



# Íslandsbanki Factbook

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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).

## Financial ratios - 5 years

	2025	2024	2023	2022	2021
<b>Profitability</b>					
Return on equity	11.2%	10.9%	11.3%	11.9%	12.3%
Return on assets	1.5%	1.5%	1.5%	1.7%	1.7%
Earnings per share	13.62	12.53	12.34	12.27	11.87
Core income / Total operating income <sup>1</sup>	99.0%	95.8%	97.8%	99.9%	93.5%
<b>Net interest margin</b>					
Net interest margin on total assets	3.1%	2.9%	3.1%	2.9%	2.4%
Net interest margin on interest bearing assets	3.2%	3.0%	3.2%	3.0%	2.5%
<b>Efficiency</b>					
Cost-to-income ratio <sup>1,2</sup>	42.4%	43.8%	40.6%	40.8%	46.2%
Cost-to-core income ratio <sup>1,2</sup>	42.9%	45.8%	41.5%	40.8%	49.5%
Cost-to-total assets ratio <sup>2</sup>	1.70%	1.72%	1.62%	1.54%	1.64%
Cost of risk <sup>3</sup>	0.05%	(0.05%)	0.08%	(0.14%)	(0.28%)
Number of FTEs at period end - Consolidated <sup>4</sup>	769	772	764	739	735
Number of FTEs at period end - Parent <sup>4</sup>	725	733	725	700	702
Number of branches at period end	12	12	12	12	12
<b>Assets</b>					
Loans to customers (ISKm)	1,367,106	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	59.8%	64.7%	61.7%	63.8%	63.1%
Non-performing loans (NPL) ratio	1.5%	1.6%	1.8%	1.8%	2.0%
Asset encumbrance ratio	18.6%	19.0%	21.7%	26.5%	19.6%
<b>Financial strength</b>					
Equity as % of total assets	13.0%	14.1%	14.2%	14.0%	14.3%
<b>Liquidity</b>					
Net stable funding ratio (NSFR) - All currencies	127%	125%	124%	118%	122%
Net stable funding ratio (NSFR) - Foreign currencies	-	-	-	198%	157%
Liquidity coverage ratio (LCR) - All currencies	203%	168%	195%	205%	156%
Liquidity coverage ratio (LCR) - ISK	129%	126%	115%	109%	141%
Liquidity coverage ratio (LCR) - EUR	733%	449%	663%	-	-
Liquidity coverage ratio (LCR) - Foreign currencies	-	-	-	492%	235%
Term deposits ratio	17.0%	18.1%	18.8%	18.4%	18.3%
Loan-to-deposit ratio	141%	140%	144%	150%	146%
Loan-to-deposit ratio (adj. for Covered bonds)	119%	117%	119%	119%	
<b>Capital</b>					
CET1 ratio	20.1%	20.1%	21.4%	18.8%	21.3%
Tier 1 ratio	21.7%	21.0%	22.5%	19.8%	22.5%
Total capital ratio	24.0%	23.2%	25.3%	22.2%	25.3%
Leverage ratio	12.5%	13.2%	13.4%	12.1%	13.6%
MREL ratio	44.0%	33.4%	41.3%	34.5%	-
Risk exposure amount (ISKm)	1,033,788	1,040,972	977,032	999,491	901,646

1. Comparative figures have been changed. Income of ISK 119 recognised in "Profit (loss) from non-current assets held for sale, net of tax" in the 2024 Consolidated Financial Statements were restated in the line item "Other operating income" as "Net income from repossessed collateral" and income tax expenses due to that income of ISK 32 million were restated as part of "Income tax". Ratios for 2024 were restated accordingly.

2. Ratios for 2025 exclude salary expenses of ISK 804m due to early retirement of employees and a charge of ISK 313m within net interest income due to correction from previous years.

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

4. Numbers exclude seasonal employees.

## Income statement - 5 year summary

ISK million	2025	2024	2023	2022	2021
Interest income calculated using the effective interest rate method	129,324	135,278	126,095	87,671	56,220
Other interest income	3,648	6,064	11,047	6,342	2,405
Interest expense	(80,501)	(94,077)	(88,531)	(50,887)	(24,582)
Net interest income	52,471	47,265	48,611	43,126	34,043
Fee and commission income	20,129	18,944	18,591	17,630	15,167
Fee and commission expense	(6,030)	(5,822)	(5,308)	(4,342)	(2,318)
Net fee and commission income	14,099	13,122	13,283	13,288	12,849
Net financial income (expense)	(922)	(338)	241	(1,257)	2,499
Net foreign exchange gain	427	607	581	881	479
Other operating income <sup>1</sup>	1,165	2,401	570	433	302
Other net operating income	670	2,670	1,392	57	3,280
<b>Total operating income</b>	<b>67,240</b>	<b>63,057</b>	<b>63,286</b>	<b>56,471</b>	<b>50,172</b>
Salaries and related expenses	(17,804)	(16,329)	(15,003)	(13,452)	(13,397)
Other operating expenses	(11,676)	(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	(2,084)	(1,900)	(1,871)	(1,858)	(1,683)
<b>Total operating expenses</b>	<b>(31,564)</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>35,676</b>	<b>33,059</b>	<b>34,763</b>	<b>31,295</b>	<b>24,605</b>
Net impairment on financial assets	(681)	645	(1,015)	1,576	3,018
<b>Profit before tax</b>	<b>34,995</b>	<b>33,704</b>	<b>33,748</b>	<b>32,871</b>	<b>27,623</b>
Income tax expense <sup>1</sup>	(9,746)	(9,458)	(9,198)	(8,485)	(5,119)
<b>Profit for the year before profit (loss) from non-current assets</b>	<b>25,249</b>	<b>24,246</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 <sup>1</sup>	-	-	35	149	1,221
<b>Profit for the period</b>	<b>25,249</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	13.62	12.53	12.34	12.27	11.87

1. Comparative figures have been changed. Income of ISK 119 recognised in "Profit (loss) from non-current assets held for sale, net of tax" in the 2024 Consolidated Financial Statements were restated in the line item "Other operating income" as "Net income from repossessed collateral" and income tax expenses due to that income of ISK 32 million were restated as part of "Income tax".

## Balance sheet - 5 year summary

ISK million	31.12.25	31.12.24	31.12.23	31.12.22	31.12.21
Cash and balances with Central Bank	80,394	65,716	87,504	94,424	113,667
Loans to credit institutions	80,009	50,486	73,475	110,364	43,988
Bonds and debt instruments	151,959	142,618	161,342	130,804	132,289
Derivatives	5,304	5,324	5,776	7,461	2,445
Loans to customers	1,367,106	1,295,388	1,223,426	1,186,639	1,086,327
Shares and equity instruments	20,517	24,330	13,241	15,868	31,677
Investments in associates	5,384	4,701	4,051	3,844	939
Investment property	2,900	2,600	-	-	-
Property and equipment	4,702	5,039	6,562	6,752	7,010
Intangible assets	2,682	2,684	2,930	3,279	3,351
Other assets <sup>1</sup>	7,190	8,921	3,638	6,072	5,784
Non-current assets and disposal groups held for sale <sup>1</sup>	-	-	749	728	1,344
<b>Total Assets</b>	<b>1,728,147</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	13,250	12,535	16,149	15,269	13,384
Deposits from customers	968,695	926,846	850,709	789,897	744,036
Derivative instruments and short positions	6,183	7,306	5,090	10,804	9,467
Debt issued and other borrowed funds	444,593	367,586	417,573	468,270	402,226
Subordinated loans	40,315	31,695	38,155	34,392	35,762
Tax liabilities	12,757	12,916	13,107	12,128	6,432
Other liabilities	16,995	21,568	17,218	16,601	12,848
Non-current liabilities and disposal groups held for sale	-	-	-	-	956
<b>Total Liabilities</b>	<b>1,502,788</b>	<b>1,380,452</b>	<b>1,358,001</b>	<b>1,347,361</b>	<b>1,225,111</b>
Share capital	8,900	9,473	9,898	10,000	10,000
Share premium	42,472	55,000	55,000	55,000	55,000
Reserves	7,201	7,102	5,083	9,158	6,086
Retained earnings	166,786	155,780	154,712	144,716	132,624
<b>Total Equity</b>	<b>225,359</b>	<b>227,355</b>	<b>224,693</b>	<b>218,874</b>	<b>203,710</b>
<b>Total Liabilities and Equity</b>	<b>1,728,147</b>	<b>1,607,807</b>	<b>1,582,694</b>	<b>1,566,235</b>	<b>1,428,821</b>

1. Comparative figures have been changed. The line item "Non-current assets held for sale" in the 2024 Consolidated Financial Statements has been renamed as "Reposessed collateral". In the context of materiality, the Group has determined that this item does not warrant separate presentation as a line item in the Consolidated Statement of Financial Position. Accordingly, "Reposessed collateral" has been reclassified and is now included within "Other assets". "Non-current assets held for sale" amounted to ISK 1,617 million in the 2024 Consolidated Financial Statements.

## Net interest income - 5 year summary

ISK million	2025	2024	2023	2022	2021
Cash and balances with Central Bank	3,817	4,888	5,389	2,791	948
Loans to credit institutions	2,609	3,042	3,236	757	128
Loans to customers	116,039	121,730	117,470	84,123	55,144
Financial assets mandatorily at fair value through other comprehensive income	6,859	5,618	-	-	-
<b>Interest income calculated using the effective interest rate method</b>	<b>129,324</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	3,636	6,020	11,035	6,335	2,388
Other assets	12	44	12	7	17
<b>Other interest income</b>	<b>3,648</b>	<b>6,064</b>	<b>11,047</b>	<b>6,342</b>	<b>2,405</b>
Deposits from Central Bank and credit institutions	(299)	(380)	(243)	(364)	(306)
Deposits from customers	(51,283)	(60,587)	(50,073)	(23,049)	(6,815)
Financial liabilities mandatorily at fair value through profit or loss <sup>1</sup>	(2,597)	(4,882)	-	-	-
Debt issued and other borrowed funds at fair value through profit and loss	(1,582)	(1,912)	(2,470)	(578)	(729)
Debt issued and other borrowed funds at amortised cost <sup>1</sup>	(21,850)	(22,780)	(25,829)	(21,709)	(14,104)
Subordinated loans	(2,793)	(3,357)	(3,214)	(1,538)	(829)
Lease liabilities	(71)	(76)	(79)	(82)	(84)
Other liabilities <sup>1</sup>	(26)	(103)	(6,623)	(3,567)	(1,715)
<b>Total interest expense</b>	<b>(80,501)</b>	<b>(94,077)</b>	<b>(88,531)</b>	<b>(50,887)</b>	<b>(24,582)</b>
<b>Net interest income</b>	<b>52,471</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	4,861	5,024	5,842	6,580	7,464
Business Banking	8,866	8,562	8,297	7,749	7,842
Corporate & Investment Banking	7,630	7,302	7,450	7,317	7,773
<b>Total net interest income on loans</b>	<b>21,357</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	10,143	8,856	8,699	7,186	4,535
Business Banking	7,143	6,424	6,465	5,486	2,999
Corporate & Investment Banking	1,560	1,593	1,670	1,300	948
<b>Total net interest income on deposits</b>	<b>18,846</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	2025	2024	2023	2022	2021
Asset management	3,040	2,864	2,908	3,154	3,100
Investment banking and brokerage	3,842	3,337	3,340	3,627	3,544
Payment processing	8,706	8,390	8,072	6,774	4,979
Loans and guarantees	2,257	2,009	2,251	2,350	2,212
Other fee and commission income	2,284	2,344	2,020	1,725	1,332
<b>Fee and commission income</b>	<b>20,129</b>	<b>18,944</b>	<b>18,591</b>	<b>17,630</b>	<b>15,167</b>
Brokerage	(574)	(536)	(496)	(484)	(471)
Payment processing expenses	(4,643)	(4,564)	(4,119)	(3,266)	(1,834)
Other fee and commission expense	(813)	(722)	(693)	(592)	(13)
<b>Fee and commission expense</b>	<b>(6,030)</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>14,099</b>	<b>13,122</b>	<b>13,283</b>	<b>13,288</b>	<b>12,849</b>

## Loans to customers - 5 year summary

ISK million	31.12.25	31.12.24	31.12.23	31.12.22	31.12.21
Individuals	653,291	625,262	594,631	570,522	520,733
- thereof mortgages	584,723	563,753	530,676	507,969	457,800
Commerce and services	210,241	184,667	182,808	172,222	165,222
Construction	99,990	95,558	80,099	59,815	36,773
Energy	17,001	11,800	7,938	10,411	9,493
Financial services	119	715	214	2,622	1,978
Industrial and transportation	92,018	82,423	75,802	91,078	89,627
Investment companies	46,597	42,960	45,931	40,336	23,677
Public sector and non-profit organisations	16,673	20,448	18,476	11,046	9,987
Real estate	141,267	154,913	144,173	126,297	109,314
Seafood	89,909	76,642	73,354	102,290	119,523
<b>Loans to customers</b>	<b>1,367,106</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	31.12.25	31.12.24	31.12.23	31.12.22	31.12.21
Ordinary share capital	8,900	9,473	9,898	10,000	10,000
Share premium	42,472	55,000	55,000	55,000	55,000
Reserves	7,201	7,102	5,083	9,158	6,086
Retained earnings	166,786	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	913	135	1,827	(1,786)	1,054
Forseeable dividend payment and approved buyback	(16,671)	(15,760)	(14,990)	(27,267)	(11,863)
Tax assets	(151)	(164)	(122)	(116)	(94)
Intangible assets	(1,822)	(2,070)	(1,922)	(3,279)	(3,351)
Insufficient coverage for non-performing exposure	(52)	(17)	(3)	-	-
<b>Total CET1 capital</b>	<b>207,576</b>	<b>209,479</b>	<b>209,483</b>	<b>187,727</b>	<b>192,224</b>
Additional Tier 1 capital	17,216	9,371	10,019	10,062	10,626
<b>Tier 1 capital</b>	<b>224,792</b>	<b>218,850</b>	<b>219,502</b>	<b>197,789</b>	<b>202,850</b>
Tier 2 capital	23,099	22,324	28,135	24,330	25,136
<b>Total capital base</b>	<b>247,891</b>	<b>241,174</b>	<b>247,637</b>	<b>222,119</b>	<b>227,986</b>
Risk exposure amount					
- due to credit risk	939,768	922,533	865,758	893,110	802,147
- due to market risk:	4,093	10,606	10,360	15,417	17,100
- due to credit valuation adjustment	1,375	714	677	2,756	1,829
- due to operational risk	88,552	107,119	100,237	88,208	80,570
<b>Total risk exposure amount</b>	<b>1,033,788</b>	<b>1,040,972</b>	<b>977,032</b>	<b>999,491</b>	<b>901,646</b>
<b>Capital ratios</b>					
CET1 ratio	20.1%	20.1%	21.4%	18.8%	21.3%
Tier 1 ratio	21.7%	21.0%	22.5%	19.8%	22.5%
Total capital ratio	24.0%	23.2%	25.3%	22.2%	25.3%
Leverage ratio	12.5%	13.2%	13.4%	12.1%	13.6%
MREL ratio	44.0%	33.4%	41.3%	34.5%	-

## Operating segments - Personal Banking

ISK million	2025	2024	2023	2022	2021
Net interest income	17,991	15,849	17,410	15,065	12,027
Net fee and commission income	4,299	3,983	4,206	4,198	3,850
Other net operating income <sup>1</sup>	79	(16)	70	342	189
Total operating income	22,369	19,816	21,686	19,605	16,066
Salaries and related expenses	(2,772)	(2,763)	(2,473)	(2,355)	(2,388)
Other operating expenses	(2,666)	(2,716)	(2,462)	(2,310)	(2,354)
Contribution to the Depositors' and Investors' Guarantee Fund	-	-	-	(129)	(538)
Bank tax	(920)	(889)	(839)	(801)	(723)
Net impairment on financial assets	(239)	660	(1,589)	(300)	318
Cost allocation	(5,996)	(5,450)	(5,225)	(4,792)	(4,539)
Profit before tax	9,776	8,658	9,098	8,918	5,842
Income tax	(2,781)	(2,577)	(2,584)	(2,528)	(1,707)
<b>Profit for the year</b>	<b>6,995</b>	<b>6,081</b>	<b>6,514</b>	<b>6,390</b>	<b>4,135</b>
Net segment revenue from external customers	23,284	20,453	29,266	33,261	26,175
Net segment revenue from other segments	(915)	(637)	(7,450)	(13,520)	(10,109)
Fee and commission income	8,689	8,307	8,116	7,282	5,669
Depreciation, amortisation, and write-offs	(203)	(183)	(179)	(172)	(166)
<b>At 31 December 2025</b>					
Loans to customers	630,788	608,766	574,653	552,181	502,354
Other assets	3,978	3,654	3,176	3,158	3,609
<b>Total segment assets</b>	<b>634,766</b>	<b>612,420</b>	<b>577,829</b>	<b>555,339</b>	<b>505,963</b>
Deposits from customers	524,781	486,235	406,821	361,994	344,776
Other liabilities	3,033	3,404	3,720	2,597	1,603
<b>Total segment liabilities</b>	<b>527,814</b>	<b>489,639</b>	<b>410,541</b>	<b>364,591</b>	<b>346,379</b>
Allocated equity	46,965	44,719	41,160	39,228	37,549
Risk exposure amount	221,633	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 for 2024 have been changed. Income of ISK 3m recognised in the line item "Profit (loss) from non-current assets held for sale" in the 2024 Consolidated Financial Statements were restated as "Other operating income" and income tax expenses due to that income were restated as part of "Income tax".

## Operating segments - Business Banking

ISK million	2025	2024	2023	2022	2021
Net interest income	19,586	18,736	17,980	14,493	10,867
Net fee and commission income	2,051	2,020	2,075	2,051	2,111
Other net operating income <sup>1</sup>	(19)	63	90	90	61
Total operating income	21,618	20,819	20,145	16,634	13,039
Salaries and related expenses	(2,374)	(2,349)	(2,161)	(1,900)	(1,815)
Other operating expenses	(1,260)	(1,304)	(1,063)	(949)	(1,037)
Contribution to the Depositors' and Investors' Guarantee Fund	-	-	-	(33)	(135)
Bank tax	(506)	(471)	(454)	(407)	(344)
Net impairment on financial assets	(91)	(984)	(669)	796	2,401
Cost allocation	(5,057)	(4,364)	(4,058)	(3,431)	(3,113)
Profit before tax	12,330	11,347	11,740	10,710	8,996
Income tax	(3,337)	(3,191)	(3,170)	(2,891)	(2,428)
<b>Profit for the year</b>	<b>8,993</b>	<b>8,156</b>	<b>8,570</b>	<b>7,819</b>	<b>6,568</b>
Net segment revenue from external customers	25,018	23,859	22,829	18,158	14,806
Net segment revenue from other segments	(3,400)	(3,040)	(2,551)	(1,401)	(1,767)
Fee and commission income	2,311	2,244	2,262	2,223	2,136
Depreciation, amortisation, and write-offs	(51)	(59)	(57)	(57)	(58)
<b>At 31 December 2025</b>					
Loans to customers	346,943	323,824	311,689	278,823	237,388
Other assets	1,703	1,618	2,210	2,100	2,004
<b>Total segment assets</b>	<b>348,646</b>	<b>325,442</b>	<b>313,899</b>	<b>280,923</b>	<b>239,392</b>
Deposits from customers	288,142	277,186	251,238	244,645	239,871
Other liabilities	2,870	3,997	3,828	2,054	1,630
<b>Total segment liabilities</b>	<b>291,012</b>	<b>281,183</b>	<b>255,066</b>	<b>246,699</b>	<b>241,501</b>
Allocated equity	55,352	51,133	47,210	40,433	33,738
Risk exposure amount	306,872	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 for 2024 have been changed. Expenses of ISK 15m recognised in the line item "Profit (loss) from non-current assets held for sale" in the 2024 Consolidated Financial Statements were restated as "Other operating income" and income tax expenses due to that income were restated as part of "Income tax".

## Operating segments - Corporate & Investment Banking

ISK million	2025	2024	2023	2022	2021
Net interest income	13,697	13,661	13,854	11,108	9,282
Net fee and commission income	5,126	4,497	4,492	4,480	4,384
Other net operating income <sup>1</sup>	1,376	1,433	1,284	1,301	759
Total operating income	20,199	19,591	19,630	16,889	14,425
Salaries and related expenses	(2,304)	(2,273)	(2,132)	(1,819)	(1,689)
Other operating expenses	(1,260)	(1,204)	(978)	(894)	(797)
Contribution to the Depositors' and Investors' Guarantee Fund	-	-	-	(3)	(15)
Bank tax	(564)	(533)	(489)	(520)	(516)
Net impairment on financial assets	(339)	944	1,163	395	121
Cost allocation	(4,308)	(3,840)	(3,569)	(3,237)	(3,170)
Profit before tax	11,424	12,685	13,625	10,811	8,359
Income tax	(3,115)	(3,556)	(3,660)	(2,946)	(2,308)
<b>Profit for the year</b>	<b>8,309</b>	<b>9,129</b>	<b>9,965</b>	<b>7,865</b>	<b>6,051</b>
Net segment revenue from external customers	31,069	30,153	29,448	23,790	19,843
Net segment revenue from other segments	(10,870)	(10,562)	(9,735)	(6,824)	(5,418)
Fee and commission income	5,513	4,741	4,648	4,709	4,486
Depreciation, amortisation, and write-offs	(10)	(6)	(2)	(1)	(15)
<b>At 31 December 2025</b>					
Loans to customers	387,476	362,692	336,161	354,787	346,835
Other assets	1,268	4,784	889	3,859	1,335
<b>Total segment assets</b>	<b>388,744</b>	<b>367,476</b>	<b>337,050</b>	<b>358,646</b>	<b>348,170</b>
Deposits from customers	148,732	147,394	172,658	164,390	141,204
Other liabilities	3,778	10,536	5,370	5,565	4,728
<b>Total segment liabilities</b>	<b>152,510</b>	<b>157,930</b>	<b>178,028</b>	<b>169,955</b>	<b>145,932</b>
Allocated equity	70,303	65,596	63,033	62,400	59,055
Risk exposure amount	430,188	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 for 2024 have been changed. Income of ISK 131m recognised in the line item "Profit (loss) from non-current assets held for sale" in the 2024 Consolidated Financial Statements were restated as "Other operating income" and income tax expenses due to that income were restated as part of "Income tax".

## Operating segments - Treasury & Proprietary Trading

ISK million	2025	2024	2023	2022	2021
Net interest income (expense)	1,421	(842)	(475)	2,673	2,034
Net fee and commission income (expense)	(157)	(21)	(8)	(55)	(72)
Other net operating income	(262)	1,539	565	398	2,694
Total operating income	1,002	676	82	3,016	4,656
Salaries and related expenses	(328)	(324)	(272)	(289)	(256)
Other operating expenses	(460)	(454)	(505)	(467)	(235)
Contribution to the Depositors' and Investors' Guarantee Fund	-	-	-	-	-
Bank tax	(80)	6	(77)	(116)	(86)
Net impairment on financial assets	(13)	25	80	683	94
Cost allocation	566	536	581	551	320
Profit (loss) before tax	687	465	(111)	3,378	4,493
Income tax	(108)	61	203	108	1,421
<b>Profit for the year</b>	<b>579</b>	<b>526</b>	<b>92</b>	<b>3,486</b>	<b>5,914</b>
Net segment revenue from external customers	(14,546)	(13,899)	(19,989)	(18,922)	(12,748)
Net segment revenue from other segments	15,548	14,575	20,071	21,938	17,404
Fee and commission income	304	281	401	367	231
Depreciation, amortisation, and write-offs	-	-	-	-	-
<b>At 31 December 2025</b>					
Loans to customers	1,899	106	923	848	59
Other assets	342,241	291,344	343,823	360,594	325,158
<b>Total segment assets</b>	<b>344,140</b>	<b>291,450</b>	<b>344,746</b>	<b>361,442</b>	<b>325,217</b>
Deposits from customers	10,160	18,820	22,957	21,529	21,477
Other liabilities	516,573	428,420	487,357	540,189	465,397
<b>Total segment liabilities</b>	<b>526,733</b>	<b>447,240</b>	<b>510,314</b>	<b>561,718</b>	<b>486,874</b>
Allocated equity	48,023	61,675	69,975	73,966	70,217
Risk exposure amount	60,696	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	2025	2024	2023	2022	2021
Net interest income (expense)	(413)	(413)	(365)	(260)	(178)
Net fee and commission income (expense)	(7)	(98)	(36)	(1)	(62)
Other net operating income	317	232	374	149	203
Total operating income	(103)	(279)	(27)	(112)	(37)
Salaries and related expenses	(8,874)	(7,556)	(6,959)	(6,253)	(6,465)
Other operating expenses	(5,823)	(5,452)	(5,579)	(4,598)	(4,854)
Administrative fine	-	(470)	(860)	(300)	-
Bank tax	(14)	(13)	(13)	(14)	(14)
Net impairment on financial assets	-	-	-	-	4
Cost allocation	14,795	13,118	12,271	10,909	10,502
Profit (loss) before tax	(19)	(652)	(1,167)	(368)	(864)
Income tax	-	160	291	92	221
<b>Profit (loss) for the year</b>	<b>(19)</b>	<b>(492)</b>	<b>(876)</b>	<b>(276)</b>	<b>(643)</b>
Net segment revenue from external customers	260	57	308	81	73
Net segment revenue from other segments	(363)	(336)	(335)	(193)	(110)
Fee and commission income	-	(2)	-	-	2
Depreciation, amortisation, and write-offs	(1,447)	(1,397)	(1,368)	(1,155)	(1,145)
<b>At 31 December 2025</b>					
Loans to customers	-	-	-	-	-
Other assets	9,773	9,180	8,716	9,387	9,108
<b>Total segment assets</b>	<b>9,773</b>	<b>9,180</b>	<b>8,716</b>	<b>9,387</b>	<b>9,108</b>
Deposits from customers	-	-	-	-	-
Other liabilities	6,049	5,635	5,768	5,785	5,711
<b>Total segment liabilities</b>	<b>6,049</b>	<b>5,635</b>	<b>5,768</b>	<b>5,785</b>	<b>5,711</b>
Allocated equity	1,308	1,218	1,145	962	894
Risk exposure amount	8,542	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	2025	2024	2023	2022	2021
Net interest income	189	274	207	47	11
Net fee and commission income	2,787	2,741	2,554	2,615	2,638
Other net operating income	(821)	(581)	(991)	(2,223)	(626)
Total operating income	2,155	2,434	1,770	439	2,023
Salaries and related expenses	(1,152)	(1,064)	(1,006)	(836)	(784)
Other operating expenses	(207)	(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	797	1,201	562	(578)	797
Income tax	(405)	(355)	(278)	(320)	(318)
<b>Profit (loss) for the year</b>	<b>392</b>	<b>846</b>	<b>284</b>	<b>(898)</b>	<b>479</b>
Net segment revenue from external customers	2,155	2,434	2,375	868	2,023
Net segment revenue from other segments	-	-	-	-	-
Fee and commission income	3,312	3,373	3,164	3,049	2,643
Depreciation, amortisation, and write-offs	(48)	(17)	(14)	(15)	(11)
<b>At 31 December 2025</b>					
Loans to customers	-	-	-	-	(309)
Other assets	2,078	1,839	454	498	1,280
<b>Total segment assets</b>	<b>2,078</b>	<b>1,839</b>	<b>454</b>	<b>498</b>	<b>971</b>
Deposits from customers	(3,120)	(2,789)	(2,965)	(2,661)	(3,292)
Other liabilities	1,790	1,614	1,249	1,274	2,006
<b>Total segment liabilities</b>	<b>(1,330)</b>	<b>(1,175)</b>	<b>(1,716)</b>	<b>(1,387)</b>	<b>(1,286)</b>
Allocated equity	3,408	3,014	2,170	1,885	2,257
Risk exposure amount	5,857	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.

## Financial ratios - 9 quarters

	4Q25	3Q25	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24	4Q23
<b>Profitability</b>									
Return on equity	10.5%	12.2%	13.0%	9.4%	11.2%	13.2%	9.7%	9.8%	11.2%
Return on assets	1.4%	1.6%	1.7%	1.3%	1.6%	1.8%	1.3%	1.3%	1.5%
Earnings per share	3.29	3.73	3.84	2.77	3.29	3.80	2.71	2.75	3.13
Core income / Total operating income <sup>1</sup>	94.3%	100.5%	98.8%	103.1%	93.2%	95.5%	101.0%	93.5%	94.9%
<b>Net interest margin</b>									
Net interest margin on total assets	2.9%	3.1%	3.3%	3.2%	2.7%	2.9%	3.1%	3.0%	2.9%
Net interest margin on interest bearing assets	2.9%	3.2%	3.4%	3.3%	2.8%	3.0%	3.2%	3.1%	3.0%
<b>Efficiency</b>									
Cost-to-income ratio <sup>1,2</sup>	43.5%	38.2%	41.0%	47.6%	45.7%	40.4%	45.3%	43.9%	41.1%
Cost-to-core income ratio <sup>1,2</sup>	46.2%	38.0%	41.5%	46.2%	49.0%	42.3%	44.9%	47.0%	43.3%
Cost-to-total assets ratio <sup>2</sup>	1.74%	1.51%	1.73%	1.81%	1.76%	1.58%	1.74%	1.76%	1.63%
Cost of risk <sup>3</sup>	0.32%	0.00%	(0.12%)	0.00%	(0.11%)	(0.27%)	(0.04%)	0.23%	0.33%
Number of FTEs at period end - Consolidated <sup>4</sup>	769	778	760	770	772	783	766	775	764
Number of FTEs at period end - Parent <sup>4</sup>	725	736	720	731	733	744	726	735	725
<b>Asset quality</b>									
Loans to customers (ISKm)	1,367,106	1,333,234	1,331,288	1,298,849	1,295,388	1,274,094	1,276,608	1,248,295	1,223,426
LTV on mortgages to individuals	54.0%	57.0%	54.0%	54.0%	54.0%	57.0%	58.0%	57.0%	57.0%
REA ratio	59.8%	62.5%	63.9%	63.7%	64.7%	62.9%	63.9%	61.8%	61.7%
Non-performing loans (NPL) ratio	1.5%	1.6%	1.6%	1.8%	1.6%	1.6%	1.8%	1.9%	1.8%
Asset encumbrance ratio	18.6%	17.4%	18.0%	18.1%	19.0%	18.4%	18.4%	19.8%	21.7%

1. Comparative figures have been changed. Income/expenses recognised in "Profit (loss) from non-current assets held for sale, net of tax" in previous Consolidated Financial Statements were restated in the line item "Other operating income" as "Net income from repossessed collateral" and income tax expenses due to that income were restated as part of "Income tax". Ratios were restated accordingly (C/I ratio for 2Q24 decreases to 45.3%).

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

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

4. Numbers exclude seasonal employees.



## Financial ratios - 9 quarters

	4Q25	3Q25	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24	4Q23
<b>Financial strength</b>									
Equity as % of total assets	13.0%	13.1%	13.3%	13.1%	14.1%	13.8%	13.6%	13.1%	14.0%
<b>Liquidity</b>									
Net stable funding ratio (NSFR) - All currencies	127%	129%	125%	128%	125%	126%	123%	127%	124%
Liquidity coverage ratio (LCR) - All currencies	203%	207%	185%	202%	168%	223%	190%	190%	195%
Liquidity coverage ratio (LCR) - ISK	129%	125%	121%	110%	126%	154%	129%	101%	115%
Liquidity coverage ratio (LCR) - EUR	733%	569%	542%	736%	449%	621%	575%	404%	663%
Term deposits ratio	17.0%	16.7%	17.4%	18.6%	18.1%	18.9%	19.2%	20.3%	18.8%
Loan-to-deposit ratio	141%	132%	138%	139%	140%	137%	139%	142%	144%
Loan-to-deposit ratio (adj. for Covered bonds)	119%	112%	116%	117%	117%	116%	118%	120%	119%
<b>Capital</b>									
CET1 ratio <sup>1</sup>	20.1%	18.9%	18.5%	18.6%	20.1%	20.2%	19.9%	19.9%	21.4%
Tier 1 ratio <sup>1</sup>	21.7%	19.8%	19.4%	19.5%	21.0%	21.2%	20.9%	20.9%	22.5%
Total capital ratio <sup>1</sup>	24.0%	21.9%	21.5%	21.6%	23.2%	23.4%	23.1%	23.6%	25.3%
Leverage ratio <sup>1</sup>	12.5%	11.9%	12.0%	12.1%	13.2%	13.0%	13.0%	12.6%	13.4%
MREL ratio	44.0%	36.8%	36.7%	37.8%	33.4%	35.6%	35.6%	39.1%	41.3%
Risk exposure amount (ISKm)	1,033,788	1,084,527	1,084,492	1,061,903	1,040,972	1,021,243	1,019,494	1,015,161	977,032

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

## Income statement - 9 quarter summary

ISK million	4Q25	3Q25	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24	4Q23
Interest income calculated using the effective interest rate method	29,339	32,507	34,609	32,869	29,404	34,093	37,619	34,162	32,274
Other interest income	680	839	1,048	1,081	1,099	1,113	1,391	2,461	3,446
Interest expense	(17,628)	(20,086)	(21,776)	(21,011)	(19,628)	(23,429)	(26,519)	(24,501)	(23,990)
Net interest income	12,391	13,260	13,881	12,939	10,875	11,777	12,491	12,122	11,730
Fee and commission income	5,817	4,706	4,979	4,627	5,162	4,649	4,664	4,469	5,134
Fee and commission expense	(1,634)	(1,477)	(1,359)	(1,560)	(1,555)	(1,353)	(1,455)	(1,459)	(1,640)
Net fee and commission income	4,183	3,229	3,620	3,067	3,607	3,296	3,209	3,010	3,494
Net financial income (expense)	404	(353)	13	(986)	169	228	(499)	(236)	455
Net foreign exchange gain	157	152	71	47	113	124	174	196	113
Other operating income <sup>1</sup>	447	124	131	463	777	359	165	1,100	258
Other net operating income	1,008	(77)	215	(476)	1,059	711	(160)	1,060	826
<b>Total operating income</b>	<b>17,582</b>	<b>16,412</b>	<b>17,716</b>	<b>15,530</b>	<b>15,541</b>	<b>15,784</b>	<b>15,540</b>	<b>16,192</b>	<b>16,050</b>
Salaries and related expenses	(5,110)	(3,793)	(4,412)	(4,489)	(4,244)	(3,787)	(4,130)	(4,168)	(3,861)
Other operating expenses	(3,234)	(2,686)	(2,849)	(2,907)	(2,856)	(2,585)	(2,916)	(2,942)	(2,730)
Administrative fine	-	-	-	-	-	-	(470)	-	(100)
Bank tax	(522)	(549)	(513)	(500)	(454)	(494)	(459)	(493)	(402)
<b>Total operating expenses</b>	<b>(8,866)</b>	<b>(7,028)</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>Profit before net impairment on financial assets</b>	<b>8,716</b>	<b>9,384</b>	<b>9,942</b>	<b>7,634</b>	<b>7,987</b>	<b>8,918</b>	<b>7,565</b>	<b>8,589</b>	<b>8,957</b>
Net impairment on financial assets	(1,087)	7	402	(3)	352	860	137	(704)	(1,002)
<b>Profit before tax</b>	<b>7,629</b>	<b>9,391</b>	<b>10,344</b>	<b>7,631</b>	<b>8,339</b>	<b>9,778</b>	<b>7,702</b>	<b>7,885</b>	<b>7,955</b>
Income tax expense <sup>1</sup>	(1,682)	(2,490)	(3,152)	(2,422)	(2,056)	(2,498)	(2,436)	(2,468)	(1,737)
<b>Profit for the period before profit from non-current assets</b>	<b>5,947</b>	<b>6,901</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>6,218</b>
Profit (loss) from non-current assets held for sale, net of tax <sup>1</sup>	-	-	-	-	-	-	-	-	10
<b>Profit for the period</b>	<b>5,947</b>	<b>6,901</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>

1. Comparative figures have been changed. Income/expenses recognised in the line item "Profit (loss) from non-current assets held for sale" in previous Consolidated Financial Statements were restated as "Other operating income" and income tax expenses due to that line item were restated as part of "Income tax".

From "Profit (loss) from non-current assets held for sale": 3Q25: ISK 7m, 2Q25: ISK -9m, 1Q25: ISK -3m, 4Q24: ISK -3m, 3Q24: ISK 1m, 2Q24: ISK 87m and 1Q24: ISK 2m.

## Balance sheet - 9 quarter summary

ISK million	31.12.25	30.9.25	30.6.25	31.3.25	31.12.24	30.9.24	30.6.24	31.3.24	31.12.23
Cash and balances with Central Bank	80,394	114,055	87,241	69,944	65,716	104,777	84,981	68,746	87,504
Loans to credit institutions	80,009	99,117	80,481	92,259	50,486	58,177	46,599	114,430	73,475
Bonds and debt instruments	151,959	139,432	138,839	142,937	142,618	126,396	128,410	156,091	161,342
Derivatives	5,304	5,092	7,397	9,092	5,324	6,014	4,178	5,138	5,776
Loans to customers	1,367,106	1,333,234	1,331,288	1,298,849	1,295,388	1,274,094	1,276,608	1,248,295	1,223,426
Shares and equity instruments	20,517	16,815	18,158	20,606	24,330	18,242	19,496	20,281	13,241
Investments in associates	5,384	4,948	4,849	4,857	4,701	4,489	4,122	4,079	4,051
Investment property	2,900	2,900	2,900	2,900	2,600	2,100	2,100	2,100	-
Property and equipment	4,702	4,769	4,944	5,135	5,039	5,067	5,135	5,240	6,562
Intangible assets	2,682	2,632	2,637	2,636	2,684	2,686	2,715	2,862	2,930
Other assets <sup>1</sup>	7,190	11,062	17,300	18,214	8,921	20,416	21,552	16,445	3,638
Non-current assets and disposal groups held for sale <sup>1</sup>	-	-	-	-	-	-	-	-	749
<b>Total Assets</b>	<b>1,728,147</b>	<b>1,734,056</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>
Deposits from Central Bank and credit institutions	13,250	15,972	14,876	14,374	12,535	11,525	10,466	14,103	16,149
Deposits from customers	968,695	1,008,919	966,075	936,779	926,846	927,011	916,127	879,554	850,709
Derivative instruments and short positions	6,183	5,599	8,502	6,677	7,306	4,764	4,647	4,936	5,090
Debt issued and other borrowed funds	444,593	409,170	411,009	407,266	367,586	380,814	384,747	440,960	417,573
Subordinated loans	40,315	32,550	32,687	32,502	31,695	32,084	32,133	37,946	38,155
Tax liabilities	12,757	14,544	13,403	12,912	12,916	15,637	14,060	13,695	13,107
Other liabilities	16,995	20,328	24,757	39,025	21,568	27,235	17,215	36,795	17,218
<b>Total Liabilities</b>	<b>1,502,788</b>	<b>1,507,082</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>
Share capital	8,900	9,180	9,368	9,368	9,473	9,564	9,604	9,825	9,898
Share premium	42,472	42,472	42,472	42,472	55,000	55,000	55,000	55,000	55,000
Reserves	7,201	7,062	7,133	7,673	7,102	7,211	6,263	4,831	5,083
Retained earnings	166,786	168,260	165,752	158,381	155,780	151,613	145,634	146,062	154,712
<b>Total Equity</b>	<b>225,359</b>	<b>226,974</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>Total Liabilities and Equity</b>	<b>1,728,147</b>	<b>1,734,056</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>

1. Comparative figures have been changed. The line item "Non-current assets held for sale" in previous Consolidated Financial Statements has been renamed as "Reposessed collateral". In the context of materiality, the Group has determined that this item does not warrant separate presentation as a line item in the Consolidated Statement of Financial Position. Accordingly, "Reposessed collateral" has been reclassified and is now included within "Other assets". "Non-current assets held for sale" amounted to in 3Q25: ISK 1,748m, 2Q25: ISK 1,700m, 1Q25: ISK 1,682m, 4Q24: ISK 1,617m, 3Q24: ISK 1,609m, 2Q24: ISK 70m and 1Q24: ISK 726m.

## Net interest income - 9 quarter summary

ISK million	4Q25	3Q25	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24	4Q23
Cash and balances with Central Bank	1,223	1,297	802	495	1,318	1,504	961	1,105	1,349
Loans to credit institutions	606	608	643	752	577	583	991	891	988
Loans to customers	25,115	29,427	31,662	29,835	25,732	30,351	34,137	31,510	29,937
Financial assets mandatorily at fair value through other comprehensive income	1,845	1,725	1,502	1,787	1,777	1,655	1,530	656	-
Provision for legal proceedings	550	(550)	-	-	-	-	-	-	-
<b>Interest income calculated using the effective interest rate method</b>	<b>29,339</b>	<b>32,507</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>
Financial assets mandatorily at fair value through profit or loss	673	837	1,047	1,079	1,060	1,110	1,391	2,459	3,438
Other assets	7	2	1	2	39	3	-	2	8
<b>Other interest income</b>	<b>680</b>	<b>839</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>
Deposits from Central Bank and credit institutions	(67)	(70)	(93)	(69)	(100)	(84)	(107)	(89)	(87)
Deposits from customers	(11,388)	(12,757)	(13,356)	(13,782)	(13,627)	(15,537)	(16,217)	(15,206)	(14,494)
Financial liabilities mandatorily at fair value through profit or loss <sup>1</sup>	(429)	(638)	(679)	(851)	(1,035)	(1,225)	(1,286)	(1,336)	
Debt issued and other borrowed funds at fair value through profit and loss	(657)	(418)	(419)	(88)	(53)	(96)	(866)	(897)	(923)
Debt issued and other borrowed funds at amortised cost <sup>1</sup>	(4,517)	(5,466)	(6,374)	(5,493)	(4,266)	(5,717)	(6,897)	(5,900)	(5,829)
Subordinated loans	(550)	(717)	(820)	(706)	(528)	(748)	(1,124)	(957)	(906)
Lease liabilities	(17)	(18)	(18)	(18)	(18)	(19)	(19)	(20)	(20)
Other liabilities <sup>1</sup>	(3)	(2)	(17)	(4)	(1)	(3)	(3)	(96)	(1,731)
<b>Total interest expense</b>	<b>(17,628)</b>	<b>(20,086)</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>Net interest income</b>	<b>12,391</b>	<b>13,260</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>Net interest income on loans</b>									
Personal Banking	1,221	1,138	1,249	1,254	1,147	1,251	1,291	1,336	1,393
Business Banking	2,220	2,269	2,208	2,168	2,105	2,138	2,185	2,134	2,100
Corporate & Investment Banking	2,039	1,871	1,830	1,891	1,855	1,863	1,832	1,752	1,896
<b>Total net interest income on loans</b>	<b>5,480</b>	<b>5,278</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>Net interest income on deposits</b>									
Personal Banking	2,556	2,558	2,525	2,504	2,412	2,272	2,104	2,068	2,058
Business Banking	1,805	1,828	1,767	1,744	1,762	1,683	1,489	1,491	1,598
Corporate & Investment Banking	399	365	381	414	423	385	422	362	359
<b>Total net interest income on deposits</b>	<b>4,760</b>	<b>4,751</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>

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	4Q25	3Q25	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24	4Q23
Asset management	881	695	711	753	836	657	664	707	766
Investment banking and brokerage	1,179	790	1,091	782	883	787	874	793	916
Payment processing	2,613	2,085	2,112	1,896	2,278	2,128	2,118	1,866	2,254
Loans and guarantees	619	607	534	497	458	503	529	519	566
Other fee and commission income	525	529	531	699	707	574	479	584	632
<b>Fee and commission income</b>	<b>5,817</b>	<b>4,706</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>
Brokerage	(158)	(111)	(177)	(128)	(165)	(106)	(157)	(108)	(147)
Payment processing expenses	(1,222)	(1,231)	(1,063)	(1,127)	(1,211)	(1,049)	(1,157)	(1,147)	(1,275)
Other fee and commission expense	(254)	(135)	(119)	(305)	(179)	(198)	(141)	(204)	(218)
<b>Fee and commission expense</b>	<b>(1,634)</b>	<b>(1,477)</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>Net fee and commission income</b>	<b>4,183</b>	<b>3,229</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>

## Loans to customers - 9 quarter summary

ISK million	31.12.25	30.9.25	30.6.25	31.3.25	31.12.24	30.9.24	30.6.24	31.3.24	31.12.23
Individuals	653,291	652,965	640,868	629,868	625,262	618,904	611,620	603,207	594,631
- thereof mortgages	584,723	586,843	577,891	568,882	563,753	556,207	548,995	540,341	530,676
Commerce and services	210,241	193,601	200,978	184,789	184,667	185,519	190,997	185,495	182,808
Construction	99,990	97,955	97,889	100,613	95,558	91,478	91,345	90,074	80,099
Energy	17,001	16,526	15,767	15,127	11,800	7,822	8,032	7,981	7,938
Financial services	119	195	100	974	715	124	1,121	1,086	214
Industrial and transportation	92,018	93,100	95,002	90,769	82,423	79,011	80,119	75,682	75,802
Investment companies	46,597	42,989	43,880	42,193	42,960	40,558	40,401	42,034	45,931
Public sector and non-profit organisations	16,673	17,442	16,922	16,106	20,448	20,125	20,242	20,895	18,476
Real estate	141,267	145,738	147,327	146,107	154,913	158,072	158,939	151,656	144,173
Seafood	89,909	72,723	72,555	72,303	76,642	72,481	73,792	70,185	73,354
<b>Loans to customers</b>	<b>1,367,106</b>	<b>1,333,234</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>

## Capital and risk exposure amount - 9 quarter summary

ISK million	31.12.25	30.9.25	30.6.25	31.3.25	31.12.24	30.9.24	30.6.24	31.3.24	31.12.23
Ordinary share capital	8,900	9,180	9,368	9,368	9,473	9,564	9,604	9,825	9,898
Share premium	42,472	42,472	42,472	42,472	55,000	55,000	55,000	55,000	55,000
Reserves	7,201	7,062	7,133	7,673	7,102	7,211	6,263	4,831	5,083
Retained earnings	166,786	168,260	165,752	158,381	155,780	151,613	145,634	146,062	154,712
Unaudited interim net earnings	-	(6,901)	-	-	-	-	-	(5,417)	-
Fair value changes due to own credit standing	913	525	420	40	135	242	491	2,172	1,827
Forseeable dividend payment and approved buyback	(16,671)	(17,555)	(22,223)	(18,627)	(15,760)	(14,882)	(12,058)	(11,032)	(14,990)
Tax assets	(151)	(253)	(223)	(127)	(164)	(184)	(122)	(128)	(122)
Intangible assets	(1,822)	(1,647)	(1,875)	(1,777)	(2,070)	(1,847)	(1,821)	(1,948)	(1,922)
Insufficient coverage for non-performing exposure	(52)	(24)	(23)	(29)	(17)	(25)	(12)	(2)	(3)
<b>Total CET1 capital</b>	<b>207,576</b>	<b>201,119</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>
Additional Tier 1 capital	17,216	9,625	9,525	9,819	9,371	9,934	9,762	9,624	10,019
<b>Tier 1 capital</b>	<b>224,792</b>	<b>210,744</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>
Tier 2 capital	23,099	22,926	23,162	22,684	22,324	22,150	22,371	28,322	28,135
<b>Total capital base</b>	<b>247,891</b>	<b>233,670</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>
Risk exposure amount									
- due to credit risk	939,768	970,472	966,801	941,470	922,533	911,826	909,132	904,616	865,758
- due to market risk:	4,093	5,923	9,431	12,039	10,606	8,466	9,411	9,615	10,360
- due to credit valuation adjustment	1,375	1,013	1,141	1,275	714	714	714	693	677
- due to operational risk	88,552	107,119	107,119	107,119	107,119	100,237	100,237	100,237	100,237
<b>Total risk exposure amount</b>	<b>1,033,788</b>	<b>1,084,527</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>Capital ratios</b>									
CET1 ratio <sup>1</sup>	20.1%	18.9%	18.5%	18.6%	20.1%	20.2%	19.9%	19.9%	21.4%
Tier 1 ratio <sup>1</sup>	21.7%	19.8%	19.4%	19.5%	21.0%	21.2%	20.9%	20.9%	22.5%
Total capital ratio <sup>1</sup>	24.0%	21.9%	21.5%	21.6%	23.2%	23.4%	23.1%	23.6%	25.3%
Leverage ratio <sup>1</sup>	12.5%	11.9%	12.0%	12.1%	13.2%	13.0%	13.0%	12.6%	13.4%
MREL ratio	44.0%	36.8%	36.7%	37.8%	33.4%	35.6%	35.6%	39.1%	41.3%

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

## Macroeconomics - summary

	3Q25	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23
<b>YoY change, %</b>									
GDP growth	1.2	-0.2	3.5	-0.5	-1.3	-0.2	-2.9	-0.7	3.7
Total investment	2.2	9.8	19.1	14.5	1.1	5.8	5.7	-0.7	4.9
Business investment	11.3	15.5	20.2	20.4	-5.2	6.4	2.2	-5.9	14.5
Residential investment	-10.3	-8.9	20.2	19.7	16.4	13.4	23.8	7.3	-1.9
Personal consumption	4.2	3.4	3.1	1.7	2.2	-0.1	0.0	-2.9	-2.0
Unemployment rate, % of workforce	3.4	3.7	4.2	3.6	3.2	3.4	3.8	3.4	2.9
Current account, % of GDP	2.1	-8.9	-4.9	-7.2	3.4	-3.8	-3.8	-3.3	0.4
International investment position, % of GDP	43.2	38.7	41.5	48.9	44.3	41.1	41.0	35.0	28.9
Gross general govt. debt, % of GDP				60.4				61.5	
Household debt, gross, % of GDP	70.7	70.7	70.9	71.7	72.0	72.0	71.8	71.6	71.5
Corporate debt, gross, % of GDP	75.1	75.4	75.3	76.2	75.9	76.7	75.2	73.4	72.8
<b>YoY change, %</b>									
Inflation	4.0	4.0	4.2	4.9	5.9	6.0	6.7	7.9	7.8
Residential real estate price index	-0.5	2.2	3.4	4.1	5.0	0.1	-1.0	-3.8	-4.7
Wages	7.7	8.2	8.3	6.2	6.3	6.6	7.4	9.4	10.8
Real wages	3.6	4.0	3.9	1.3	0.4	0.5	0.6	1.5	2.8
ISK index, average	182.6	186.7	191.5	192.7	196.8	196.1	195.3	195.5	189.5
Central bank policy rate (1W)	7.5	7.6	8.2	8.8	9.3	9.3	9.3	9.3	9.0
Long-term nominal yield	7.0	6.8	6.7	6.5	6.8	6.8	6.6	7.1	6.8
Long-term real yield	3.1	2.8	2.8	2.7	2.7	2.6	2.5	2.7	2.3



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

The Bank updated its Sustainable Financing Framework (2020-2024) in January 2024. The Bank advanced eligible assets to the updated Sustainable Funding Framework (2024+) during the year.

Assets are shown back in time based on the category they were advanced to if it is relevant.

### Allocation to Eligible Projects (outstanding amount)

ISK million	31.12.25	31.12.24	31.12.23	31.12.22	31.12.21
Clean Transportation	14,599	6,690	-	-	-
Eco-efficient products	5,096	763	796	828	-
Renewable energy	2,732	10,450	5,988	6,257	6,332
Green buildings	12,703	33,150	26,343	16,100	9,688
Pollution prevention and control	87,595	1,044	1,025	772	836
Energy efficiency	32,241	6,764	880	5,283	5,055
Sustainable management of living natural resources and land use	729	27,593	25,958	26,535	20,187
Employment Generation	905	630	1,455	2,757	3,636
Affordable housing	7,388	8,951	3,521	356	366
Access to Essential Services – Education and vocational training	222	3,053	253	96	431
Socioeconomic Advancement and Empowerment	8,415	10,454	8,593	7,141	4,988
<i>Sustainable Financing Framework (2020-2023)</i>					
Clean Transportation <sup>1</sup>	5,245	10,328	22,579	12,444	6,259
<b>Total sustainable assets</b>	<b>177,870</b>	<b>119,870</b>	<b>97,391</b>	<b>78,570</b>	<b>57,778</b>
ISK million	31.12.25	31.12.24	31.12.23	31.12.22	31.12.21
Green bonds	120,294	29,251	10,320	10,320	6,603
Sustainable bonds	-	21,424	45,150	87,420	44,657
Loan from the Nordic Investment Bank	10,882	12,023	12,337	12,337	-
Sustainable deposits	178	124	153	10	-
<b>Total sustainable debt</b>	<b>131,354</b>	<b>62,822</b>	<b>67,960</b>	<b>110,087</b>	<b>51,260</b>
Thereoff older than 18 months at year end <sup>2</sup>	32,412	43,856	46,543	44,950	-
Allocation ratio of debt issued more than 18 months old <sup>3</sup>	100%	100%	100%	100%	100%
Allocation ratio of debt issued less than 18 months old <sup>4</sup>	100%	100%	100%	52%	113%

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

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

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

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

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

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

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

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

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

4. Calculated using the average GHG emission intensity of electricity generation in Iceland. The Icelandic benchmark emission factor for 2022 is estimated to be 8.54 gCO2 e/kWh, and has not been updated since.

5. Average loan size ISK 4m.

6. EUR/ISK=147.2 on 30.12.2025.

\* Estimated based on Share of funding from 2024.

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

Allocation to Eligible Projects				Selected impact indicators														Avoided greenhouse gas emissions per million ISK	Avoided greenhouse gas emissions per million EUR <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	Connected homes	Additional waste recycled	Clean energy produced	Green buildings	MSC certified products sold	Geo-thermally heated greenhouse	Eco-efficient products	Students reached	Dwellings	Companies supported <sup>6</sup>	Loans to gender balanced companies	tCO2e	tCO2e
	ISK million	%	%	tCO2e	number of	number of	number of	GWh	number of	tonnes	km	number of	tonnes	number of	number of	number of	number of		
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 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.

## Financial ratios - Definition

### 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
Net interest margin on interest bearing assets <sup>1</sup>	Net interest income / Average interest-bearing 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-core income ratio <sup>1,2</sup>	(Administrative expenses + Contribution to the Depositors' and Investors' Guarantee Fund – One-off expenses) / (Net interest income + Net fee and commission income – One-off income)
Cost-to-total assets ratio <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

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

### Financial strength

Equity as % of total assets	Total equity / Total assets
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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
Loan-to-deposit ratio (adj. for Covered bonds)	(Loans to customers - Loans funded by Covered bonds) / Deposits from customers

### Capital

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

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

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

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

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

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