

Factsheet 1Q23



Insight

The Bank believes in moving Iceland forward by empowering its customers to succeed - reflecting a commitment to run a solid business that is a force for good in society. This is highlighted in the Bank's new strategy with Service, Data, Sustainability and Employees being the strategic priorities for the next two years.

Íslandsbanki's 1Q23 net profit amounted to ISK 6.2bn and return on equity was 11.4% which is above the Bank's financial targets. The Bank's operating income rose by 32.6% compared to 1Q22 and the growth in net interest income was 34.9%, compared to 1Q22. Net interest margin increased to 3.2% for the period, compared to 2.6% in 1Q22.

The cost-to-income ratio was within the Bank's targets and was 42.1%, due to strong revenue generation. Considerable cost increases, compared to the previous quarter, are mainly caused by contractual wage increases and non-recurring items. Loans to customers grew by 2.7% during the quarter and increase in deposits from customers amounted to ISK 10bn. Deposit margin was 2.2% for the period, having been 2.1% in 4Q22.

The Bank

12 branches

701 number of FTEs at Íslandsbanki at period end

The Bank's shares are listed on the Nasdaq Iceland Main Market

Market share¹

31% retail customers
38% SMEs
35% large companies

Sustainability 1Q23

IS Haf fjárfestingar, a fund investing in sea related activities established

Íslandsbanki purchased certified carbon units from Yggdrasil Carbon

A report on the significance of SMEs in Iceland published in cooperation with Reykjavik Economics

Digital milestones 1Q23

All debit cards have now been migrated to Paymentology's new card system

Important milestone was reached with closing of the RB Mainframe

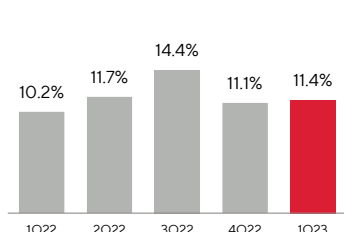
Customers can subscribe to regular savings in the Íslandsbanki app

Ratings and certifications

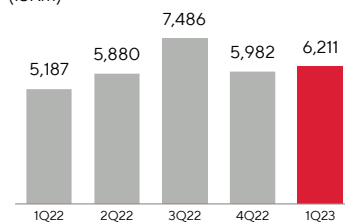
S&P Global **BBB/A-2**
 Ratings Stable outlook



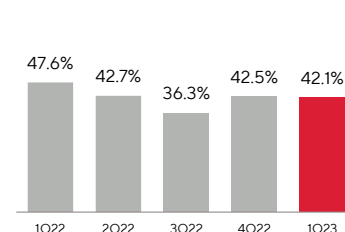
Return on equity



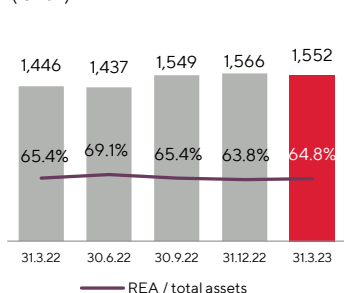
Profit after tax (ISKm)



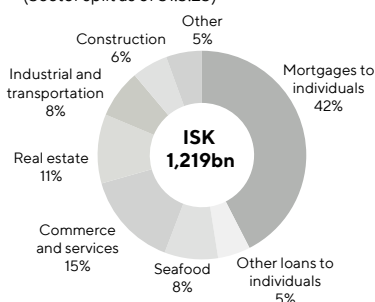
Cost-to-income ratio



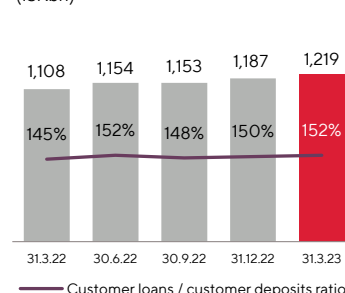
Total assets (ISKbn)



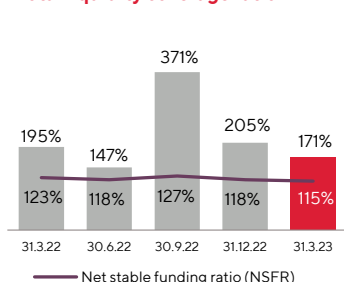
Loans to customers (Sector split as of 31.3.23)



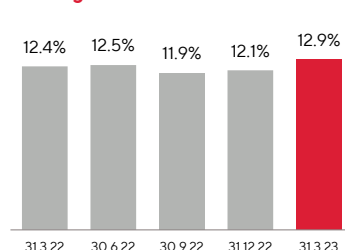
Loans to customers (ISKbn)



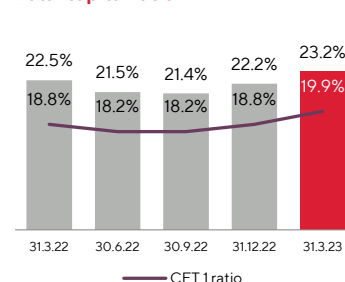
Total liquidity coverage ratio



Leverage ratio²



Total capital ratio²



1. Based on Gallup surveys regarding primary bank. 6 months rolling average for retail customers, February 2023 survey for SMEs and 2022 average for large companies.
 2. Including 1Q22 profit for 31.3.22, 3Q22 profit for 30.9.22 and 1Q23 profit for 31.3.23.