



# Íslandsbanki Factbook

4404000

@islandsbanki

islandsbanki.is

# Contents

---

<b>Overview</b>	<b>Page</b>
<u>Key performance indicators</u>	3
<u>Income statement</u>	4
<u>Balance sheet</u>	5
<u>Net interest income</u>	6
<u>Net fee &amp; 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 &amp; Investment Banking</u>	12
<u>Treasury &amp; Proprietary Trading</u>	13
<u>Cost centers</u>	14
<u>Subsidiaries, eliminations and adjustments</u>	15
<b>9 Quarters review</b>	
<u>Key performance indicators</u>	16
<u>Key performance indicators (continued)</u>	17
<u>Income statement</u>	18
<u>Balance sheet</u>	19
<u>Net interest income</u>	20
<u>Net fee &amp; commissions</u>	21
<u>Loans to customers</u>	22
<u>Capital and risk exposure amount</u>	23
<u>Macroeconomics</u>	24
<b>Other</b>	
<u>Allocation reporting</u>	25
<u>Impact reporting</u>	26
<u>KPI 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](mailto:ir@islandsbanki.is).

## Key performance indicators - 5 years

	1H25	2024	2023	2022	2021
<b>Profitability</b>					
Return on equity	11.1%	10.9%	11.3%	11.9%	12.3%
Return on assets	1.5%	1.5%	1.5%	1.7%	1.7%
Earnings per share	6.60	12.53	12.34	12.27	11.87
Core income / Total operating income	100.7%	95.9%	97.8%	99.9%	93.5%
<b>Net interest margin</b>					
Net interest margin on total assets	3.2%	2.9%	3.1%	2.9%	2.4%
<b>Efficiency</b>					
Cost-to-income ratio <sup>1</sup>	44.1%	43.9%	40.6%	40.8%	46.2%
Cost-to-total assets ratio <sup>1</sup>	1.77%	1.72%	1.62%	1.54%	1.64%
Cost of risk <sup>2</sup>	(0.06%)	(0.05%)	0.08%	(0.14%)	(0.28%)
Number of FTEs at period end - Consolidated	760	772	764	739	735
Number of FTEs at period end - Parent	720	733	725	700	702
Number of branches at period end	12	12	12	12	12
<b>Assets</b>					
Loans to customers (ISKm)	1,331,288	1,295,388	1,223,426	1,186,639	1,086,327
LTV on mortgages to individuals	54.0%	54.0%	57.0%	60.0%	66.0%
REA ratio	63.9%	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	18.0%	19.0%	21.7%	26.5%	19.6%
<b>Financial strength</b>					
Equity as % of total assets	13.3%	14.1%	14.2%	14.0%	14.3%
<b>Liquidity</b>					
Net stable funding ratio (NSFR) - All currencies	125%	125%	124%	118%	122%
Net stable funding ratio (NSFR) - Foreign currencies	-	-	-	198%	157%
Liquidity coverage ratio (LCR) - All currencies	185%	168%	195%	205%	156%
Liquidity coverage ratio (LCR) - ISK	121%	126%	115%	109%	141%
Liquidity coverage ratio (LCR) - EUR	542%	449%	663%	-	-
Liquidity coverage ratio (LCR) - Foreign currencies	-	-	-	492%	235%
Term deposits ratio	17.4%	18.1%	18.8%	18.4%	18.3%
Loan-to-deposit ratio	138%	140%	144%	150%	146%
<b>Capital</b>					
CET1 ratio	18.5%	20.1%	21.4%	18.8%	21.3%
Tier 1 ratio	19.4%	21.0%	22.5%	19.8%	22.5%
Total capital ratio	21.5%	23.2%	25.3%	22.2%	25.3%
Leverage ratio	12.0%	13.2%	13.4%	12.1%	13.6%
MREL ratio <sup>3</sup>	36.7%	33.4%	41.3%	34.5%	-
Risk exposure amount (ISKm)	1,084,492	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. Negative cost of risk means that there is a net release of impairments.

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

## Income statement - 5 year summary

ISK million	1H25	2024	2023	2022	2021
Interest income calculated using the effective interest rate method	67,478	135,278	126,095	87,671	56,220
Other interest income	2,129	6,064	11,047	6,342	2,405
Interest expense	(42,787)	(94,077)	(88,531)	(50,887)	(24,582)
Net interest income	26,820	47,265	48,611	43,126	34,043
Fee and commission income	9,606	18,944	18,591	17,630	15,167
Fee and commission expense <sup>1</sup>	(2,919)	(5,822)	(5,308)	(4,342)	(2,318)
Net fee and commission income	6,687	13,122	13,283	13,288	12,849
Net financial income (expense)	(973)	(338)	241	(1,257)	2,499
Net foreign exchange gain	118	607	581	881	479
Other operating income	610	2,282	570	433	302
Other net operating income	(245)	2,551	1,392	57	3,280
<b>Total operating income</b>	<b>33,262</b>	<b>62,938</b>	<b>63,286</b>	<b>56,471</b>	<b>50,172</b>
Salaries and related expenses	(8,901)	(16,329)	(15,003)	(13,452)	(13,397)
Other operating expenses <sup>1</sup>	(5,756)	(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	(1,013)	(1,900)	(1,871)	(1,858)	(1,683)
<b>Total operating expenses</b>	<b>(15,670)</b>	<b>(29,998)</b>	<b>(28,523)</b>	<b>(25,176)</b>	<b>(25,567)</b>
<b>Profit before net impairment on financial assets</b>	<b>17,592</b>	<b>32,940</b>	<b>34,763</b>	<b>31,295</b>	<b>24,605</b>
Net impairment on financial assets	399	645	(1,015)	1,576	3,018
<b>Profit before tax</b>	<b>17,991</b>	<b>33,585</b>	<b>33,748</b>	<b>32,871</b>	<b>27,623</b>
Income tax expense	(5,578)	(9,426)	(9,198)	(8,485)	(5,119)
<b>Profit for the year before profit (loss) from non-current assets</b>	<b>12,413</b>	<b>24,159</b>	<b>24,550</b>	<b>24,386</b>	<b>22,504</b>
Profit (loss) from non-current assets held for sale, net of tax	(12)	87	35	149	1,221
<b>Profit for the period</b>	<b>12,401</b>	<b>24,246</b>	<b>24,585</b>	<b>24,535</b>	<b>23,725</b>
Basic earnings per share from profit for the period	6.60	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	30.6.25	31.12.24	31.12.23	31.12.22	31.12.21
Cash and balances with Central Bank	87,241	65,716	87,504	94,424	113,667
Loans to credit institutions	80,481	50,486	73,475	110,364	43,988
Bonds and debt instruments	138,839	142,618	161,342	130,804	132,289
Derivatives	7,397	5,324	5,776	7,461	2,445
Loans to customers	1,331,288	1,295,388	1,223,426	1,186,639	1,086,327
Shares and equity instruments	18,158	24,330	13,241	15,868	31,677
Investments in associates	4,849	4,701	4,051	3,844	939
Investment property	2,900	2,600	-	-	-
Property and equipment	4,944	5,039	6,562	6,752	7,010
Intangible assets	2,637	2,684	2,930	3,279	3,351
Other assets	15,600	7,304	3,638	6,072	5,784
Non-current assets and disposal groups held for sale	1,700	1,617	749	728	1,344
<b>Total Assets</b>	<b>1,696,034</b>	<b>1,607,807</b>	<b>1,582,694</b>	<b>1,566,235</b>	<b>1,428,821</b>
Deposits from Central Bank and credit institutions	14,876	12,535	16,149	15,269	13,384
Deposits from customers	966,075	926,846	850,709	789,897	744,036
Derivative instruments and short positions	8,502	7,306	5,090	10,804	9,467
Debt issued and other borrowed funds	411,009	367,586	417,573	468,270	402,226
Subordinated loans	32,687	31,695	38,155	34,392	35,762
Tax liabilities	13,403	12,916	13,107	12,128	6,432
Other liabilities	24,757	21,568	17,218	16,601	12,848
Non-current liabilities and disposal groups held for sale	-	-	-	-	956
<b>Total Liabilities</b>	<b>1,471,309</b>	<b>1,380,452</b>	<b>1,358,001</b>	<b>1,347,361</b>	<b>1,225,111</b>
Share capital	9,368	9,473	9,898	10,000	10,000
Share premium	42,472	55,000	55,000	55,000	55,000
Reserves	7,133	7,102	5,083	9,158	6,086
Retained earnings	165,752	155,780	154,712	144,716	132,624
<b>Total Equity</b>	<b>224,725</b>	<b>227,355</b>	<b>224,693</b>	<b>218,874</b>	<b>203,710</b>
<b>Total Liabilities and Equity</b>	<b>1,696,034</b>	<b>1,607,807</b>	<b>1,582,694</b>	<b>1,566,235</b>	<b>1,428,821</b>

## Net interest income - 5 year summary

ISK million	1H25	2024	2023	2022	2021
Cash and balances with Central Bank	1,297	4,888	5,389	2,791	948
Loans to credit institutions	1,395	3,042	3,236	757	128
Loans to customers	61,497	121,730	117,470	84,123	55,144
Financial assets mandatorily at fair value through other comprehensive income	3,289	5,618	-	-	-
<b>Interest income calculated using the effective interest rate method</b>	<b>67,478</b>	<b>135,278</b>	<b>126,095</b>	<b>87,671</b>	<b>56,220</b>
Financial assets mandatorily at fair value through profit or loss	2,126	6,020	11,035	6,335	2,388
Other assets	3	44	12	7	17
<b>Other interest income</b>	<b>2,129</b>	<b>6,064</b>	<b>11,047</b>	<b>6,342</b>	<b>2,405</b>
Deposits from Central Bank and credit institutions	(162)	(380)	(243)	(364)	(306)
Deposits from customers	(27,138)	(60,587)	(50,073)	(23,049)	(6,815)
Financial liabilities mandatorily at fair value through profit or loss <sup>1</sup>	(1,530)	(4,882)			
Debt issued and other borrowed funds at fair value through profit and loss	(507)	(1,912)	(2,470)	(578)	(729)
Debt issued and other borrowed funds at amortised cost <sup>1</sup>	(11,867)	(22,780)	(25,829)	(21,709)	(14,104)
Subordinated loans	(1,526)	(3,357)	(3,214)	(1,538)	(829)
Lease liabilities	(36)	(76)	(79)	(82)	(84)
Other liabilities <sup>1</sup>	(21)	(103)	(6,623)	(3,567)	(1,715)
<b>Total interest expense</b>	<b>(42,787)</b>	<b>(94,077)</b>	<b>(88,531)</b>	<b>(50,887)</b>	<b>(24,582)</b>
<b>Net interest income</b>	<b>26,820</b>	<b>47,265</b>	<b>48,611</b>	<b>43,126</b>	<b>34,043</b>
<b>Net interest income on loans</b>					
Personal Banking	2,503	5,024	5,842	6,580	7,464
Business Banking	4,376	8,562	8,297	7,749	7,842
Corporate & Investment Banking	3,721	7,302	7,450	7,317	7,773
<b>Total net interest income on loans</b>	<b>10,600</b>	<b>20,888</b>	<b>21,589</b>	<b>21,646</b>	<b>23,079</b>
<b>Net interest income on deposits</b>					
Personal Banking	5,029	8,856	8,699	7,186	4,535
Business Banking	3,511	6,424	6,465	5,486	2,999
Corporate & Investment Banking	795	1,593	1,670	1,300	948
<b>Total net interest income on deposits</b>	<b>9,335</b>	<b>16,873</b>	<b>16,834</b>	<b>13,972</b>	<b>8,482</b>

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	1H25	2024	2023	2022	2021
Asset management	1,464	2,864	2,908	3,154	3,100
Investment banking and brokerage	1,873	3,337	3,340	3,627	3,544
Payment processing	4,008	8,390	8,072	6,774	4,979
Loans and guarantees	1,031	2,009	2,251	2,350	2,212
Other fee and commission income	1,230	2,344	2,020	1,725	1,332
<b>Fee and commission income</b>	<b>9,606</b>	<b>18,944</b>	<b>18,591</b>	<b>17,630</b>	<b>15,167</b>
Brokerage	(305)	(536)	(496)	(484)	(471)
Payment processing expenses <sup>1</sup>	(2,190)	(4,564)	(4,119)	(3,266)	(1,834)
Other fee and commission expense <sup>1</sup>	(424)	(722)	(693)	(592)	(13)
<b>Fee and commission expense</b>	<b>(2,919)</b>	<b>(5,822)</b>	<b>(5,308)</b>	<b>(4,342)</b>	<b>(2,318)</b>
<b>Net fee and commission income</b>	<b>6,687</b>	<b>13,122</b>	<b>13,283</b>	<b>13,288</b>	<b>12,849</b>

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	30.6.25	31.12.24	31.12.23	31.12.22	31.12.21
Individuals	640,868	625,262	594,631	570,522	520,733
- thereof mortgages	577,891	563,753	530,676	507,969	457,800
Commerce and services	200,978	184,667	182,808	172,222	165,222
Construction	97,889	95,558	80,099	59,815	36,773
Energy	15,767	11,800	7,938	10,411	9,493
Financial services	100	715	214	2,622	1,978
Industrial and transportation	95,002	82,423	75,802	91,078	89,627
Investment companies	43,880	42,960	45,931	40,336	23,677
Public sector and non-profit organisations	16,922	20,448	18,476	11,046	9,987
Real estate	147,327	154,913	144,173	126,297	109,314
Seafood	72,555	76,642	73,354	102,290	119,523
<b>Loans to customers</b>	<b>1,331,288</b>	<b>1,295,388</b>	<b>1,223,426</b>	<b>1,186,639</b>	<b>1,086,327</b>



## Capital and risk exposure amount - 5 year summary

ISK million	30.6.25	31.12.24	31.12.23	31.12.22	31.12.21
Ordinary share capital	9,368	9,473	9,898	10,000	10,000
Share premium	42,472	55,000	55,000	55,000	55,000
Reserves	7,133	7,102	5,083	9,158	6,086
Retained earnings	165,752	155,780	154,712	144,716	132,624
IFRS 9 reversal due to transitional rules	-	-	-	1,301	2,768
Fair value changes due to own credit standing	420	135	1,827	(1,786)	1,054
Forseeable dividend payment and approved buyback	(22,223)	(15,760)	(14,990)	(27,267)	(11,863)
Tax assets	(223)	(164)	(122)	(116)	(94)
Intangible assets	(1,875)	(2,070)	(1,922)	(3,279)	(3,351)
Insufficient coverage for non-performing exposure	(23)	(17)	(3)	-	-
<b>Total CET1 capital</b>	<b>200,801</b>	<b>209,479</b>	<b>209,483</b>	<b>187,727</b>	<b>192,224</b>
Additional Tier 1 capital	9,525	9,371	10,019	10,062	10,626
<b>Tier 1 capital</b>	<b>210,326</b>	<b>218,850</b>	<b>219,502</b>	<b>197,789</b>	<b>202,850</b>
Tier 2 capital	23,162	22,324	28,135	24,330	25,136
<b>Total capital base</b>	<b>233,488</b>	<b>241,174</b>	<b>247,637</b>	<b>222,119</b>	<b>227,986</b>
Risk exposure amount					
- due to credit risk	966,801	922,533	865,758	893,110	802,147
- due to market risk:	9,431	10,606	10,360	15,417	17,100
- due to credit valuation adjustment	1,141	714	677	2,756	1,829
- due to operational risk	107,119	107,119	100,237	88,208	80,570
<b>Total risk exposure amount</b>	<b>1,084,492</b>	<b>1,040,972</b>	<b>977,032</b>	<b>999,491</b>	<b>901,646</b>
<b>Capital ratios</b>					
CET1 ratio	18.5%	20.1%	21.4%	18.8%	21.3%
Tier 1 ratio	19.4%	21.0%	22.5%	19.8%	22.5%
Total capital ratio	21.5%	23.2%	25.3%	22.2%	25.3%
Leverage ratio	12.0%	13.2%	13.4%	12.1%	13.6%
MREL ratio <sup>1</sup>	36.7%	33.4%	41.3%	34.5%	-

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

## Operating segments - Personal Banking

ISK million	1H25	2024	2023	2022	2021
Net interest income	9,064	15,849	17,410	15,065	12,027
Net fee and commission income <sup>1</sup>	1,915	3,983	4,206	4,198	3,850
Other net operating income	49	(19)	70	342	189
Total operating income	11,028	19,813	21,686	19,605	16,066
Salaries and related expenses	(1,429)	(2,763)	(2,473)	(2,355)	(2,388)
Other operating expenses <sup>1</sup>	(1,344)	(2,716)	(2,462)	(2,310)	(2,354)
Contribution to the Depositors' and Investors' Guarantee Fund	-	-	-	(129)	(538)
Bank tax	(456)	(889)	(839)	(801)	(723)
Net impairment on financial assets	(107)	660	(1,589)	(300)	318
Cost allocation	(2,929)	(5,450)	(5,225)	(4,792)	(4,539)
Profit before tax	4,763	8,655	9,098	8,918	5,842
Income tax	(1,357)	(2,576)	(2,584)	(2,528)	(1,707)
<b>Profit for the period before profit from non-current assets</b>	<b>3,406</b>	<b>6,079</b>	<b>6,514</b>	<b>6,390</b>	<b>4,135</b>
Net segment revenue from external customers	12,776	20,450	29,266	33,261	26,175
Net segment revenue from other segments	(1,748)	(637)	(7,450)	(13,520)	(10,109)
Fee and commission income	3,978	8,307	8,116	7,282	5,669
Depreciation, amortisation, and write-offs	(98)	(183)	(179)	(172)	(166)
<b>At 30 June 2025</b>					
Loans to customers	623,995	608,766	574,653	552,181	502,354
Other assets	3,557	3,654	3,176	3,158	3,609
<b>Total segment assets</b>	<b>627,552</b>	<b>612,420</b>	<b>577,829</b>	<b>555,339</b>	<b>505,963</b>
Deposits from customers	500,276	486,235	406,821	361,994	344,776
Other liabilities	2,165	3,404	3,720	2,597	1,603
<b>Total segment liabilities</b>	<b>502,441</b>	<b>489,639</b>	<b>410,541</b>	<b>364,591</b>	<b>346,379</b>
Allocated equity	45,975	44,719	41,160	39,228	37,549
Risk exposure amount	282,323	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	1H25	2024	2023	2022	2021
Net interest income	9,700	18,736	17,980	14,493	10,867
Net fee and commission income <sup>1</sup>	992	2,020	2,075	2,051	2,111
Other net operating income	15	78	90	90	61
Total operating income	10,707	20,834	20,145	16,634	13,039
Salaries and related expenses	(1,216)	(2,349)	(2,161)	(1,900)	(1,815)
Other operating expenses <sup>1</sup>	(612)	(1,304)	(1,063)	(949)	(1,037)
Contribution to the Depositors' and Investors' Guarantee Fund	-	-	-	(33)	(135)
Bank tax	(253)	(471)	(454)	(407)	(344)
Net impairment on financial assets	720	(984)	(669)	796	2,401
Cost allocation	(2,482)	(4,364)	(4,058)	(3,431)	(3,113)
Profit before tax	6,864	11,362	11,740	10,710	8,996
Income tax	(1,849)	(3,195)	(3,170)	(2,891)	(2,428)
<b>Profit for the period before profit from non-current assets</b>	<b>5,015</b>	<b>8,167</b>	<b>8,570</b>	<b>7,819</b>	<b>6,568</b>
Net segment revenue from external customers	12,745	23,874	22,829	18,158	14,806
Net segment revenue from other segments	(2,038)	(3,040)	(2,551)	(1,401)	(1,767)
Fee and commission income	1,119	2,244	2,262	2,223	2,136
Depreciation, amortisation, and write-offs	(28)	(59)	(57)	(57)	(58)
<b>At 30 June 2025</b>					
Loans to customers	348,007	323,824	311,689	278,823	237,388
Other assets	1,439	1,618	2,210	2,100	2,004
<b>Total segment assets</b>	<b>349,446</b>	<b>325,442</b>	<b>313,899</b>	<b>280,923</b>	<b>239,392</b>
Deposits from customers	283,434	277,186	251,238	244,645	239,871
Other liabilities	1,724	3,997	3,828	2,054	1,630
<b>Total segment liabilities</b>	<b>285,158</b>	<b>281,183</b>	<b>255,066</b>	<b>246,699</b>	<b>241,501</b>
Allocated equity	54,495	51,133	47,210	40,433	33,738
Risk exposure amount	331,199	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	1H25	2024	2023	2022	2021
Net interest income	6,886	13,661	13,854	11,108	9,282
Net fee and commission income <sup>1</sup>	2,451	4,497	4,492	4,480	4,384
Other net operating income	1,112	1,302	1,284	1,301	759
Total operating income	10,449	19,460	19,630	16,889	14,425
Salaries and related expenses	(1,162)	(2,273)	(2,132)	(1,819)	(1,689)
Other operating expenses <sup>1</sup>	(603)	(1,204)	(978)	(894)	(797)
Contribution to the Depositors' and Investors' Guarantee Fund	-	-	-	(3)	(15)
Bank tax	(267)	(533)	(489)	(520)	(516)
Net impairment on financial assets	(150)	944	1,163	395	121
Cost allocation	(2,128)	(3,840)	(3,569)	(3,237)	(3,170)
Profit before tax	6,139	12,554	13,625	10,811	8,359
Income tax	(1,665)	(3,521)	(3,660)	(2,946)	(2,308)
<b>Profit for the period before profit from non-current assets</b>	<b>4,474</b>	<b>9,033</b>	<b>9,965</b>	<b>7,865</b>	<b>6,051</b>
Net segment revenue from external customers	16,257	30,022	29,448	23,790	19,843
Net segment revenue from other segments	(5,808)	(10,562)	(9,735)	(6,824)	(5,418)
Fee and commission income	2,658	4,741	4,648	4,709	4,486
Depreciation, amortisation, and write-offs	(5)	(6)	(2)	(1)	(15)
<b>At 30 June 2025</b>					
Loans to customers	359,232	362,692	336,161	354,787	346,835
Other assets	9,561	4,784	889	3,859	1,335
<b>Total segment assets</b>	<b>368,793</b>	<b>367,476</b>	<b>337,050</b>	<b>358,646</b>	<b>348,170</b>
Deposits from customers	153,988	147,394	172,658	164,390	141,204
Other liabilities	12,144	10,536	5,370	5,565	4,728
<b>Total segment liabilities</b>	<b>166,132</b>	<b>157,930</b>	<b>178,028</b>	<b>169,955</b>	<b>145,932</b>
Allocated equity	67,215	65,596	63,033	62,400	59,055
Risk exposure amount	400,451	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	1H25	2024	2023	2022	2021
Net interest income (expense)	1,296	(842)	(475)	2,673	2,034
Net fee and commission income (expense)	(123)	(21)	(8)	(55)	(72)
Other net operating income	(838)	1,539	565	398	2,694
Total operating income	335	676	82	3,016	4,656
Salaries and related expenses	(145)	(324)	(272)	(289)	(256)
Other operating expenses	(266)	(454)	(505)	(467)	(235)
Contribution to the Depositors' and Investors' Guarantee Fund	-	-	-	-	-
Bank tax	(30)	6	(77)	(116)	(86)
Net impairment on financial assets	(64)	25	80	683	94
Cost allocation	322	536	581	551	320
Profit (loss) before tax	152	465	(111)	3,378	4,493
Income tax	(420)	61	203	108	1,421
<b>Profit (loss) for the period before profit from non-current assets</b>	<b>(268)</b>	<b>526</b>	<b>92</b>	<b>3,486</b>	<b>5,914</b>
Net segment revenue from external customers	(9,441)	(13,899)	(19,989)	(18,922)	(12,748)
Net segment revenue from other segments	9,776	14,575	20,071	21,938	17,404
Fee and commission income	118	281	401	367	231
Depreciation, amortisation, and write-offs	-	-	-	-	-
<b>At 30 June 2025</b>					
Loans to customers	54	106	923	848	59
Other assets	338,098	291,344	343,823	360,594	325,158
<b>Total segment assets</b>	<b>338,152</b>	<b>291,450</b>	<b>344,746</b>	<b>361,442</b>	<b>325,217</b>
Deposits from customers	31,169	18,820	22,957	21,529	21,477
Other liabilities	481,428	428,420	487,357	540,189	465,397
<b>Total segment liabilities</b>	<b>512,597</b>	<b>447,240</b>	<b>510,314</b>	<b>561,718</b>	<b>486,874</b>
Allocated equity	52,793	61,675	69,975	73,966	70,217
Risk exposure amount	57,634	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	1H25	2024	2023	2022	2021
Net interest income (expense)	(210)	(413)	(365)	(260)	(178)
Net fee and commission income (expense)	(7)	(98)	(36)	(1)	(62)
Other net operating income	210	232	374	149	203
Total operating income	(7)	(279)	(27)	(112)	(37)
Salaries and related expenses	(4,381)	(7,556)	(6,959)	(6,253)	(6,465)
Other operating expenses	(2,841)	(5,452)	(5,579)	(4,598)	(4,854)
Administrative fine	-	(470)	(860)	(300)	-
Bank tax	(7)	(13)	(13)	(14)	(14)
Net impairment on financial assets	-	-	-	-	4
Cost allocation	7,217	13,118	12,271	10,909	10,502
Profit (loss) before tax	(19)	(652)	(1,167)	(368)	(864)
Income tax	2	160	291	92	221
<b>Profit (loss) for the period before profit from non-current assets</b>	<b>(17)</b>	<b>(492)</b>	<b>(876)</b>	<b>(276)</b>	<b>(643)</b>
Net segment revenue from external customers	175	57	308	81	73
Net segment revenue from other segments	(182)	(336)	(335)	(193)	(110)
Fee and commission income	(4)	(2)	-	-	2
Depreciation, amortisation, and write-offs	(699)	(1,397)	(1,368)	(1,155)	(1,145)
<b>At 30 June 2025</b>					
Loans to customers	-	-	-	-	-
Other assets	10,175	9,180	8,716	9,387	9,108
<b>Total segment assets</b>	<b>10,175</b>	<b>9,180</b>	<b>8,716</b>	<b>9,387</b>	<b>9,108</b>
Deposits from customers	-	-	-	-	-
Other liabilities	5,883	5,635	5,768	5,785	5,711
<b>Total segment liabilities</b>	<b>5,883</b>	<b>5,635</b>	<b>5,768</b>	<b>5,785</b>	<b>5,711</b>
Allocated equity	1,429	1,218	1,145	962	894
Risk exposure amount	8,321	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	1H25	2024	2023	2022	2021
Net interest income	84	274	207	47	11
Net fee and commission income <sup>1</sup>	1,459	2,741	2,554	2,615	2,638
Other net operating income	(793)	(581)	(991)	(2,223)	(626)
Total operating income	750	2,434	1,770	439	2,023
Salaries and related expenses	(568)	(1,064)	(1,006)	(836)	(784)
Other operating expenses <sup>1</sup>	(90)	(169)	(202)	(183)	(522)
Contribution to the Depositors' and Investors' Guarantee Fund	-	-	-	-	-
Bank tax	-	-	-	-	-
Net impairment on financial assets	-	-	-	2	80
Cost allocation	-	-	-	-	-
Profit (loss) before tax	92	1,201	562	(578)	797
Income tax	(289)	(355)	(278)	(320)	(318)
<b>Profit (loss) for the period before profit from non-current assets</b>	<b>(197)</b>	<b>846</b>	<b>284</b>	<b>(898)</b>	<b>479</b>
Net segment revenue from external customers	750	2,434	2,375	868	2,023
Net segment revenue from other segments	-	-	-	-	-
Fee and commission income	1,737	3,373	3,164	3,049	2,643
Depreciation, amortisation, and write-offs	(8)	(17)	(14)	(15)	(11)
<b>At 30 June 2025</b>					
Loans to customers	-	-	-	-	(309)
Other assets	1,916	1,839	454	498	1,280
<b>Total segment assets</b>	<b>1,916</b>	<b>1,839</b>	<b>454</b>	<b>498</b>	<b>971</b>
Deposits from customers	(2,792)	(2,789)	(2,965)	(2,661)	(3,292)
Other liabilities	1,890	1,614	1,249	1,274	2,006
<b>Total segment liabilities</b>	<b>(902)</b>	<b>(1,175)</b>	<b>(1,716)</b>	<b>(1,387)</b>	<b>(1,286)</b>
Allocated equity	2,818	3,014	2,170	1,885	2,257
Risk exposure amount	4,564	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

	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23	2Q23
<b>Profitability</b>									
Return on equity	13.0%	9.4%	11.2%	13.2%	9.7%	9.8%	11.2%	11.0%	11.5%
Return on assets	1.7%	1.3%	1.6%	1.8%	1.3%	1.3%	1.5%	1.5%	1.6%
Earnings per share	3.84	2.77	3.29	3.79	2.71	2.75	3.13	3.02	3.08
Core income / Total operating income <sup>1</sup>	98.7%	103.0%	93.2%	95.5%	101.8%	93.5%	94.9%	98.5%	103.2%
<b>Net interest margin</b>									
Net interest margin on total assets	3.3%	3.2%	2.7%	2.9%	3.1%	3.0%	2.9%	2.9%	3.2%
<b>Efficiency</b>									
Cost-to-income ratio <sup>1</sup>	41.0%	47.6%	45.7%	40.4%	45.7%	43.9%	41.1%	38.2%	41.9%
Cost-to-total assets ratio <sup>1</sup>	1.73%	1.81%	1.76%	1.58%	1.74%	1.76%	1.63%	1.44%	1.66%
Cost of risk <sup>2</sup>	(0.12%)	0.00%	(0.11%)	(0.27%)	(0.04%)	0.23%	0.33%	0.19%	(0.40%)
Number of FTEs at period end - Consolidated <sup>3</sup>	760	770	772	783	766	775	764	756	732
Number of FTEs at period end - Parent <sup>3</sup>	720	731	733	744	726	735	725	716	691
<b>Asset quality</b>									
Loans to customers (ISKm)	1,331,288	1,298,849	1,295,388	1,274,094	1,276,608	1,248,295	1,223,426	1,210,499	1,237,758
LTV on mortgages to individuals	54.0%	54.0%	54.0%	57.0%	58.0%	57.0%	57.0%	58.0%	58.0%
REA ratio	63.9%	63.7%	64.7%	62.9%	63.9%	61.8%	61.7%	60.0%	63.7%
Non-performing loans (NPL) ratio	1.6%	1.8%	1.6%	1.6%	1.8%	1.9%	1.8%	1.8%	1.7%
Asset encumbrance ratio	18.0%	18.1%	19.0%	18.4%	18.4%	19.8%	21.7%	23.5%	25.3%

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

3. Numbers exclude seasonal employees.



## Key performance indicators - 9 quarters

	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23	2Q23
<b>Financial strength</b>									
Equity as % of total assets	13.3%	13.1%	14.1%	13.8%	13.6%	13.1%	14.0%	13.4%	13.5%
<b>Liquidity</b>									
Net stable funding ratio (NSFR) - All currencies	125%	128%	125%	126%	123%	127%	124%	120%	119%
Net stable funding ratio (NSFR) - Foreign currencies	-	-	-	-	-	-	-	290%	248%
Liquidity coverage ratio (LCR) - All currencies	185%	202%	168%	223%	190%	190%	195%	247%	259%
Liquidity coverage ratio (LCR) - ISK	121%	110%	126%	154%	129%	101%	115%	122%	145%
Liquidity coverage ratio (LCR) - EUR	542%	736%	449%	621%	575%	404%	663%	777%	333%
Term deposits ratio	17.4%	18.6%	18.1%	18.9%	19.2%	20.3%	18.8%	21.2%	21.2%
Loan-to-deposit ratio	138%	139%	140%	137%	139%	142%	144%	140%	152%
<b>Capital</b>									
CET1 ratio <sup>1</sup>	18.5%	18.6%	20.1%	20.2%	19.9%	19.9%	21.4%	20.9%	20.0%
Tier 1 ratio <sup>1</sup>	19.4%	19.5%	21.0%	21.2%	20.9%	20.9%	22.5%	21.9%	20.9%
Total capital ratio <sup>1</sup>	21.5%	21.6%	23.2%	23.4%	23.1%	23.6%	25.3%	24.6%	23.2%
Leverage ratio <sup>1</sup>	12.0%	12.1%	13.2%	13.0%	13.0%	12.6%	13.4%	12.7%	12.8%
MREL ratio <sup>2</sup>	36.7%	37.8%	33.4%	35.6%	35.6%	39.1%	41.3%	39.2%	38.4%
Risk exposure amount (ISKm)	1,084,492	1,061,903	1,040,972	1,021,243	1,019,494	1,015,161	977,032	986,355	1,015,197

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

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

## Income statement - 9 quarter summary

ISK million	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23	2Q23
Interest income calculated using the effective interest rate method	34,609	32,869	29,404	34,093	37,619	34,162	32,274	31,290	32,461
Other interest income	1,048	1,081	1,099	1,113	1,391	2,461	3,446	3,006	2,502
Interest expense	(21,776)	(21,011)	(19,628)	(23,429)	(26,519)	(24,501)	(23,990)	(22,450)	(22,351)
Net interest income	13,881	12,939	10,875	11,777	12,491	12,122	11,730	11,846	12,612
Fee and commission income	4,979	4,627	5,162	4,649	4,664	4,469	5,134	4,388	4,676
Fee and commission expense <sup>1</sup>	(1,359)	(1,560)	(1,555)	(1,353)	(1,455)	(1,459)	(1,640)	(1,205)	(1,266)
Net fee and commission income	3,620	3,067	3,607	3,296	3,209	3,010	3,494	3,183	3,410
Net financial income (expense)	13	(986)	169	228	(499)	(236)	455	(193)	(559)
Net foreign exchange gain	71	47	113	124	174	196	113	176	48
Other operating income	143	467	782	357	45	1,098	258	248	21
Other net operating income	227	(472)	1,064	709	(280)	1,058	826	231	(490)
<b>Total operating income</b>	<b>17,728</b>	<b>15,534</b>	<b>15,546</b>	<b>15,782</b>	<b>15,420</b>	<b>16,190</b>	<b>16,050</b>	<b>15,260</b>	<b>15,532</b>
Salaries and related expenses	(4,412)	(4,489)	(4,244)	(3,787)	(4,130)	(4,168)	(3,861)	(3,353)	(3,829)
Other operating expenses <sup>1</sup>	(2,849)	(2,907)	(2,856)	(2,585)	(2,916)	(2,942)	(2,730)	(2,470)	(2,680)
Administrative fine	-	-	-	-	(470)	-	(100)	-	(860)
Bank tax	(513)	(500)	(454)	(494)	(459)	(493)	(402)	(522)	(485)
<b>Total operating expenses</b>	<b>(7,774)</b>	<b>(7,896)</b>	<b>(7,554)</b>	<b>(6,866)</b>	<b>(7,975)</b>	<b>(7,603)</b>	<b>(7,093)</b>	<b>(6,345)</b>	<b>(7,854)</b>
<b>Profit before net impairment on financial assets</b>	<b>9,954</b>	<b>7,638</b>	<b>7,992</b>	<b>8,916</b>	<b>7,445</b>	<b>8,587</b>	<b>8,957</b>	<b>8,915</b>	<b>7,678</b>
Net impairment on financial assets	402	(3)	352	860	137	(704)	(1,002)	(583)	1,245
<b>Profit before tax</b>	<b>10,356</b>	<b>7,635</b>	<b>8,344</b>	<b>9,776</b>	<b>7,582</b>	<b>7,883</b>	<b>7,955</b>	<b>8,332</b>	<b>8,923</b>
Income tax expense	(3,155)	(2,423)	(2,058)	(2,497)	(2,403)	(2,468)	(1,737)	(2,334)	(2,792)
<b>Profit for the period before profit from non-current assets</b>	<b>7,201</b>	<b>5,212</b>	<b>6,286</b>	<b>7,279</b>	<b>5,179</b>	<b>5,415</b>	<b>6,218</b>	<b>5,998</b>	<b>6,131</b>
Profit (loss) from non-current assets held for sale, net of tax	(9)	(3)	(3)	1	87	2	10	9	8
<b>Profit for the period</b>	<b>7,192</b>	<b>5,209</b>	<b>6,283</b>	<b>7,280</b>	<b>5,266</b>	<b>5,417</b>	<b>6,228</b>	<b>6,007</b>	<b>6,139</b>

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, 3Q23: ISK 76m, 2Q23: ISK 67m.

As other fee and commission expense: 3Q24: ISK 195m, 2Q24: ISK 138m, 1Q24: ISK 201m, 4Q23: ISK 213m, 3Q23: ISK 141m, 2Q23: ISK 115m.

## Balance sheet - 9 quarter summary

ISK million	30.6.25	31.3.25	31.12.24	30.9.24	30.6.24	31.3.24	31.12.23	30.9.23	30.6.23
Cash and balances with Central Bank	87,241	69,944	65,716	104,777	84,981	68,746	87,504	84,332	78,275
Loans to credit institutions	80,481	92,259	50,486	58,177	46,599	114,430	73,475	117,699	97,749
Bonds and debt instruments	138,839	142,937	142,618	126,396	128,410	156,091	161,342	178,830	131,471
Derivatives	7,397	9,092	5,324	6,014	4,178	5,138	5,776	5,581	5,374
Loans to customers	1,331,288	1,298,849	1,295,388	1,274,094	1,276,608	1,248,295	1,223,426	1,210,499	1,237,758
Shares and equity instruments	18,158	20,606	24,330	18,242	19,496	20,281	13,241	13,270	12,120
Investments in associates	4,849	4,857	4,701	4,489	4,122	4,079	4,051	3,841	3,828
Investment property	2,900	2,900	2,600	2,100	2,100	2,100	-	-	-
Property and equipment	4,944	5,135	5,039	5,067	5,135	5,240	6,562	6,528	6,748
Intangible assets	2,637	2,636	2,684	2,686	2,715	2,862	2,930	3,120	3,241
Other assets	15,600	16,532	7,304	18,807	21,482	15,719	3,638	19,156	15,945
Non-current assets and disposal groups held for sale	1,700	1,682	1,617	1,609	70	726	749	744	730
<b>Total Assets</b>	<b>1,696,034</b>	<b>1,667,429</b>	<b>1,607,807</b>	<b>1,622,458</b>	<b>1,595,896</b>	<b>1,643,707</b>	<b>1,582,694</b>	<b>1,643,600</b>	<b>1,593,239</b>
Deposits from Central Bank and credit institutions	14,876	14,374	12,535	11,525	10,466	14,103	16,149	15,159	14,306
Deposits from customers	966,075	936,779	926,846	927,011	916,127	879,554	850,709	864,189	816,641
Derivative instruments and short positions	8,502	6,677	7,306	4,764	4,647	4,936	5,090	10,797	12,064
Debt issued and other borrowed funds	411,009	407,266	367,586	380,814	384,747	440,960	417,573	451,701	460,913
Subordinated loans	32,687	32,502	31,695	32,084	32,133	37,946	38,155	36,517	33,104
Tax liabilities	13,403	12,912	12,916	15,637	14,060	13,695	13,107	16,323	14,832
Other liabilities	24,757	39,025	21,568	27,235	17,215	36,795	17,218	29,220	25,855
<b>Total Liabilities</b>	<b>1,471,309</b>	<b>1,449,535</b>	<b>1,380,452</b>	<b>1,399,070</b>	<b>1,379,395</b>	<b>1,427,989</b>	<b>1,358,001</b>	<b>1,423,906</b>	<b>1,377,715</b>
Share capital	9,368	9,368	9,473	9,564	9,604	9,825	9,898	9,963	9,963
Share premium	42,472	42,472	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Reserves	7,133	7,673	7,102	7,211	6,263	4,831	5,083	4,598	6,642
Retained earnings	165,752	158,381	155,780	151,613	145,634	146,062	154,712	150,133	143,919
<b>Total Equity</b>	<b>224,725</b>	<b>217,894</b>	<b>227,355</b>	<b>223,388</b>	<b>216,501</b>	<b>215,718</b>	<b>224,693</b>	<b>219,694</b>	<b>215,524</b>
<b>Total Liabilities and Equity</b>	<b>1,696,034</b>	<b>1,667,429</b>	<b>1,607,807</b>	<b>1,622,458</b>	<b>1,595,896</b>	<b>1,643,707</b>	<b>1,582,694</b>	<b>1,643,600</b>	<b>1,593,239</b>

## Net interest income - 9 quarter summary

ISK million	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23	2Q23
Cash and balances with Central Bank	802	495	1,318	1,504	961	1,105	1,349	1,438	1,376
Loans to credit institutions	643	752	577	583	991	891	988	1,051	693
Loans to customers	31,662	29,835	25,732	30,351	34,137	31,510	29,937	28,801	30,392
Financial assets mandatorily at fair value through other comprehensive income	1,502	1,787	1,777	1,655	1,530	656	-	-	-
<b>Interest income calculated using the effective interest rate method</b>	<b>34,609</b>	<b>32,869</b>	<b>29,404</b>	<b>34,093</b>	<b>37,619</b>	<b>34,162</b>	<b>32,274</b>	<b>31,290</b>	<b>32,461</b>
Financial assets mandatorily at fair value through profit or loss	1,047	1,079	1,060	1,110	1,391	2,459	3,438	3,004	2,501
Other assets	1	2	39	3	-	2	8	2	1
<b>Other interest income</b>	<b>1,048</b>	<b>1,081</b>	<b>1,099</b>	<b>1,113</b>	<b>1,391</b>	<b>2,461</b>	<b>3,446</b>	<b>3,006</b>	<b>2,502</b>
Deposits from Central Bank and credit institutions	(93)	(69)	(100)	(84)	(107)	(89)	(87)	(52)	(71)
Deposits from customers	(13,356)	(13,782)	(13,627)	(15,537)	(16,217)	(15,206)	(14,494)	(13,180)	(12,197)
Financial liabilities mandatorily at fair value through profit or loss <sup>1</sup>	(679)	(851)	(1,035)	(1,225)	(1,286)	(1,336)			
Debt issued and other borrowed funds at fair value through profit and loss	(419)	(88)	(53)	(96)	(866)	(897)	(923)	(892)	(515)
Debt issued and other borrowed funds at amortised cost <sup>1</sup>	(6,374)	(5,493)	(4,266)	(5,717)	(6,897)	(5,900)	(5,829)	(5,662)	(7,080)
Subordinated loans	(820)	(706)	(528)	(748)	(1,124)	(957)	(906)	(723)	(786)
Lease liabilities	(18)	(18)	(18)	(19)	(19)	(20)	(20)	(19)	(20)
Other liabilities <sup>1</sup>	(17)	(4)	(1)	(3)	(3)	(96)	(1,731)	(1,922)	(1,682)
<b>Total interest expense</b>	<b>(21,776)</b>	<b>(21,011)</b>	<b>(19,628)</b>	<b>(23,429)</b>	<b>(26,519)</b>	<b>(24,501)</b>	<b>(23,990)</b>	<b>(22,450)</b>	<b>(22,351)</b>
<b>Net interest income</b>	<b>13,881</b>	<b>12,939</b>	<b>10,875</b>	<b>11,777</b>	<b>12,491</b>	<b>12,122</b>	<b>11,730</b>	<b>11,846</b>	<b>12,612</b>
<b>Net interest income on loans</b>									
Personal Banking	1,249	1,254	1,147	1,251	1,291	1,336	1,393	1,440	1,444
Business Banking	2,208	2,168	2,105	2,138	2,185	2,134	2,100	2,160	2,011
Corporate & Investment Banking	1,830	1,891	1,855	1,863	1,832	1,752	1,896	1,813	1,983
<b>Total net interest income on loans</b>	<b>5,287</b>	<b>5,313</b>	<b>5,107</b>	<b>5,252</b>	<b>5,308</b>	<b>5,222</b>	<b>5,389</b>	<b>5,413</b>	<b>5,438</b>
<b>Net interest income on deposits</b>									
Personal Banking	2,525	2,504	2,412	2,272	2,104	2,068	2,058	2,122	2,376
Business Banking	1,767	1,744	1,762	1,683	1,489	1,491	1,598	1,686	1,611
Corporate & Investment Banking	381	414	423	385	422	362	359	405	462
<b>Total net interest income on deposits</b>	<b>4,673</b>	<b>4,662</b>	<b>4,597</b>	<b>4,340</b>	<b>4,015</b>	<b>3,921</b>	<b>4,015</b>	<b>4,213</b>	<b>4,449</b>

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	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23	2Q23
Asset management	711	753	836	657	664	707	766	691	712
Investment banking and brokerage	1,091	782	883	787	874	793	916	760	838
Payment processing	2,112	1,896	2,278	2,128	2,118	1,866	2,254	2,007	2,062
Loans and guarantees	534	497	458	503	529	519	566	554	577
Other fee and commission income	531	699	707	574	479	584	632	376	487
<b>Fee and commission income</b>	<b>4,979</b>	<b>4,627</b>	<b>5,162</b>	<b>4,649</b>	<b>4,664</b>	<b>4,469</b>	<b>5,134</b>	<b>4,388</b>	<b>4,676</b>
Brokerage	(177)	(128)	(165)	(106)	(157)	(108)	(147)	(91)	(151)
Payment processing expenses <sup>1</sup>	(1,063)	(1,127)	(1,211)	(1,049)	(1,157)	(1,147)	(1,275)	(971)	(995)
Other fee and commission expense <sup>1</sup>	(119)	(305)	(179)	(198)	(141)	(204)	(218)	(143)	(120)
<b>Fee and commission expense</b>	<b>(1,359)</b>	<b>(1,560)</b>	<b>(1,555)</b>	<b>(1,353)</b>	<b>(1,455)</b>	<b>(1,459)</b>	<b>(1,640)</b>	<b>(1,205)</b>	<b>(1,266)</b>
<b>Net fee and commission income</b>	<b>3,620</b>	<b>3,067</b>	<b>3,607</b>	<b>3,296</b>	<b>3,209</b>	<b>3,010</b>	<b>3,494</b>	<b>3,183</b>	<b>3,410</b>

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, 3Q23: ISK 76m, 2Q23: ISK 67m.

As other fee and commission expense: 3Q24: ISK 195m, 2Q24: ISK 138m, 1Q24: ISK 201m, 4Q23: ISK 213m, 3Q23: ISK 141m, 2Q23: ISK 115m.

## Loans to customers - 9 quarter summary

ISK million	30.6.25	31.3.25	31.12.24	30.9.24	30.6.24	31.3.24	31.12.23	30.9.23	30.6.23
Individuals	640,868	629,868	625,262	618,904	611,620	603,207	594,631	590,988	585,662
- thereof mortgages	577,891	568,882	563,753	556,207	548,995	540,341	530,676	527,055	522,544
Commerce and services	200,978	184,789	184,667	185,519	190,997	185,495	182,808	181,096	189,240
Construction	97,889	100,613	95,558	91,478	91,345	90,074	80,099	78,407	73,945
Energy	15,767	15,127	11,800	7,822	8,032	7,981	7,938	8,554	10,451
Financial services	100	974	715	124	1,121	1,086	214	626	1,909
Industrial and transportation	95,002	90,769	82,423	79,011	80,119	75,682	75,802	77,645	93,122
Investment companies	43,880	42,193	42,960	40,558	40,401	42,034	45,931	45,275	45,669
Public sector and non-profit organisations	16,922	16,106	20,448	20,125	20,242	20,895	18,476	17,482	15,759
Real estate	147,327	146,107	154,913	158,072	158,939	151,656	144,173	135,360	134,132
Seafood	72,555	72,303	76,642	72,481	73,792	70,185	73,354	75,066	87,869
<b>Loans to customers</b>	<b>1,331,288</b>	<b>1,298,849</b>	<b>1,295,388</b>	<b>1,274,094</b>	<b>1,276,608</b>	<b>1,248,295</b>	<b>1,223,426</b>	<b>1,210,499</b>	<b>1,237,758</b>

## Capital and risk exposure amount - 9 quarter summary

ISK million	30.6.25	31.3.25	31.12.24	30.9.24	30.6.24	31.3.24	31.12.23	30.9.23	30.6.23
Ordinary share capital	9,368	9,368	9,473	9,564	9,604	9,825	9,898	9,963	9,963
Share premium	42,472	42,472	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Reserves	7,133	7,673	7,102	7,211	6,263	4,831	5,083	4,598	6,642
Retained earnings	165,752	158,381	155,780	151,613	145,634	146,062	154,712	150,133	143,919
Unaudited interim net earnings	-	-	-	-	-	(5,417)	-	(6,007)	-
Fair value changes due to own credit standing	420	40	135	242	491	2,172	1,827	2,135	300
Forseeable dividend payment and approved buyback	(22,223)	(18,627)	(15,760)	(14,882)	(12,058)	(11,032)	(14,990)	(10,242)	(10,242)
Tax assets	(223)	(127)	(164)	(184)	(122)	(128)	(122)	(114)	(114)
Intangible assets	(1,875)	(1,777)	(2,070)	(1,847)	(1,821)	(1,948)	(1,922)	(2,020)	(2,751)
Insufficient coverage for non-performing exposure	(23)	(29)	(17)	(25)	(12)	(2)	(3)	(1)	(1)
<b>Total CET1 capital</b>	<b>200,801</b>	<b>197,374</b>	<b>209,479</b>	<b>206,692</b>	<b>202,979</b>	<b>199,363</b>	<b>209,483</b>	<b>203,445</b>	<b>202,716</b>
Additional Tier 1 capital	9,525	9,819	9,371	9,934	9,762	9,624	10,019	9,279	9,302
<b>Tier 1 capital</b>	<b>210,326</b>	<b>207,193</b>	<b>218,850</b>	<b>216,626</b>	<b>212,741</b>	<b>208,987</b>	<b>219,502</b>	<b>212,724</b>	<b>212,018</b>
Tier 2 capital	23,162	22,684	22,324	22,150	22,371	28,322	28,135	27,238	23,802
<b>Total capital base</b>	<b>233,488</b>	<b>229,877</b>	<b>241,174</b>	<b>238,776</b>	<b>235,112</b>	<b>237,309</b>	<b>247,637</b>	<b>239,962</b>	<b>235,820</b>
Risk exposure amount									
- due to credit risk	966,801	941,470	922,533	911,826	909,132	904,616	865,758	879,889	911,210
- due to market risk:	9,431	12,039	10,606	8,466	9,411	9,615	10,360	15,776	12,553
- due to credit valuation adjustment	1,141	1,275	714	714	714	693	677	2,482	3,226
- due to operational risk	107,119	107,119	107,119	100,237	100,237	100,237	100,237	88,208	88,208
<b>Total risk exposure amount</b>	<b>1,084,492</b>	<b>1,061,903</b>	<b>1,040,972</b>	<b>1,021,243</b>	<b>1,019,494</b>	<b>1,015,161</b>	<b>977,032</b>	<b>986,355</b>	<b>1,015,197</b>
<b>Capital ratios</b>									
CET1 ratio <sup>1</sup>	18.5%	18.6%	20.1%	20.2%	19.9%	19.9%	21.4%	20.9%	20.0%
Tier 1 ratio <sup>1</sup>	19.4%	19.5%	21.0%	21.2%	20.9%	20.9%	22.5%	21.9%	20.9%
Total capital ratio <sup>1</sup>	21.5%	21.6%	23.2%	23.4%	23.1%	23.6%	25.3%	24.6%	23.2%
Leverage ratio <sup>1</sup>	12.0%	12.1%	13.2%	13.0%	13.0%	12.6%	13.4%	12.7%	12.8%
MREL ratio <sup>2</sup>	36.7%	37.8%	33.4%	35.6%	35.6%	39.1%	41.3%	39.2%	38.4%

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

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

## Macroeconomics - summary

	1Q25	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23	2Q23	1Q23
<b>YoY change, %</b>									
GDP growth	2.7	-0.8	-0.3	0.5	-2.0	-0.2	3.3	8.2	9.5
Total investment	18.0	15.6	1.5	6.1	6.7	-1.9	3.0	9.7	7.2
Business investment	13.2	20.0	-2.7	6.5	3.9	7.3	12.0	16.4	12.2
Residential investment	4.4	19.9	16.7	13.1	22.9	7.3	-1.9	-4.8	-9.9
Personal consumption	2.3	0.8	1.5	-0.3	0.6	-2.8	-1.1	1.1	5.2
Unemployment rate, % of workforce	4.2	3.6	3.2	3.4	3.8	3.4	2.9	3.1	3.6
Current account, % of GDP	-5.1	-7.6	3.6	-3.5	-3.5	-3.3	0.4	0.0	-2.3
International investment position, % of GDP	43.3	45.9	41.3	38.3	38.8	33.9	27.5	28.4	25.6
Gross general govt. debt, % of GDP		59.3				61.5			
Household debt, gross, % of GDP	70.8	71.5	71.9	72.0	71.8	71.6	71.5	71.9	73.2
Corporate debt, gross, % of GDP	75.0	75.7	75.4	76.4	75.0	73.4	72.8	74.2	74.0
<b>YoY change, %</b>									
Inflation	4.2	4.9	5.9	6.0	6.7	7.9	7.8	9.4	10.0
Residential real estate price index	3.4	4.1	5.0	0.1	-1.0	-3.8	-4.7	0.7	5.3
Wages	8.3	6.2	6.3	6.6	7.4	9.4	10.8	10.0	8.9
Real wages	3.9	1.3	0.4	0.5	0.6	1.5	2.8	0.5	-1.0
ISK index, average	191.6	192.7	196.8	196.1	195.3	195.5	189.5	195.6	200.2
Central bank policy rate (1W)	8.5	8.9	9.3	9.3	9.3	9.3	9.0	7.9	6.4
Long-term nominal yield	6.8	6.5	6.8	6.9	6.6	7.2	6.8	6.4	6.7
Long-term real yield	2.8	2.7	2.7	2.7	2.6	2.8	2.4	2.1	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 <sup>1</sup>	10,328	22,579	12,444	6,259	3,392
<b>Total sustainable assets</b>	<b>119,870</b>	<b>97,391</b>	<b>78,570</b>	<b>57,778</b>	<b>24,677</b>

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	-	-
<b>Total sustainable debt</b>	<b>62,822</b>	<b>67,960</b>	<b>110,087</b>	<b>51,260</b>	<b>49,653</b>

Thereoff older than 18 months at year end <sup>1</sup>	43,856	46,543	44,950	-	-
Allocation ratio of debt issued more than 18 months old <sup>2</sup>	100%	100%	100%	100%	100%
Allocation ratio of debt issued less than 18 months old <sup>3</sup>	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 <sup>7</sup>
	Amount outstanding 31.12.2024	Share of funding*	Share of capex <sup>3</sup>	Avoided GHG emissions	Clean vehicles <sup>5</sup>	Fiber optic cables laid	Additional waste recycled	Clean energy produced	Green buildings	MSC certified products sold	Eco-efficient products	Students reached	Dwellings	Companies supported <sup>6</sup>	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 <sup>2</sup>	6,764	100%	100%			4,500												
Pollution prevention and control	1,044	61%	100%	3,952			11,811									6.08	874.76	
Renewable energy <sup>4</sup>	10,450	85%	100%	1,379				162								0.15	21.74	
Green Buildings <sup>1</sup>	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 CO<sub>2</sub>e) 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 gCO<sub>2</sub> 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 <sup>7</sup>
	Amount outstanding 31.12.2023	Share of funding	Share of capex <sup>3</sup>	Avoided greenhouse gas emissions <sup>4</sup>	Clean vehicles <sup>5</sup>	Certified products sold	Clean energy produced	Green building	Additional waste recycled	Fiber optic cables laid	MSC certified products sold	Companies supported <sup>6</sup>	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		tCO2e	
Clean transportation	22,637	100%	84%	8,843	6,101												0.39	
Eco-certified products	796	100%	96%			63,633												
Renewable energy	5,988	100%	100%	1,150			131										0.19	
Green buildings <sup>1</sup>	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	
Information and communication technology <sup>2</sup>	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 CO<sub>2</sub>e) 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 gCO<sub>2</sub> 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 ktCO<sub>2</sub> and 1 t additional waste recycled

## Key performance indicators

### Profitability

Return on equity <sup>1</sup>	Profit for the period / Average equity
Return on assets <sup>1</sup>	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 <sup>1</sup>	Net interest income / Average assets
--	--------------------------------------

### Efficiency

Cost-to-income ratio <sup>2</sup>	(Administrative expenses + Contribution to the Depositors' and Investors' Guarantee Fund – One-off expenses) / (Total operating income – One-off income)
Cost-to-total assets ratio <sup>1,2</sup>	(Administrative expenses + Contribution to the Depositors' and Investors' Guarantee Fund – One-off expenses) / Average assets
Cost of risk <sup>1</sup>	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 Islandsbanki's total amount outstanding on the property and the LTV used is the maximum LTV of all Islandsbanki'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
-----------------------------	-----------------------------

### 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.

## 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 where otherwise expressly stated. Furthermore, it is prohibited to publish material made or gathered by Íslandsbanki without written consent.

