,433	33,738
Risk exposure amount	331,180	308,573	291,509	263,011	211,814

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.

1. Comparative figures have been changed. Expenses of ISK 133m in 2023 and ISK 123m in 2022 recognised in the line item "Other operating expenses" in the Consolidated Financial Statements were reclassified in the line item "Fee and commission expense".

Operating segments - Corporate & Investment Banking

ISK million	9M25	2024	2023	2022	2021
Net interest income	10,196	13,661	13,854	11,108	9,282
Net fee and commission income ¹	3,563	4,497	4,492	4,480	4,384
Other net operating income	1,294	1,302	1,284	1,301	759
Total operating income	15,053	19,460	19,630	16,889	14,425
Salaries and related expenses	(1,718)	(2,273)	(2,132)	(1,819)	(1,689)
Other operating expenses ¹	(915)	(1,204)	(978)	(894)	(797)
Contribution to the Depositors' and Investors' Guarantee Fund	-	-	-	(3)	(15)
Bank tax	(389)	(533)	(489)	(520)	(516)
Net impairment on financial assets	(62)	944	1,163	395	121
Cost allocation	(3,019)	(3,840)	(3,569)	(3,237)	(3,170)
Profit before tax	8,950	12,554	13,625	10,811	8,359
Income tax	(2,426)	(3,521)	(3,660)	(2,946)	(2,308)
Profit for the period before profit from non-current assets	6,524	9,033	9,965	7,865	6,051
Net segment revenue from external customers	23,655	30,022	29,448	23,790	19,843
Net segment revenue from other segments	(8,602)	(10,562)	(9,735)	(6,824)	(5,418)
Fee and commission income	3,858	4,741	4,648	4,709	4,486
Depreciation, amortisation, and write-offs	(8)	(6)	(2)	(1)	(15)
At 30 September 2025					
Loans to customers	353,491	362,692	336,161	354,787	346,835
Other assets	4,292	4,784	889	3,859	1,335
Total segment assets	357,783	367,476	337,050	358,646	348,170
Deposits from customers	161,088	147,394	172,658	164,390	141,204
Other liabilities	8,161	10,536	5,370	5,565	4,728
Total segment liabilities	169,249	157,930	178,028	169,955	145,932
Allocated equity	67,466	65,596	63,033	62,400	59,055
Risk exposure amount	394,434	394,601	366,761	404,917	376,896

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.

1. Comparative figures have been changed. Expenses of ISK 83m in 2023 and ISK 77m in 2022 recognised in the line item "Other operating expenses" in the Consolidated Financial Statements were reclassified in the line item "Fee and commission expense".

Operating segments - Treasury & Proprietary Trading

ISK million	9M25	2024	2023	2022	2021
Net interest income (expense)	2,429	(842)	(475)	2,673	2,034
Net fee and commission income (expense)	(108)	(21)	(8)	(55)	(72)
Other net operating income	(1,101)	1,539	565	398	2,694
Total operating income	1,220	676	82	3,016	4,656
Salaries and related expenses	(239)	(324)	(272)	(289)	(256)
Other operating expenses	(353)	(454)	(505)	(467)	(235)
Contribution to the Depositors' and Investors' Guarantee Fund	-	-	-	-	-
Bank tax	(99)	6	(77)	(116)	(86)
Net impairment on financial assets	(61)	25	80	683	94
Cost allocation	429	536	581	551	320
Profit (loss) before tax	897	465	(111)	3,378	4,493
Income tax	(558)	61	203	108	1,421
Profit (loss) for the period before profit from non-current assets	339	526	92	3,486	5,914
Net segment revenue from external customers	(13,123)	(13,899)	(19,989)	(18,922)	(12,748)
Net segment revenue from other segments	14,343	14,575	20,071	21,938	17,404
Fee and commission income	174	281	401	367	231
Depreciation, amortisation, and write-offs	-	-	-	-	-
At 30 September 2025					
Loans to customers	825	106	923	848	59
Other assets	380,028	291,344	343,823	360,594	325,158
Total segment assets	380,853	291,450	344,746	361,442	325,217
Deposits from customers	43,286	18,820	22,957	21,529	21,477
Other liabilities	478,027	428,420	487,357	540,189	465,397
Total segment liabilities	521,313	447,240	510,314	561,718	486,874
Allocated equity	52,223	61,675	69,975	73,966	70,217
Risk exposure amount	59,068	50,434	48,148	67,970	56,983

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	9M25	2024	2023	2022	2021
Net interest income (expense)	(309)	(413)	(365)	(260)	(178)
Net fee and commission income (expense)	(7)	(98)	(36)	(1)	(62)
Other net operating income	247	232	374	149	203
Total operating income	(69)	(279)	(27)	(112)	(37)
Salaries and related expenses	(6,116)	(7,556)	(6,959)	(6,253)	(6,465)
Other operating expenses	(4,118)	(5,452)	(5,579)	(4,598)	(4,854)
Administrative fine	-	(470)	(860)	(300)	-
Bank tax	(11)	(13)	(13)	(14)	(14)
Net impairment on financial assets	-	-	-	-	4
Cost allocation	10,283	13,118	12,271	10,909	10,502
Profit (loss) before tax	(31)	(652)	(1,167)	(368)	(864)
Income tax	3	160	291	92	221
Profit (loss) for the period before profit from non-current assets	(28)	(492)	(876)	(276)	(643)
Net segment revenue from external customers	202	57	308	81	73
Net segment revenue from other segments	(271)	(336)	(335)	(193)	(110)
Fee and commission income	-	(2)	-	-	2
Depreciation, amortisation, and write-offs	(1,065)	(1,397)	(1,368)	(1,155)	(1,145)
At 30 September 2025					
Loans to customers	-	-	-	-	-
Other assets	9,857	9,180	8,716	9,387	9,108
Total segment assets	9,857	9,180	8,716	9,387	9,108
Deposits from customers	-	-	-	-	-
Other liabilities	5,948	5,635	5,768	5,785	5,711
Total segment liabilities	5,948	5,635	5,768	5,785	5,711
Allocated equity	1,303	1,218	1,145	962	894
Risk exposure amount	8,260	7,108	6,930	6,107	5,903

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	9M25	2024	2023	2022	2021
Net interest income	127	274	207	47	11
Net fee and commission income ¹	2,099	2,741	2,554	2,615	2,638
Other net operating income	(857)	(581)	(991)	(2,223)	(626)
Total operating income	1,369	2,434	1,770	439	2,023
Salaries and related expenses	(825)	(1,064)	(1,006)	(836)	(784)
Other operating expenses ¹	(111)	(169)	(202)	(183)	(522)
Contribution to the Depositors' and Investors' Guarantee Fund	-	-	-	-	-
Bank tax	-	-	-	-	-
Net impairment on financial assets	1	-	-	2	80
Cost allocation	-	-	-	-	-
Profit (loss) before tax	434	1,201	562	(578)	797
Income tax	(356)	(355)	(278)	(320)	(318)
Profit (loss) for the period before profit from non-current assets	78	846	284	(898)	479
Net segment revenue from external customers	1,369	2,434	2,375	868	2,023
Net segment revenue from other segments	-	-	-	-	-
Fee and commission income	2,492	3,373	3,164	3,049	2,643
Depreciation, amortisation, and write-offs	(11)	(17)	(14)	(15)	(11)
At 30 September 2025					
Loans to customers	-	-	-	-	(309)
Other assets	1,863	1,839	454	498	1,280
Total segment assets	1,863	1,839	454	498	971
Deposits from customers	(3,248)	(2,789)	(2,965)	(2,661)	(3,292)
Other liabilities	2,019	1,614	1,249	1,274	2,006
Total segment liabilities	(1,229)	(1,175)	(1,716)	(1,387)	(1,286)
Allocated equity	3,092	3,014	2,170	1,885	2,257
Risk exposure amount	4,294	4,420	2,924	1,548	2,080

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.

1. Comparative figures have been changed. Expenses of ISK 605m in 2023 and ISK 429m in 2022 recognised in the line item "Other operating expenses" in the Consolidated Financial Statements were reclassified in the line item "Fee and commission expense".

Key performance indicators - 9 quarters

	3Q25	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23
Profitability									
Return on equity	12.2%	13.0%	9.4%	11.2%	13.2%	9.7%	9.8%	11.2%	11.0%
Return on assets	1.6%	1.7%	1.3%	1.6%	1.8%	1.3%	1.3%	1.5%	1.5%
Earnings per share	3.73	3.84	2.77	3.29	3.80	2.71	2.75	3.13	3.02
Core income / Total operating income ¹	100.5%	98.7%	103.0%	93.2%	95.5%	101.8%	93.5%	94.9%	98.5%
Net interest margin									
Net interest margin on total assets	3.1%	3.3%	3.2%	2.7%	2.9%	3.1%	3.0%	2.9%	2.9%
Efficiency									
Cost-to-income ratio ^{1,2}	38.2%	41.0%	47.6%	45.7%	40.4%	45.7%	43.9%	41.1%	38.2%
Cost-to-total assets ratio ¹	1.51%	1.73%	1.81%	1.76%	1.58%	1.74%	1.76%	1.63%	1.44%
Cost of risk ³	0.00%	(0.12%)	0.00%	(0.11%)	(0.27%)	(0.04%)	0.23%	0.33%	0.19%
Number of FTEs at period end - Consolidated ⁴	778	760	770	772	783	766	775	764	756
Number of FTEs at period end - Parent ⁴	736	720	731	733	744	726	735	725	716
Asset quality									
Loans to customers (ISKm)	1,333,234	1,331,288	1,298,849	1,295,388	1,274,094	1,276,608	1,248,295	1,223,426	1,210,499
LTV on mortgages to individuals	57.0%	54.0%	54.0%	54.0%	57.0%	58.0%	57.0%	57.0%	58.0%
REA ratio	62.5%	63.9%	63.7%	64.7%	62.9%	63.9%	61.8%	61.7%	60.0%
Non-performing loans (NPL) ratio	1.6%	1.6%	1.8%	1.6%	1.6%	1.8%	1.9%	1.8%	1.8%
Asset encumbrance ratio	17.4%	18.0%	18.1%	19.0%	18.4%	18.4%	19.8%	21.7%	23.5%

1. Comparative figures have been changed. Expenses recognised in the line item "Other operating expenses" in the Consolidated Financial Statements were restated in the line item "Fee and commission expense". Ratios have been restated accordingly.

2. C/I ratio for 3Q25 excludes a charge of ISK 550m within net interest income due to a provision for legal proceedings.

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

4. Numbers exclude seasonal employees.

Key performance indicators - 9 quarters

	3Q25	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23
Financial strength									
Equity as % of total assets	13.1%	13.3%	13.1%	14.1%	13.8%	13.6%	13.1%	14.0%	13.4%
Liquidity									
Net stable funding ratio (NSFR) - All currencies	129%	125%	128%	125%	126%	123%	127%	124%	120%
Net stable funding ratio (NSFR) - Foreign currencies	-	-	-	-	-	-	-	-	290%
Liquidity coverage ratio (LCR) - All currencies	207%	185%	202%	168%	223%	190%	190%	195%	247%
Liquidity coverage ratio (LCR) - ISK	125%	121%	110%	126%	154%	129%	101%	115%	122%
Liquidity coverage ratio (LCR) - EUR	569%	542%	736%	449%	621%	575%	404%	663%	777%
Term deposits ratio	16.7%	17.4%	18.6%	18.1%	18.9%	19.2%	20.3%	18.8%	21.2%
Loan-to-deposit ratio	132%	138%	139%	140%	137%	139%	142%	144%	140%
Capital									
CET1 ratio ¹	18.9%	18.5%	18.6%	20.1%	20.2%	19.9%	19.9%	21.4%	20.9%
Tier 1 ratio ¹	19.8%	19.4%	19.5%	21.0%	21.2%	20.9%	20.9%	22.5%	21.9%
Total capital ratio ¹	21.9%	21.5%	21.6%	23.2%	23.4%	23.1%	23.6%	25.3%	24.6%
Leverage ratio ¹	11.9%	12.0%	12.1%	13.2%	13.0%	13.0%	12.6%	13.4%	12.7%
MREL ratio ²	36.8%	36.7%	37.8%	33.4%	35.6%	35.6%	39.1%	41.3%	39.2%
Risk exposure amount (ISKm)	1,084,527	1,084,492	1,061,903	1,040,972	1,021,243	1,019,494	1,015,161	977,032	986,355

1. Including first quarter profit for 1Q24 and third quarter profit for 3Q23 and 3Q25.

2. MREL ratio includes the CET1 capital held to meet the combined buffer requirement.

Income statement - 9 quarter summary

ISK million	3Q25	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23
Interest income calculated using the effective interest rate method	32,507	34,609	32,869	29,404	34,093	37,619	34,162	32,274	31,290
Other interest income	839	1,048	1,081	1,099	1,113	1,391	2,461	3,446	3,006
Interest expense	(20,086)	(21,776)	(21,011)	(19,628)	(23,429)	(26,519)	(24,501)	(23,990)	(22,450)
Net interest income	13,260	13,881	12,939	10,875	11,777	12,491	12,122	11,730	11,846
Fee and commission income	4,706	4,979	4,627	5,162	4,649	4,664	4,469	5,134	4,388
Fee and commission expense ¹	(1,477)	(1,359)	(1,560)	(1,555)	(1,353)	(1,455)	(1,459)	(1,640)	(1,205)
Net fee and commission income	3,229	3,620	3,067	3,607	3,296	3,209	3,010	3,494	3,183
Net financial income (expense)	(353)	13	(986)	169	228	(499)	(236)	455	(193)
Net foreign exchange gain	152	71	47	113	124	174	196	113	176
Other operating income	115	143	467	782	357	45	1,098	258	248
Other net operating income	(86)	227	(472)	1,064	709	(280)	1,058	826	231
Total operating income	16,403	17,728	15,534	15,546	15,782	15,420	16,190	16,050	15,260
Salaries and related expenses	(3,793)	(4,412)	(4,489)	(4,244)	(3,787)	(4,130)	(4,168)	(3,861)	(3,353)
Other operating expenses ¹	(2,686)	(2,849)	(2,907)	(2,856)	(2,585)	(2,916)	(2,942)	(2,730)	(2,470)
Administrative fine	-	-	-	-	-	(470)	-	(100)	-
Bank tax	(549)	(513)	(500)	(454)	(494)	(459)	(493)	(402)	(522)
Total operating expenses	(7,028)	(7,774)	(7,896)	(7,554)	(6,866)	(7,975)	(7,603)	(7,093)	(6,345)
Profit before net impairment on financial assets	9,375	9,954	7,638	7,992	8,916	7,445	8,587	8,957	8,915
Net impairment on financial assets	7	402	(3)	352	860	137	(704)	(1,002)	(583)
Profit before tax	9,382	10,356	7,635	8,344	9,776	7,582	7,883	7,955	8,332
Income tax expense	(2,488)	(3,155)	(2,423)	(2,058)	(2,497)	(2,403)	(2,468)	(1,737)	(2,334)
Profit for the period before profit from non-current assets	6,894	7,201	5,212	6,286	7,279	5,179	5,415	6,218	5,998
Profit (loss) from non-current assets held for sale, net of tax	7	(9)	(3)	(3)	1	87	2	10	9
Profit for the period	6,901	7,192	5,209	6,283	7,280	5,266	5,417	6,228	6,007

1. Comparative figures have been changed. Expenses recognised in the line item "Other operating expenses" in the Consolidated Financial Statements were reclassified in the line item "Fee and commission expense".

As payment processing expenses: 3Q24: ISK 74m, 2Q24: ISK 72m, 1Q24: ISK 85m, 4Q23: ISK 66m and 3Q23: ISK 76m.

As other fee and commission expense: 3Q24: ISK 195m, 2Q24: ISK 138m, 1Q24: ISK 201m, 4Q23: ISK 213m and 3Q23: ISK 141m.

Balance sheet - 9 quarter summary

ISK million	30.9.25	30.6.25	31.3.25	31.12.24	30.9.24	30.6.24	31.3.24	31.12.23	30.9.23
Cash and balances with Central Bank	114,055	87,241	69,944	65,716	104,777	84,981	68,746	87,504	84,332
Loans to credit institutions	99,117	80,481	92,259	50,486	58,177	46,599	114,430	73,475	117,699
Bonds and debt instruments	139,432	138,839	142,937	142,618	126,396	128,410	156,091	161,342	178,830
Derivatives	5,092	7,397	9,092	5,324	6,014	4,178	5,138	5,776	5,581
Loans to customers	1,333,234	1,331,288	1,298,849	1,295,388	1,274,094	1,276,608	1,248,295	1,223,426	1,210,499
Shares and equity instruments	16,815	18,158	20,606	24,330	18,242	19,496	20,281	13,241	13,270
Investments in associates	4,948	4,849	4,857	4,701	4,489	4,122	4,079	4,051	3,841
Investment property	2,900	2,900	2,900	2,600	2,100	2,100	2,100	-	-
Property and equipment	4,769	4,944	5,135	5,039	5,067	5,135	5,240	6,562	6,528
Intangible assets	2,632	2,637	2,636	2,684	2,686	2,715	2,862	2,930	3,120
Other assets	9,314	15,600	16,532	7,304	18,807	21,482	15,719	3,638	19,156
Non-current assets and disposal groups held for sale	1,748	1,700	1,682	1,617	1,609	70	726	749	744
Total Assets	1,734,056	1,696,034	1,667,429	1,607,807	1,622,458	1,595,896	1,643,707	1,582,694	1,643,600
Deposits from Central Bank and credit institutions	15,972	14,876	14,374	12,535	11,525	10,466	14,103	16,149	15,159
Deposits from customers	1,008,919	966,075	936,779	926,846	927,011	916,127	879,554	850,709	864,189
Derivative instruments and short positions	5,599	8,502	6,677	7,306	4,764	4,647	4,936	5,090	10,797
Debt issued and other borrowed funds	409,170	411,009	407,266	367,586	380,814	384,747	440,960	417,573	451,701
Subordinated loans	32,550	32,687	32,502	31,695	32,084	32,133	37,946	38,155	36,517
Tax liabilities	14,544	13,403	12,912	12,916	15,637	14,060	13,695	13,107	16,323
Other liabilities	20,328	24,757	39,025	21,568	27,235	17,215	36,795	17,218	29,220
Total Liabilities	1,507,082	1,471,309	1,449,535	1,380,452	1,399,070	1,379,395	1,427,989	1,358,001	1,423,906
Share capital	9,180	9,368	9,368	9,473	9,564	9,604	9,825	9,898	9,963
Share premium	42,472	42,472	42,472	55,000	55,000	55,000	55,000	55,000	55,000
Reserves	7,062	7,133	7,673	7,102	7,211	6,263	4,831	5,083	4,598
Retained earnings	168,260	165,752	158,381	155,780	151,613	145,634	146,062	154,712	150,133
Total Equity	226,974	224,725	217,894	227,355	223,388	216,501	215,718	224,693	219,694
Total Liabilities and Equity	1,734,056	1,696,034	1,667,429	1,607,807	1,622,458	1,595,896	1,643,707	1,582,694	1,643,600

Net interest income - 9 quarter summary

ISK million	3Q25	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23
Cash and balances with Central Bank	1,297	802	495	1,318	1,504	961	1,105	1,349	1,438
Loans to credit institutions	608	643	752	577	583	991	891	988	1,051
Loans to customers	29,427	31,662	29,835	25,732	30,351	34,137	31,510	29,937	28,801
Financial assets mandatorily at fair value through other comprehensive income	1,725	1,502	1,787	1,777	1,655	1,530	656	-	-
Provision for legal proceedings	(550)	-	-	-	-	-	-	-	-
Interest income calculated using the effective interest rate method	32,507	34,609	32,869	29,404	34,093	37,619	34,162	32,274	31,290
Financial assets mandatorily at fair value through profit or loss	837	1,047	1,079	1,060	1,110	1,391	2,459	3,438	3,004
Other assets	2	1	2	39	3	-	2	8	2
Other interest income	839	1,048	1,081	1,099	1,113	1,391	2,461	3,446	3,006
Deposits from Central Bank and credit institutions	(70)	(93)	(69)	(100)	(84)	(107)	(89)	(87)	(52)
Deposits from customers	(12,757)	(13,356)	(13,782)	(13,627)	(15,537)	(16,217)	(15,206)	(14,494)	(13,180)
Financial liabilities mandatorily at fair value through profit or loss ¹	(638)	(679)	(851)	(1,035)	(1,225)	(1,286)	(1,336)		
Debt issued and other borrowed funds at fair value through profit and loss	(418)	(419)	(88)	(53)	(96)	(866)	(897)	(923)	(892)
Debt issued and other borrowed funds at amortised cost ¹	(5,466)	(6,374)	(5,493)	(4,266)	(5,717)	(6,897)	(5,900)	(5,829)	(5,662)
Subordinated loans	(717)	(820)	(706)	(528)	(748)	(1,124)	(957)	(906)	(723)
Lease liabilities	(18)	(18)	(18)	(18)	(19)	(19)	(20)	(20)	(19)
Other liabilities ¹	(2)	(17)	(4)	(1)	(3)	(3)	(96)	(1,731)	(1,922)
Total interest expense	(20,086)	(21,776)	(21,011)	(19,628)	(23,429)	(26,519)	(24,501)	(23,990)	(22,450)
Net interest income	13,260	13,881	12,939	10,875	11,777	12,491	12,122	11,730	11,846
Net interest income on loans									
Personal Banking	1,138	1,249	1,254	1,147	1,251	1,291	1,336	1,393	1,440
Business Banking	2,269	2,208	2,168	2,105	2,138	2,185	2,134	2,100	2,160
Corporate & Investment Banking	1,871	1,830	1,891	1,855	1,863	1,832	1,752	1,896	1,813
Total net interest income on loans	5,278	5,287	5,313	5,107	5,252	5,308	5,222	5,389	5,413
Net interest income on deposits									
Personal Banking	2,558	2,525	2,504	2,412	2,272	2,104	2,068	2,058	2,122
Business Banking	1,828	1,767	1,744	1,762	1,683	1,489	1,491	1,598	1,686
Corporate & Investment Banking	365	381	414	423	385	422	362	359	405
Total net interest income on deposits	4,751	4,673	4,662	4,597	4,340	4,015	3,921	4,015	4,213

1. The presentation of interest expense has been updated, and comparative figures for 2024 have been changed accordingly. Expenses recognised in the line item "Other liabilities" have been reclassified to line items "Financial liabilities mandatorily at fair value through profit or loss" and "Debt issued and other borrowed funds at amortised cost". Reclassified from "Other liabilities" to "Financial liabilities mandatorily at fair value through profit or loss" in 4Q24: ISK 1,035m, 3Q24: ISK 1,225m, 2Q24: ISK 1,286m and 1Q24: ISK 1,336m. Reclassified from "Other liabilities" to "Debt issued and other borrowed funds at amortised cost" in 4Q24: ISK 226m, 3Q24: ISK 263m, 2Q24: ISK 327m and 1Q24: ISK 197m.

Net fee and commission income - 9 quarter summary

ISK million	3Q25	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23
Asset management	695	711	753	836	657	664	707	766	691
Investment banking and brokerage	790	1,091	782	883	787	874	793	916	760
Payment processing	2,085	2,112	1,896	2,278	2,128	2,118	1,866	2,254	2,007
Loans and guarantees	607	534	497	458	503	529	519	566	554
Other fee and commission income	529	531	699	707	574	479	584	632	376
Fee and commission income	4,706	4,979	4,627	5,162	4,649	4,664	4,469	5,134	4,388
Brokerage	(111)	(177)	(128)	(165)	(106)	(157)	(108)	(147)	(91)
Payment processing expenses ¹	(1,231)	(1,063)	(1,127)	(1,211)	(1,049)	(1,157)	(1,147)	(1,275)	(971)
Other fee and commission expense ¹	(135)	(119)	(305)	(179)	(198)	(141)	(204)	(218)	(143)
Fee and commission expense	(1,477)	(1,359)	(1,560)	(1,555)	(1,353)	(1,455)	(1,459)	(1,640)	(1,205)
Net fee and commission income	3,229	3,620	3,067	3,607	3,296	3,209	3,010	3,494	3,183

1. Comparative figures were reclassified in the Consolidated Financials Statements of 2024. Expenses previously recognised in the line item "Other operating expenses" were reclassified in the line item "Fee and commission expense". As payment processing expenses: 3Q24: ISK 74m, 2Q24: ISK 72m, 1Q24: ISK 85m, 4Q23: ISK 66m and 3Q23: ISK 76m.

As other fee and commission expense: 3Q24: ISK 195m, 2Q24: ISK 138m, 1Q24: ISK 201m, 4Q23: ISK 213m and 3Q23: ISK 141m.

Loans to customers - 9 quarter summary

ISK million	30.9.25	30.6.25	31.3.25	31.12.24	30.9.24	30.6.24	31.3.24	31.12.23	30.9.23
Individuals	652,965	640,868	629,868	625,262	618,904	611,620	603,207	594,631	590,988
- thereof mortgages	586,843	577,891	568,882	563,753	556,207	548,995	540,341	530,676	527,055
Commerce and services	193,601	200,978	184,789	184,667	185,519	190,997	185,495	182,808	181,096
Construction	97,955	97,889	100,613	95,558	91,478	91,345	90,074	80,099	78,407
Energy	16,526	15,767	15,127	11,800	7,822	8,032	7,981	7,938	8,554
Financial services	195	100	974	715	124	1,121	1,086	214	626
Industrial and transportation	93,100	95,002	90,769	82,423	79,011	80,119	75,682	75,802	77,645
Investment companies	42,989	43,880	42,193	42,960	40,558	40,401	42,034	45,931	45,275
Public sector and non-profit organisations	17,442	16,922	16,106	20,448	20,125	20,242	20,895	18,476	17,482
Real estate	145,738	147,327	146,107	154,913	158,072	158,939	151,656	144,173	135,360
Seafood	72,723	72,555	72,303	76,642	72,481	73,792	70,185	73,354	75,066
Loans to customers	1,333,234	1,331,288	1,298,849	1,295,388	1,274,094	1,276,608	1,248,295	1,223,426	1,210,499

Capital and risk exposure amount - 9 quarter summary

ISK million	30.9.25	30.6.25	31.3.25	31.12.24	30.9.24	30.6.24	31.3.24	31.12.23	30.9.23
Ordinary share capital	9,180	9,368	9,368	9,473	9,564	9,604	9,825	9,898	9,963
Share premium	42,472	42,472	42,472	55,000	55,000	55,000	55,000	55,000	55,000
Reserves	7,062	7,133	7,673	7,102	7,211	6,263	4,831	5,083	4,598
Retained earnings	168,260	165,752	158,381	155,780	151,613	145,634	146,062	154,712	150,133
Unaudited interim net earnings	(6,901)	-	-	-	-	-	(5,417)	-	(6,007)
Fair value changes due to own credit standing	525	420	40	135	242	491	2,172	1,827	2,135
Forseeable dividend payment and approved buyback	(17,555)	(22,223)	(18,627)	(15,760)	(14,882)	(12,058)	(11,032)	(14,990)	(10,242)
Tax assets	(253)	(223)	(127)	(164)	(184)	(122)	(128)	(122)	(114)
Intangible assets	(1,647)	(1,875)	(1,777)	(2,070)	(1,847)	(1,821)	(1,948)	(1,922)	(2,020)
Insufficient coverage for non-performing exposure	(24)	(23)	(29)	(17)	(25)	(12)	(2)	(3)	(1)
Total CET1 capital	201,119	200,801	197,374	209,479	206,692	202,979	199,363	209,483	203,445
Additional Tier 1 capital	9,625	9,525	9,819	9,371	9,934	9,762	9,624	10,019	9,279
Tier 1 capital	210,744	210,326	207,193	218,850	216,626	212,741	208,987	219,502	212,724
Tier 2 capital	22,926	23,162	22,684	22,324	22,150	22,371	28,322	28,135	27,238
Total capital base	233,670	233,488	229,877	241,174	238,776	235,112	237,309	247,637	239,962
Risk exposure amount									
- due to credit risk	970,472	966,801	941,470	922,533	911,826	909,132	904,616	865,758	879,889
- due to market risk:	5,923	9,431	12,039	10,606	8,466	9,411	9,615	10,360	15,776
- due to credit valuation adjustment	1,013	1,141	1,275	714	714	714	693	677	2,482
- due to operational risk	107,119	107,119	107,119	107,119	100,237	100,237	100,237	100,237	88,208
Total risk exposure amount	1,084,527	1,084,492	1,061,903	1,040,972	1,021,243	1,019,494	1,015,161	977,032	986,355
Capital ratios									
CET1 ratio ¹	18.9%	18.5%	18.6%	20.1%	20.2%	19.9%	19.9%	21.4%	20.9%
Tier 1 ratio ¹	19.8%	19.4%	19.5%	21.0%	21.2%	20.9%	20.9%	22.5%	21.9%
Total capital ratio ¹	21.9%	21.5%	21.6%	23.2%	23.4%	23.1%	23.6%	25.3%	24.6%
Leverage ratio ¹	11.9%	12.0%	12.1%	13.2%	13.0%	13.0%	12.6%	13.4%	12.7%
MREL ratio ²	36.8%	36.7%	37.8%	33.4%	35.6%	35.6%	39.1%	41.3%	39.2%

1. Including first quarter profit for 31.3.24 and third quarter profit for 30.9.23 and 30.9.25

2. MREL ratio includes the CET1 capital held to meet the combined buffer requirement.

Macroeconomics - summary

	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23	2Q23
YoY change, %									
GDP growth	-1.9	2.7	-1.2	-0.7	0.2	-2.2	-0.4	3.7	8.1
Total investment	8.3	18.4	14.4	2.9	6.1	7.0	-1.7	3.3	11.2
Business investment	13.6	19.5	20.4	-2.4	6.8	4.2	-7.3	12.0	16.4
Residential investment	-8.9	20.2	19.7	15.4	13.4	23.8	7.3	-1.9	-4.8
Personal consumption	3.1	2.8	1.7	2.2	-0.1	0.0	-2.9	-2.0	1.5
Unemployment rate, % of workforce	3.7	4.2	3.6	3.2	3.4	3.8	3.4	2.9	3.1
Current account, % of GDP	-6.8	-4.8	-7.8	3.7	-3.3	-3.3	-3.1	0.6	0.3
International investment position, % of GDP	43.9	46.5	48.8	43.8	40.8	40.5	35.0	28.8	29.5
Gross general govt. debt, % of GDP			59.3				61.5		
Household debt, gross, % of GDP	71.1	70.9	71.7	72.0	72.0	71.8	71.6	71.5	71.9
Corporate debt, gross, % of GDP	75.8	75.4	76.2	75.7	76.5	75.1	73.5	72.8	74.2
YoY change, %									
Inflation	4.0	4.2	4.9	5.9	6.0	6.7	7.9	7.8	9.4
Residential real estate price index	2.2	3.4	4.1	5.0	0.1	-1.0	-3.8	-4.7	0.7
Wages	8.2	8.3	6.2	6.3	6.6	7.4	9.4	10.8	10.0
Real wages	4.0	3.9	1.3	0.4	0.5	0.6	1.5	2.8	0.5
ISK index, average	188.0	191.6	192.7	196.8	196.1	195.3	195.5	189.5	195.6
Central bank policy rate (1W)	7.6	8.2	8.8	9.3	9.3	9.3	9.3	9.0	8.1
Long-term nominal yield	6.8	6.7	6.5	6.8	6.8	6.6	7.1	6.8	6.4
Long-term real yield	2.8	2.8	2.7	2.7	2.6	2.5	2.7	2.3	2.0

Allocation reporting for Íslandsbanki's Sustainable Funding Framework (2024+)

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	31.12.24	31.12.23	31.12.22	31.12.21	31.12.20
Clean Transportation	6,690	-	-	-	-
Eco-efficient products	763	796	828	-	-
Renewable energy	10,450	5,988	6,257	6,332	6,307
Green buildings	33,150	26,343	16,100	9,688	1,502
Pollution prevention and control	1,044	1,025	772	836	902
Energy efficiency	6,764	880	5,283	5,055	-
Sustainable management of living natural resources and land use	27,593	25,958	26,535	20,187	-
Employment Generation	630	1,455	2,757	3,636	3,271
Affordable housing	8,951	3,521	356	366	2,242
Access to Essential Services – Education and vocational training	3,053	253	96	431	7,061
Socioeconomic Advancement and Empowerment	10,454	8,593	7,141	4,988	-
<i>Sustainable Financing Framework (2020-2023)</i>					
Clean Transportation ¹	10,328	22,579	12,444	6,259	3,392
Total sustainable assets	119,870	97,391	78,570	57,778	24,677

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.

ISK million	31.12.24	31.12.23	31.12.22	31.12.21	31.12.20
Green bonds (ISK)	16,860	10,320	10,320	6,603	2,709
Green bonds (NOK)	6,107	-	-	-	-
Green bonds (SEK)	6,284	-	-	-	-
Sustainable bonds (EUR)	21,424	45,150	87,420	44,657	46,944
Loan from the Nordic Investment Bank (USD)	12,023	12,337	12,337	-	-
Sustainable deposits (ISK)	124	153	10	-	-
Total sustainable debt	62,822	67,960	110,087	51,260	49,653
Thereoff older than 18 months at year end ¹	43,856	46,543	44,950	-	-
Allocation ratio of debt issued more than 18 months old ²	100%	100%	100%	100%	100%
Allocation ratio of debt issued less than 18 months old ³	100%	100%	52%	113%	50%

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

2. 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.

3. 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 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	Additional waste recycled	Clean energy produced	Green buildings	MSC certified products sold	Eco-efficient products	Students reached	Dwellings	Companies supported ⁶	Loans to gender balanced companies				
	ISK million	%	%	tCO2e	number of	number of	GWh	number of	tonnes	km	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 gCO2 e/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.

Impact of Eligible Projects for Íslandsbanki's Sustainable Financing Framework 2023

	Allocation to Eligible Projects			Selected impact indicators													Avoided greenhouse gas emissions per million ISK	Avoided greenhouse gas emissions per million EUR ⁷
	Amount outstanding 31.12.2023	Share of funding	Share of capex ³	Avoided greenhouse gas emissions ⁴	Clean vehicles ⁵	Certified products sold	Clean energy produced	Green bulding	Additional waste recycled	Fiber optic cables laid	MSC certified products sold	Companies supported ⁶	Dwellings	Students reached	Loans to empowered companies			
	ISK million	%	%	tCO2e	number of	number of	GWh	number of	tonnes	km	tonnes	number of	number of	number of	number of			
Clean transportation	22,637	100%	84%	8,843	6,101											0.39	58.79	
Eco-certified products	796	100%	96%			63,633												
Renewable energy	5,988	100%	100%	1,150			131									0.19	28.91	
Green buildings ¹	26,343	74%	100%					21										
Certified organic farms	734	n.a.	100%									2						
Sustainable waste management	1,025	23%	100%	6.915*					4.649*							5.27	792.58	
Information and communication technology ²	880	100%	100%							4,500								
Sustainable seafood products	25,224	90%	100%								n.a.*							
Government defined company support	1,517	n.a.	0%									102						
Affordable housing	3,521	100%	100%										171					
Education and vocational training	253	100%	96%											125				
Equality, diversity and empowerment	8,593	n.a.	87%												117			
	97,511		93%	16,908														

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 2021 is estimated to be 10.3 gCO2 e/kWh, and has not been updated since.

5. In addition 93 charging stations and electric bikes were funded.

6. Average loan size ISK 7.1m.

7. EUR/ISK=150.5 on 31.12.2023.

* Significant decrease as share of funding decreased by 4%, decreasing avoided emissions by 1 ktCO₂ and 1 t additional waste recycled

Key performance indicators

Profitability

Return on equity ¹	Profit for the period / Average equity
Return on assets ¹	Profit for the period / Average assets
Earnings per share	Profit for the period / Average number of outstanding 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
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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-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

LTV on mortgages to individuals	LTV is calculated as an weighted average where the weight is Íslandsbanki's total amount outstanding on the property and the LTV used is the maximum LTV of all Íslandsbanki's loans of the 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
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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

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.

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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.

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