2Q26 Financial Results

30 July 2026

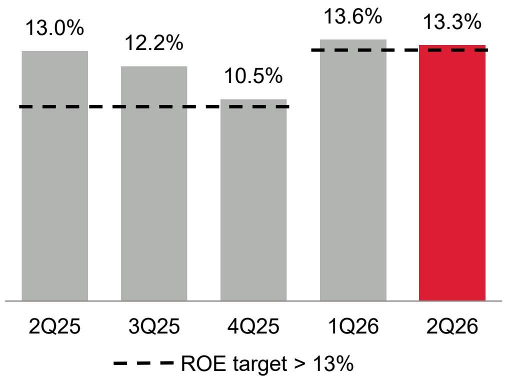
Jón Guðni Ómarsson
Chief Executive Officer

Ellert Hlöðversson
Chief Financial Officer

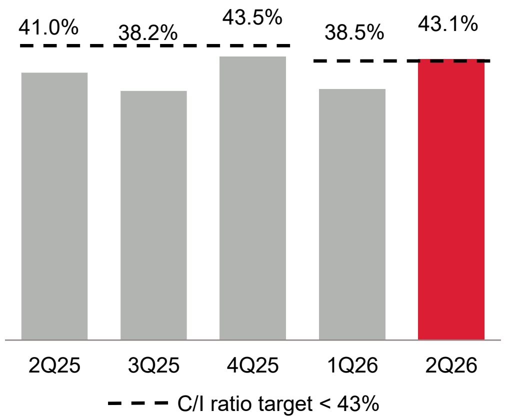
Financial metrics tracking in excess of target

High inflation continues to positively impact net interest income

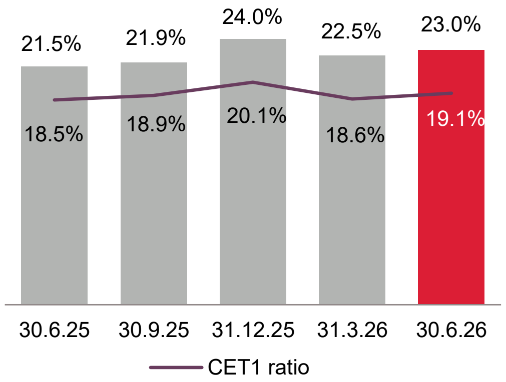
ROE in excess of updated financial target
ROE[1]



C/I in line with target despite one-offs
C/I ratio[2,3]



Considerable excess capital remains
Total capital ratio[4]



1. ROE target was >10% until year-end 2025. 2. C/I ratio target was <45% until year-end 2025. 3. C/I ratio for 4Q25 excludes salary expenses of ISK 804m due to early retirement of employees and an 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). C/I ratio for 3Q25 excludes a charge of ISK 550m within net interest income due to a provision for legal proceedings. 4. Including 1Q26 profit for 31.3.26 and 3Q25 profit for 30.9.25.

YTD returns in excess of guidance and medium-term target

ROE guidance for 2026 revised upwards to being in excess of 12.5%

	Medium-term target	2Q26	1H26	2026 Guidance*
Return on equity	**>13%**	13.3%	13.4%	>12.5%
Cost-to-income ratio	**<43%**	43.1%	40.7%	41-43%
CET1 excess	**100-300bps**	385bps	385bps	200bps
Dividend-payout-ratio	**50%**	-	50%	50%

*Guidance assumes a normalised cost of risk for the year as a whole

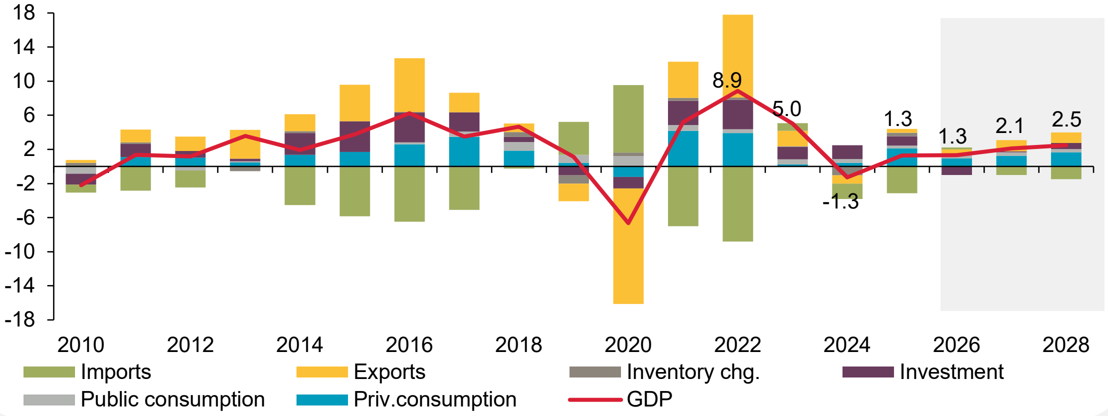
- Loans to customers and revenue, in general **to grow** in line with nominal GDP through the business cycle while international lending provides additional growth
- **Cost of Risk** is expected to average 20-25 bps over the cycle
- **International loan growth** continues to provide additional balance sheet growth

GDP growth regains steam after a subdued 2026

Persistent inflation forces the Central Bank to hold rates high for longer

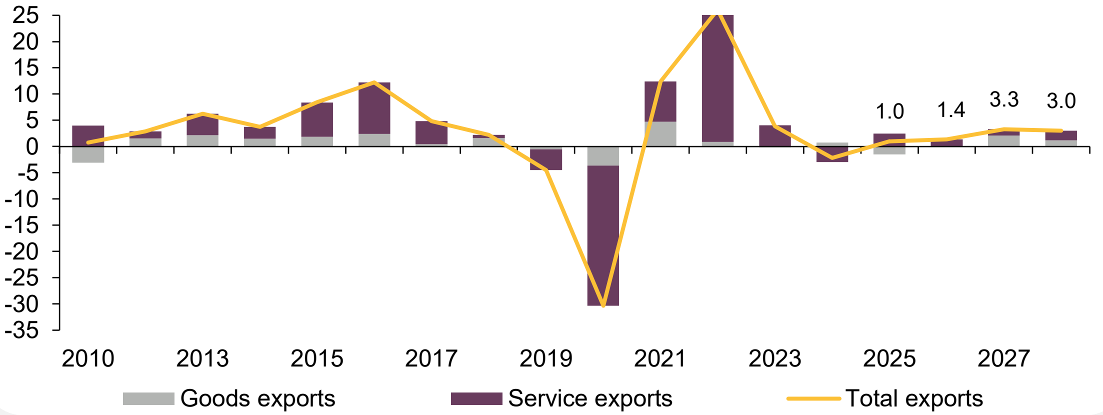
Slow GDP growth in the near term, gaining pace later on…

Real GDP and main subitems, YoY change, %



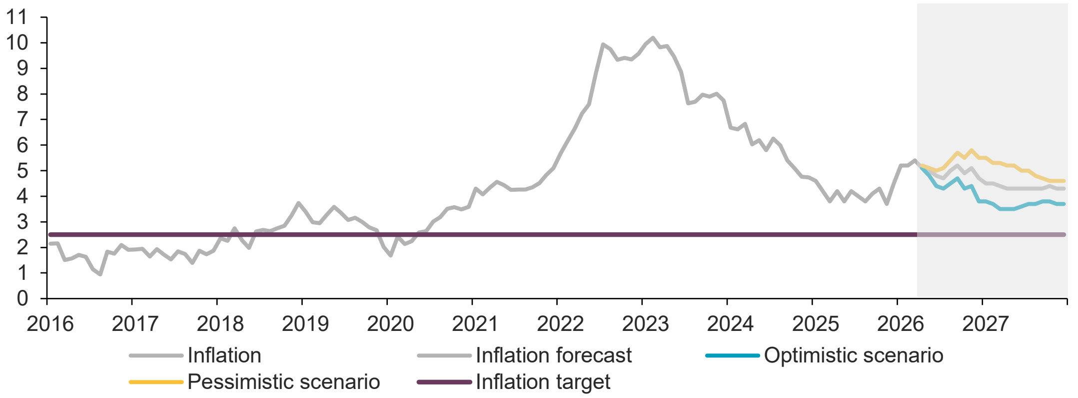
…as exports return to more robust growth from 2026 after a soft patch

Exports and contribution from subcomponents, % change



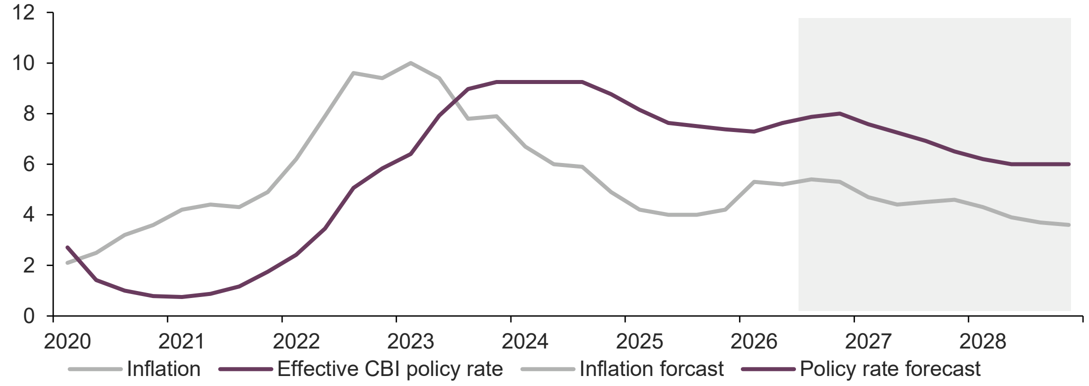
Inflation has proven persistent and will stay high in the near term…

CBI policy rate and real policy rate, %



…leading to continued tight monetary policy in coming quarters

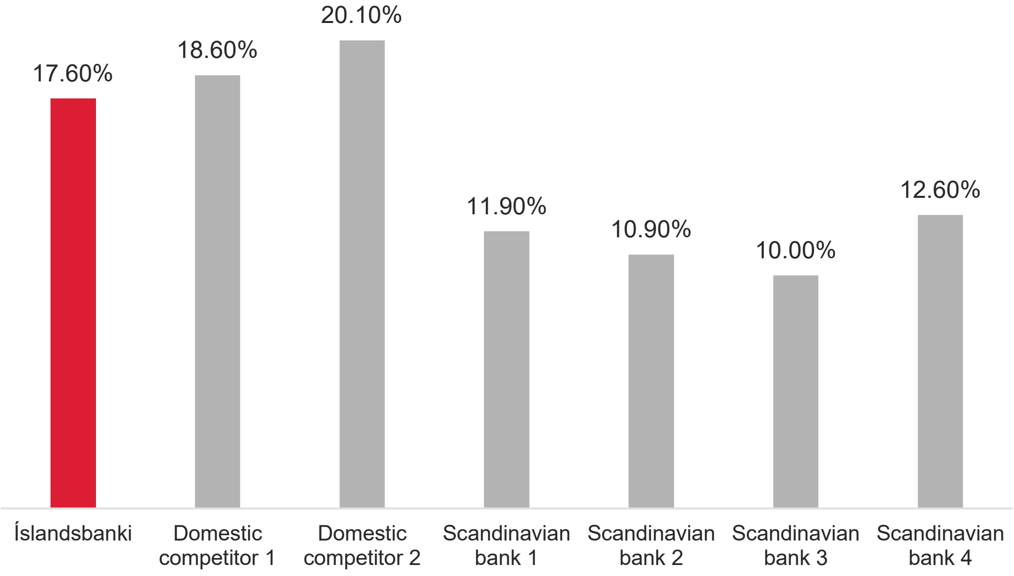
CBI policy rate and real policy rate, %



Structural headwinds to profitability

Higher bank taxes weigh on returns

Tax charges relative to operating income[1]
Selected Nordic banks, 2025



1. Annual statements from 2025 of Íslandsbanki, domestic competitors and Scandinavian banks

- Proposed tax changes could further weaken Icelandic banks' competitive position relative to pension funds and international financial institutions
- **Elevated capital requirements** – Icelandic D-SIBs operate with materially higher equity position than their European peers due to standardised approach
- **Higher equity base structurally supports NII and NIM** – a larger equity base translates into higher net interest income and a wider reported net interest margin due to less leverage on the balance sheet
- **Yet returns remain low by European standards** – despite a high NIM, sector profitability is constrained by elevated taxation and narrow customer spreads

Tax breakdown for banks in the Nordics in 2025

	Iceland	Sweden	Norway	Denmark	Finland
Corporate Tax Rate	20%	20.6%	22% (25% on financial institutions)	22% (26% for financial institutions)	20%
FAT on Profits	6%	-	3%	4%	-
FAT on Remunerations	5.5%	-	5%	15.3%	-
Bank Levy/ Financial Stability Contribution	0.145%	-	-	-	-
Minimum reserve requirement	3.0%	-	-	-	1.0%*

*On specific customer deposits and short-term liabilities

Deepening retail customer relationships

Loyalty Services gaining traction

- Adoption has climed steadily since launch on 19 March, reaching **50 thousand customers** in June
- **10,000 customers** have opened a **Loyalty savings account**

Record momentum in pension savings inflows

- Framtíðarauður hits **ISK 120bn** in AuM
- Updated contracts have **increased by 74% in 1H26 YoY**
- New contracts have **increased by 37% in 1H26 YoY**

Supporting digital adoption

- "Tech café" helping customers confidently adopt new digital solutions
- Fully booked in minutes
- Rolling out nationwide

Stable leadership in Business Banking

Strong team securing highest NPS score amongst domestic peers

Stable market share, highest among peers[1]

37% market share

40% in the capital area

New lending and growth of loan portfolio

- Ergo Loan portfolio increased by 10% year-on-year
- New lending amounts to ISK 68.7bn in 2026

Challenging business environment for SMEs

- Íslandsbanki and Reykjavík Economics published their fifth report on the state of SMEs in Iceland, **Uncertainty on the Horizon**
- The report highlights a challenging business environment marked by slow growth and pressure on profitability
- The findings underline the importance of a stable and competitive environment to support investment, innovation, and long-term economic growth

New financing:

- Ergo will provide inventory financing for new and used vehicles as well as day-to-day banking.
- Una the authorised distributor of XPENG in Iceland. Una is owned by Askja, which is part of the international automotive group Inchcape.
- Askja the authorised distributor of Mercedes-Benz, smart, Kia, and Honda.

ergo

una
Hluti af Inchcape

ASKJA
Hluti af Inchcape

Continued commitment to businesses across the country

New lending: Föt og skór

Íslandsbanki has initiated a new banking relationship with Föt og skór, a well-known retailer operating multiple established brands and sales channels in the Icelandic fashion market

ENGLABÖRNIN COLLECTIONS

BOSS

Mathilda

herra GARÐURINN -klæðir þig vel

F&S outlet

1. Average market share from Gallup's last four corporate surveys, the most recent one conducted in 2Q26

Strong start to the first half of the year

Corporate and Investment Banking has seen success in the first six months of the year

#1 in turnover on Nasdaq Iceland in equities and bonds combined year-to-date

- Highest market share in turnover on Nasdaq Iceland in equities and bonds combined year-to-date with the following share:
  - 19.6% in equities
  - 18.6% in bonds

JAN	FEB	MAR	APR	MAY	JUN
1	1	2	2	1	1

Year-to-date market share at month-end

Financing of a new pelagic vessel

- The vessel of Skinney-Þinganes arrived in port in Hornafjörður in May

Corporate Finance advised on FÍ's property sale

- 11 properties, 25,200 m² total, for a total consideration of ISK 13.1bn

Securities brokerage success

- During the first half of 2026, Íslandsbanki's securities brokerage handled ISK 52bn of bond issuance (nominal value)
- Comprising ISK 24bn for the Bank and ISK 28bn on behalf of customers

FESTI · REITIR FASTEIGNAFÉLAG · Skeljungur · BERA · ÞAKA FASTEIGNAFÉLAG · ALMA · Akureyrarbær

A balance between digital solutions and personalised services

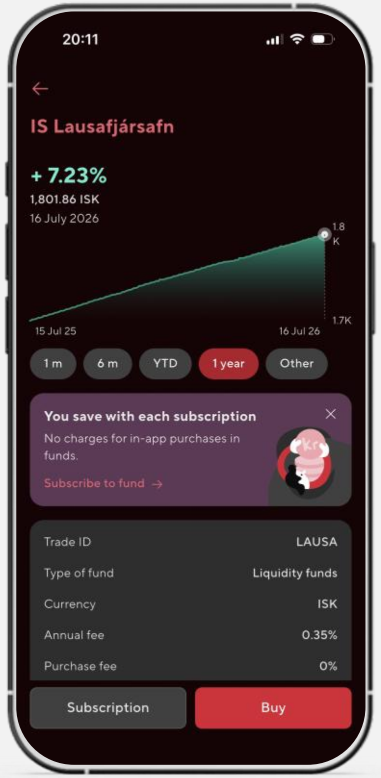
Significant milestones with improved in-app access of fund overview and fund subscriptions

App improvements

- In-app access to **fund overview** and **fund subscriptions**
- **International payments** now live in the app

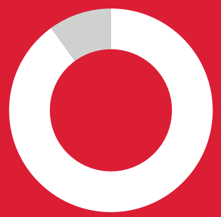
New online bank

- Continued rollout of new functionality and customer-facing enhancements



2Q26 AI highlights

87% of employees are active users of approved, governed AI tools



>30 AI Champions in our specially trained citizen developer community

Íslandsbanki Reykjavík Marathon

Largest charitable event in Iceland annually

22 August 2026

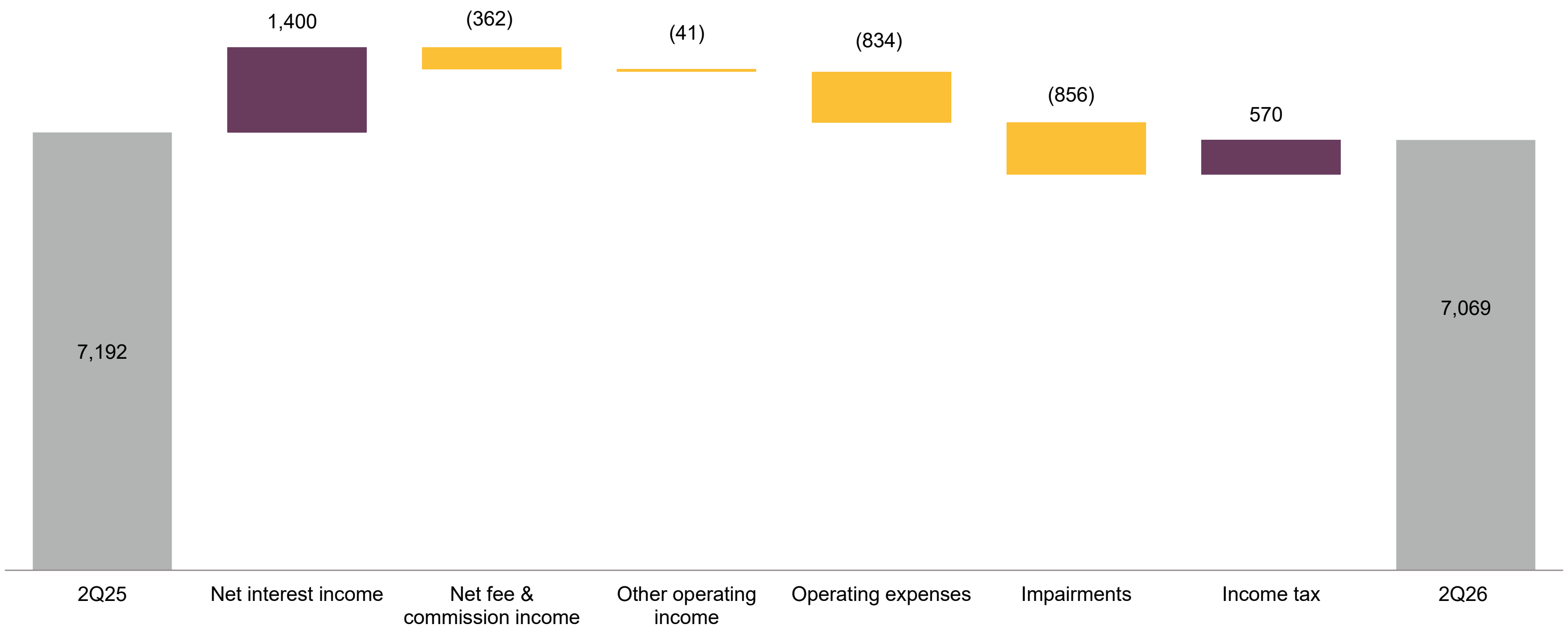
ISK 327 million raised in 2025
Over ISK **2 billion** since 2006

Financial Overview

Strong NII growth on back of inflationary effects

Core operating income grew by 5.9% between years

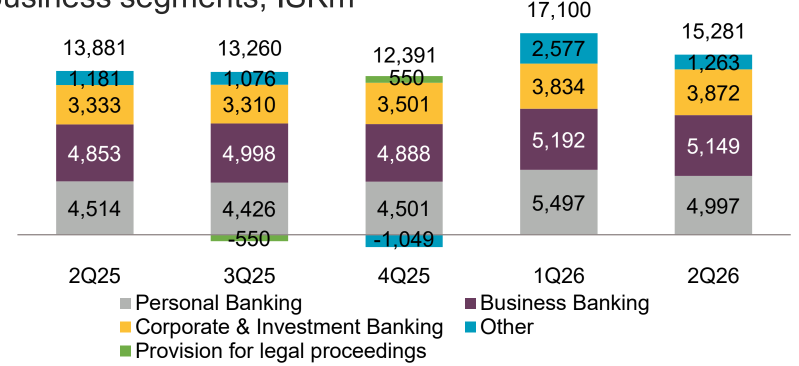
Profit for the period – 2Q25 vs 2Q26
ISKm



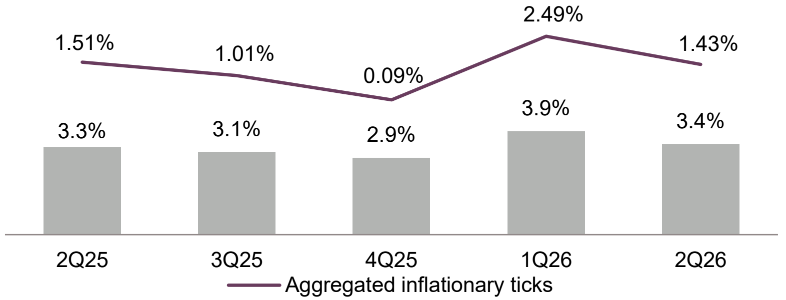
NIMs improving YoY despite slightly lower inflationary ticks in the quarter

Growth in international lending and strong margin control providing NIM uplift

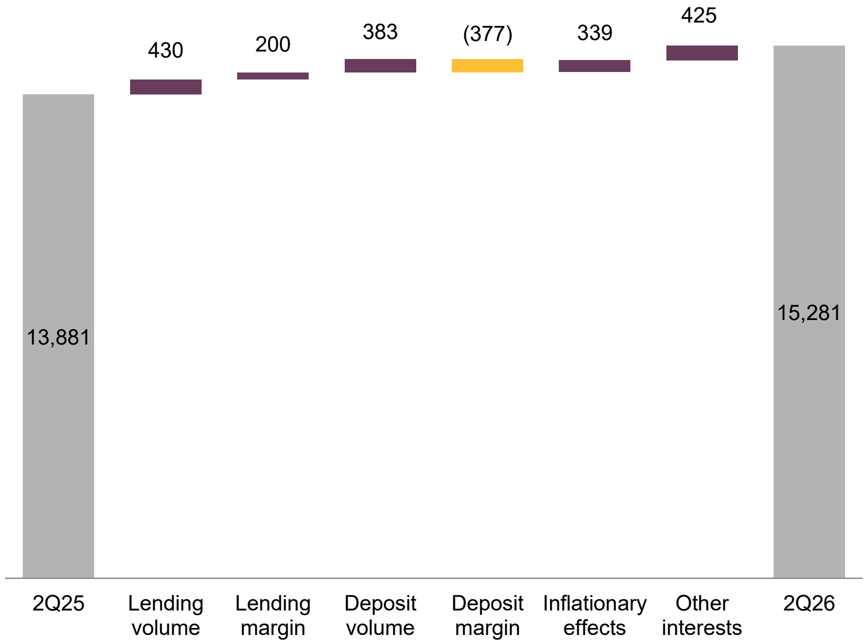
Net interest income
Business segments, ISKm



Net interest margin
On total assets



Net interest income – YoY comparison
ISKm



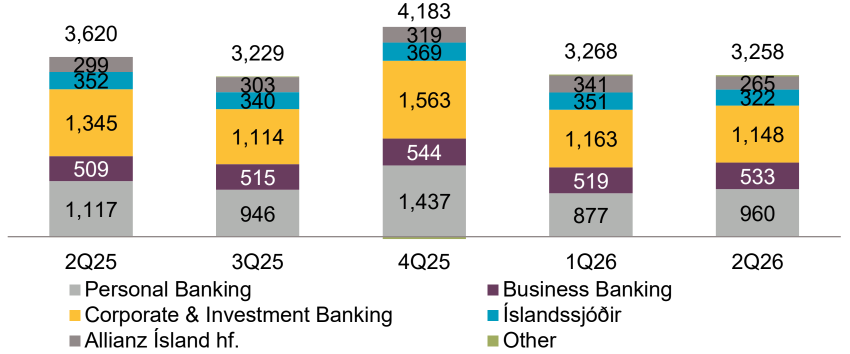
Highlights

- Net interest margin was 3.4% in 2Q26 (3.3% in 2Q25)
- The CPI imbalance grew in the quarter and amounted to ISK 231 billion at end of 2Q26 (201 billion at end of 1Q26)
- Aggregated inflationary ticks for 2Q26 were 1.43% compared to 1.51% in 2Q25
- Expectations are that aggregated inflationary ticks for 3Q26 will be 1.35% (1.01% in 3Q25)
- Policy rates were raised by 25 basis points in May 2026

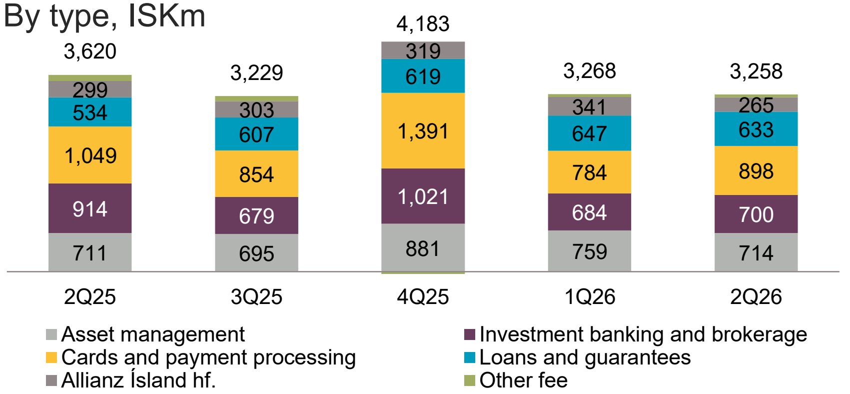
Net fee and commission income continues to be pressured

Income from capital markets and payment processing reducing year-on-year while loans and guaranties grow

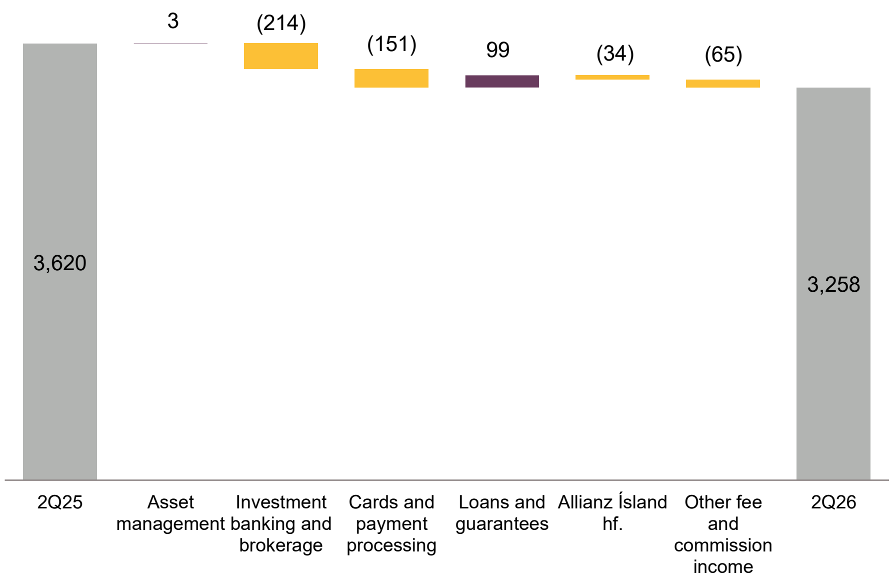
Net fee and commission income
Business segments, ISKm



Net fee and commission income
By type, ISKm



Net fee and commission income – YoY comparison
ISKm



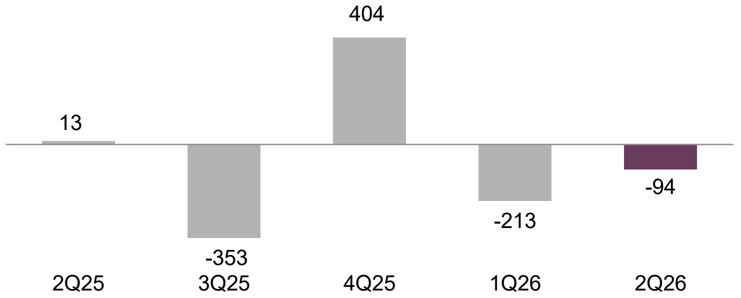
Highlights

- Net fee and commission income is down 2.4% in the first half of the year and 10% during the quarter
- Lending-related fees are growing between years, partly due to related to international lending activities
- However, income from investment banking is adversely affected by economic conditions, which are resulting in considerably less volume on the capital markets
- Reduction in cards and payments is mainly owed to higher fee expenses related to loyalty benefits and insurance
- Allianz with lower income YoY due to a shift in revenue mix in Q2

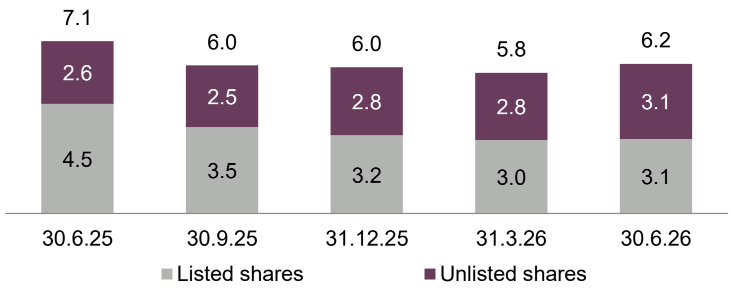
Market risk exposure continues to be a limited part of the Bank's operations

Loss on NFI mostly related to equities due to adverse market conditions

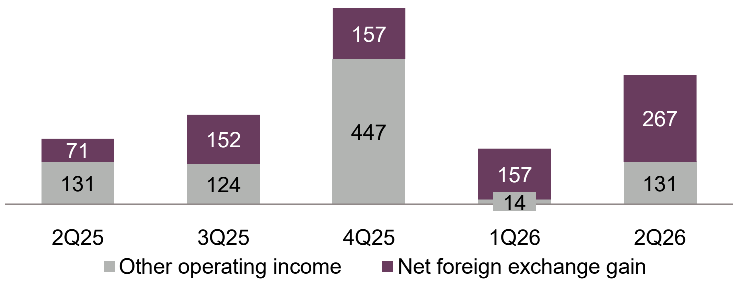
Net financial income (expense)
ISKm



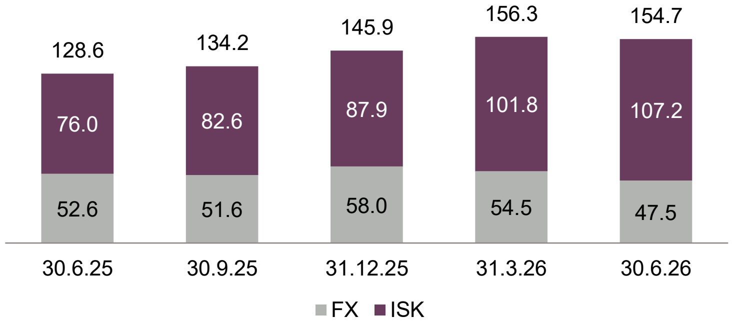
Shares and equity instruments[1]
ISKbn



Other operating income and net FX gain
ISKm



Bonds and debt instruments[2]
ISKbn



Highlights

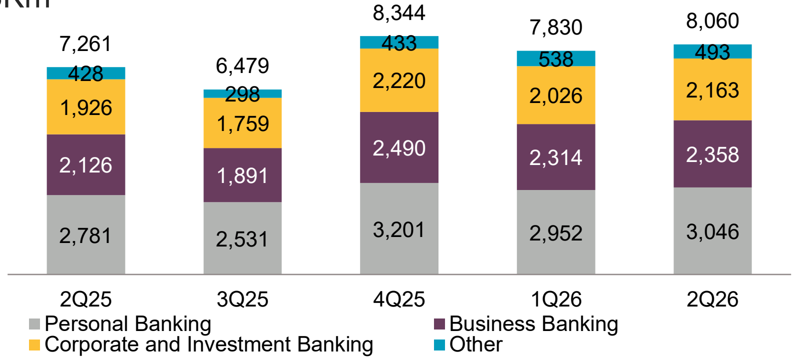
- Net financial expense of ISK 94m was recorded in the quarter
- Loss mainly related to equities used for economic hedging which are offset by underlying derivatives accounted for through NII

1. Excluding listed shares and equity instruments used for economic hedging.
2. Excluding listed bonds and debt instruments used for economic hedging.

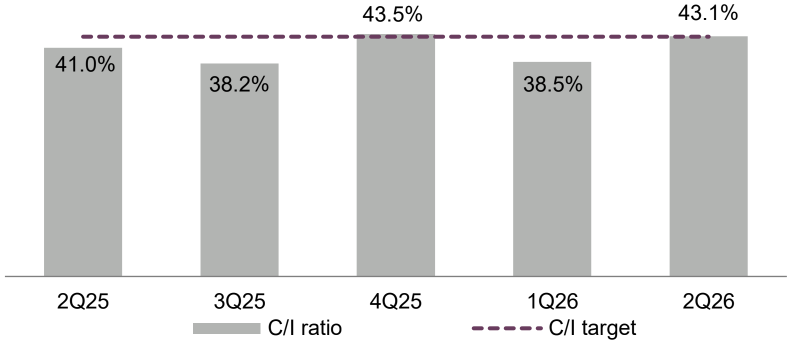
Cost-to-income ratio remains within target for 1H26

One-off expenses amounting to ISK 370 million recognised during the second quarter

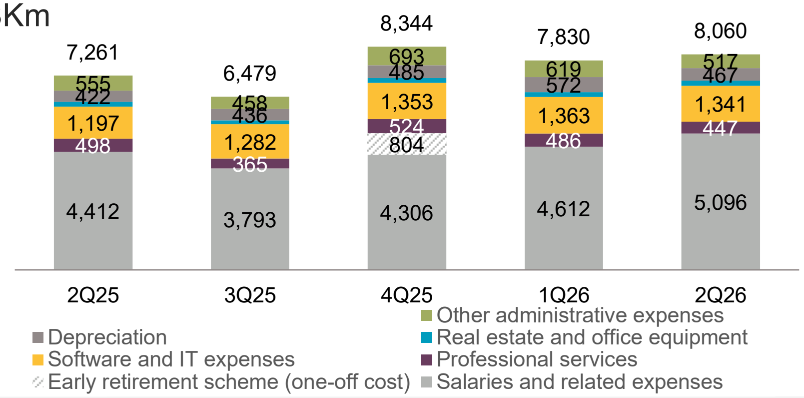
Administrative expenses
ISKm



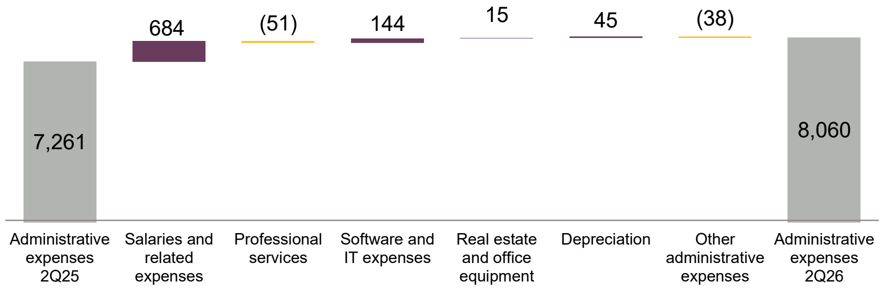
Cost-to-income ratio[1,2]



Administrative expenses – by type
ISKm



Administrative expenses – YoY comparison
ISKm



Highlights

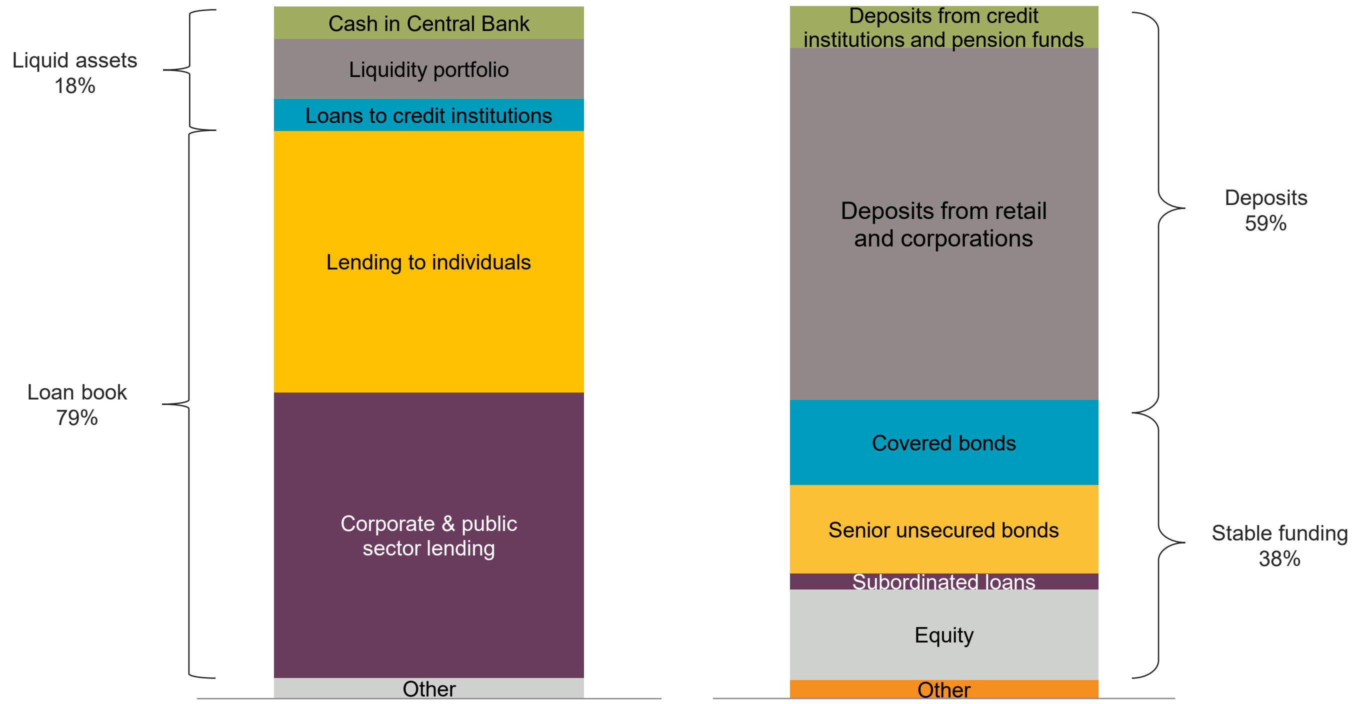
- Salaries and related expenses rose by ISK 807m year-on-year or 9.1%
- In the second quarter, the Bank expensed ISK 436m related to the employee variable compensation plan and ISK 63m related to employee share-based incentive scheme.
- In addition, around 370m was expensed related to organisational changes in the quarter – both within the Bank and Íslandssjóðir
- Software & IT expenses increase from previous year due to increase in usage and increased outsourced service
- Overall, operating expenses grew year-on-year 1.2% less than inflation, thus contracting in real terms

1. C/I ratio target was <45% until year-end 2025. 2.C/I ratio for 4Q25 excludes salary expenses of ISK 804m due to early retirement of employees and an 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). C/I ratio for 3Q25 excludes a charge of ISK 550m within net interest income due to a provision for legal proceedings.

Simple balance sheet with good loan and funding profiles

All liquid assets marked to market

Simplified balance sheet structure
30.6.2026, ISK 1,788bn



Assets

- Vast majority of assets consist of lending to both retail and corporates
- Strong liquidity portfolio is a consistent factor in balance sheet management
- Very limited exposure to non-liquid or non-lending assets

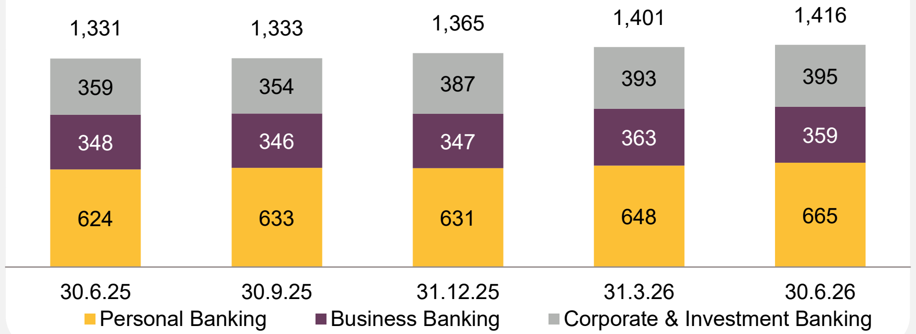
Liabilities

- Deposits from retail and corporates are the single largest funding source
- Bonds and debt instruments have become a more prominent part of the funding mix thanks to continuous focus on attracting new pockets of demand, including foreign currency and ESG issuance

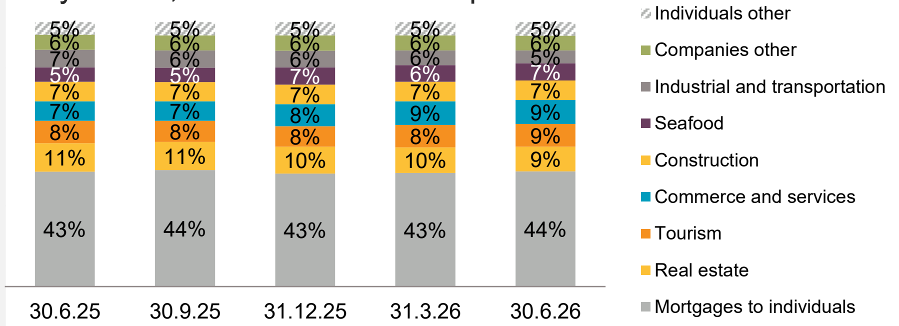
Loan book composition remains healthy

YTD growth amounts to 3.7% or 7.5% on an annual basis

Loans to customers
By business division, ISKbn



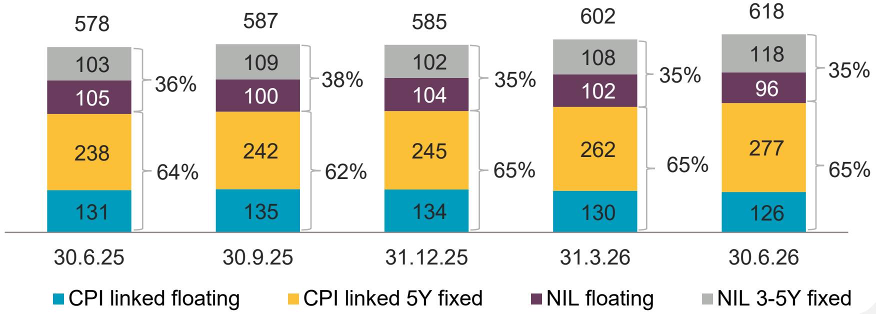
Loans to customers
By sector, with tourism as a separate sector



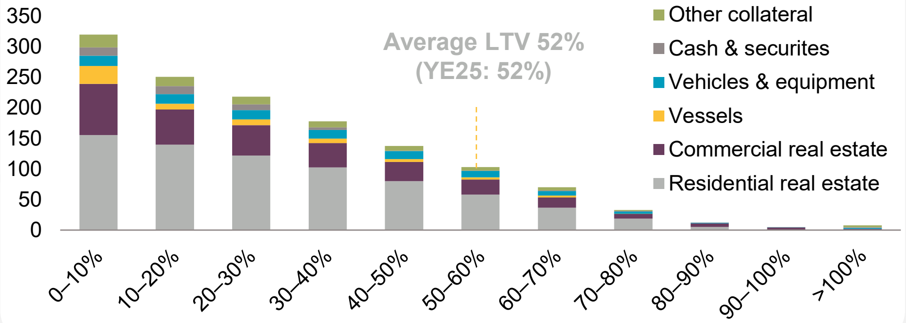
Highlights

- Around 94% of the loan book are covered by collateral – comparable to previous quarters
- Currently, around 5% of loans to customers are to international parties
- Composition of the loan portfolio comparable to previous quarters
- The credit quality of assets continues to be robust due to strong risk management practices and disciplined lending policies

Mortgage portfolio
By interest rate type, gross carrying amount, ISKbn



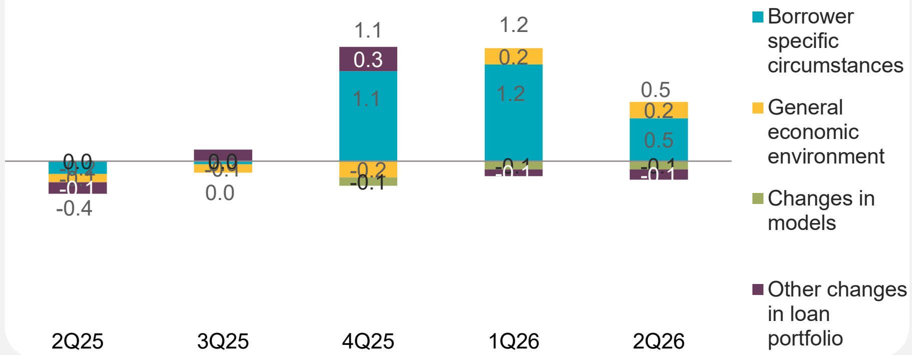
LTV distribution by underlying asset class
Loan splitting approach, ISKbn



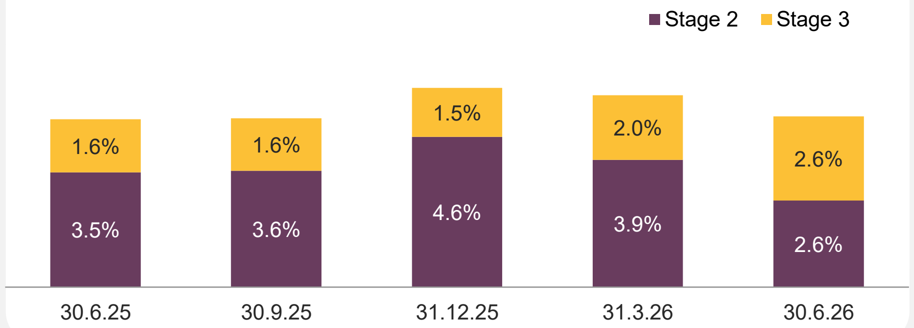
Despite economic slowdown, asset quality remains high

Increase in Stage 3 among other related to exposures in the construction sector

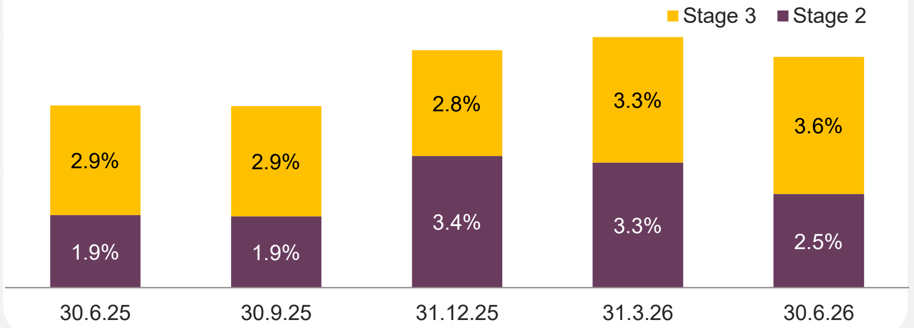
Net impairment on financial assets
By period, ISKbn



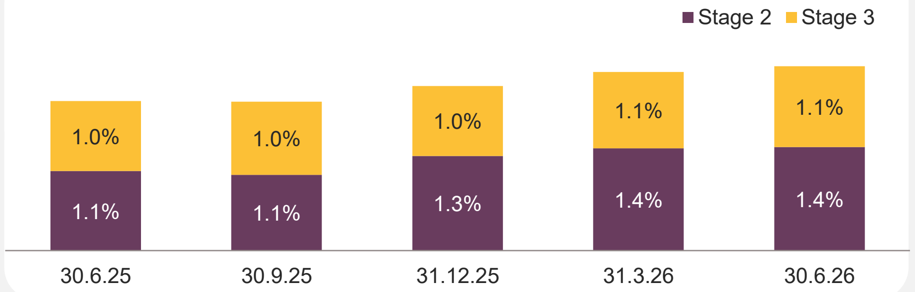
Loans to customers: Stage 2 and 3 (NPL)
Development of gross carrying amount as ratio of total loans



Real estate portfolio: Stage 2 and 3 (NPL)
Gross carrying amount as ratio of the real estate portfolio



Mortgages portfolio: Stage 2 and 3 (NPL)
Gross carrying amount as ratio of total mortgages



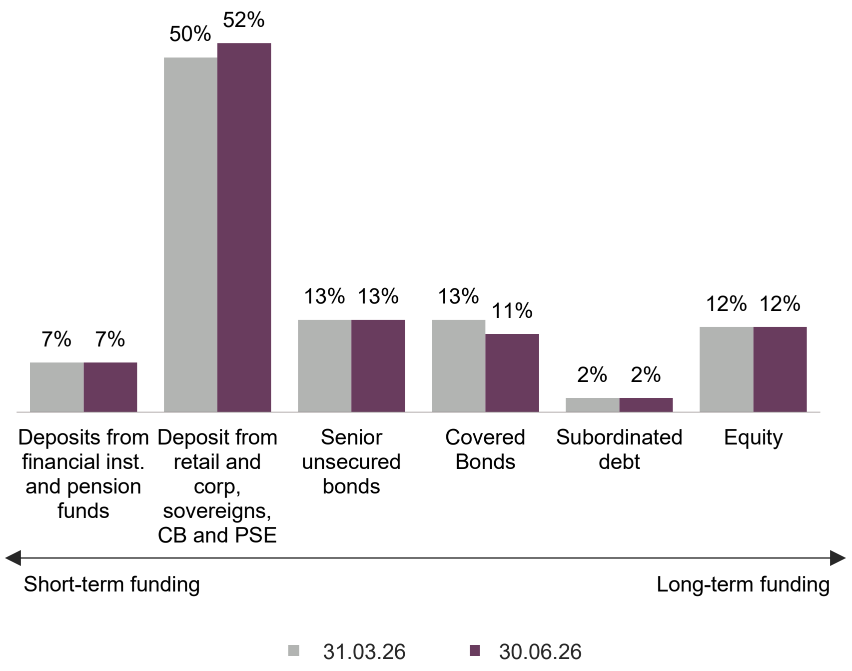
Highlights

- Annualised cost of risk was 13 bps in 2Q26 (-12bps for 2Q25) – normalised cost of risk assumed 20-25 bps through the cycle
- Unchanged weights of economic scenarios: 20% good, 50% baseline and 30% bad
- Increase in Stage 3 loans mainly related to borrower specific circumstances, mainly in the construction sector
- As sale time of new residential real estate remains prolonged, a few construction projects have been classified as Stage 2 or 3, due to heightened uncertainty in the underlying projects
- Clear indication that prolonged high interest rates and the inflationary environment has started to have an impact

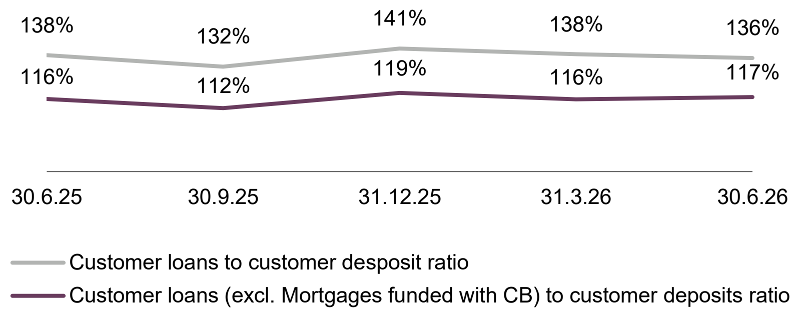
Diversified funding mix, deposit growth moderates

Strong deposit position allows for a more flexible wholesale funding approach

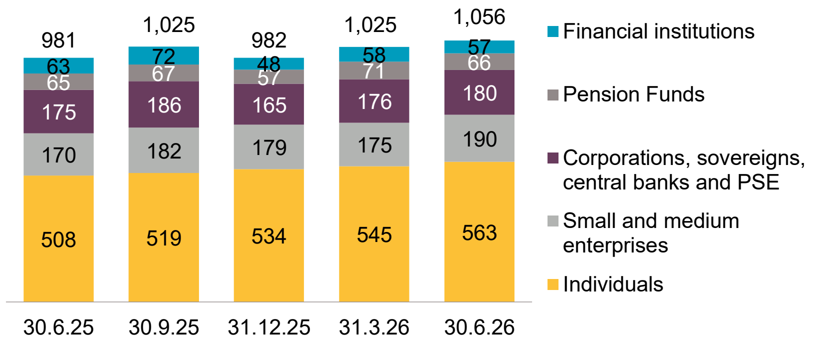
Funding sources
By type, % of total liabilities and equity



Customer loans to customer deposits ratio
Development, %



Deposits from customers and credit institutions
Development, by LCR category, ISKbn



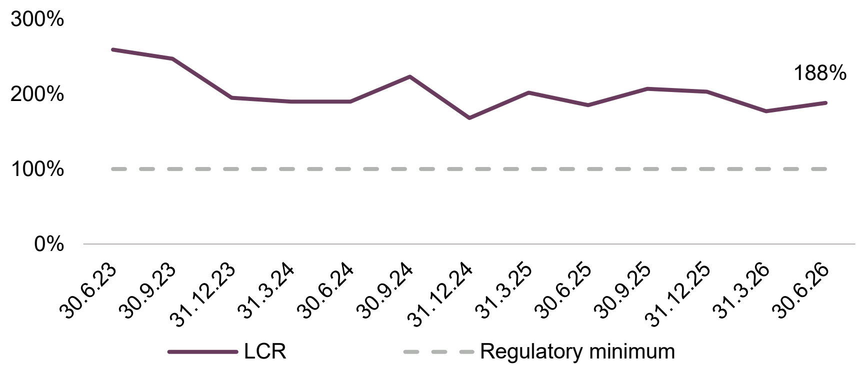
Highlights

- Overall deposits levels grew by 3% in 2Q26, mainly due to increase in deposits from individuals and small and medium enterprises
- Continued growth in deposits by individuals, which grew by 3% in 2Q26 and close to 5.5% in the first half of the year
- Term deposits were 17% of total deposits at the end of 2Q26
- 68% of deposits held by individuals (and 44% of all deposits) are covered by the deposit guarantee scheme

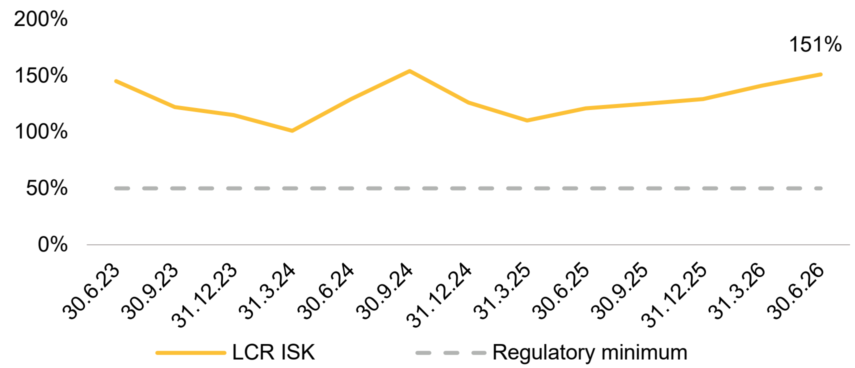
Strong liquidity position, ratios well above requirements

Liquid assets 18% of the total balance sheet and fully marked-to-market

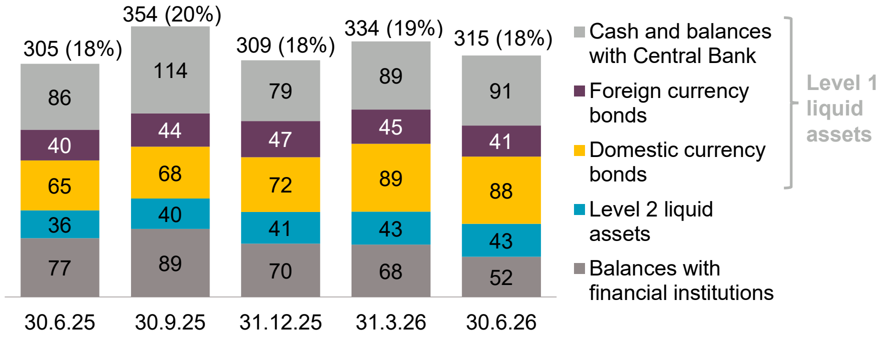
Total liquidity coverage ratio (LCR)



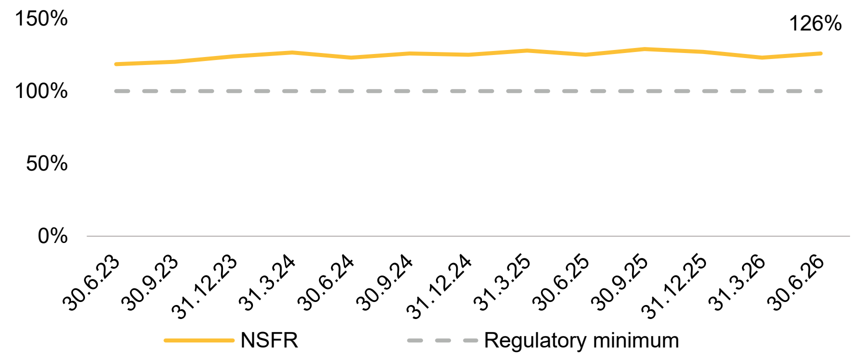
Liquidity coverage ratio for ISK



Liquid assets
% of total assets, ISKbn



Net stable funding ratio (NSFR)



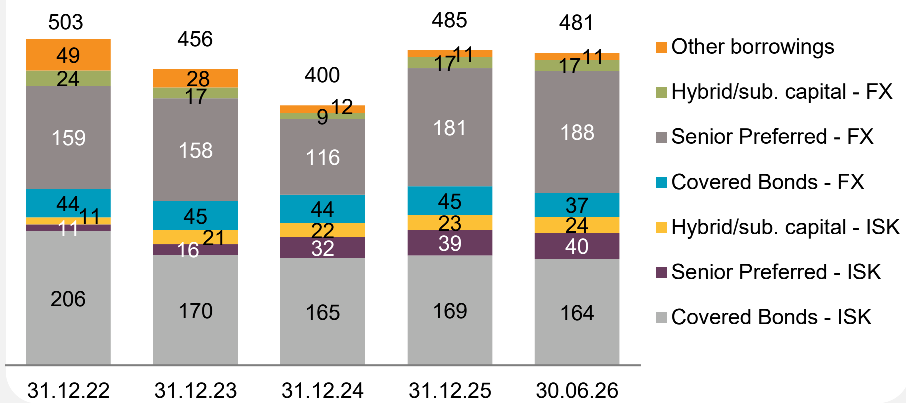
Highlights

- All liquidity measures well above regulatory requirements
- Total LCR at 188% and NSFR at 126% at end of 2Q26
- The Bank's EUR LCR at the end of 2Q26 was 532%
- The Bank's securities portfolios are all MtM (FVTPL and FVOCI). There is no unrealised loss due to HtM (amortised cost)

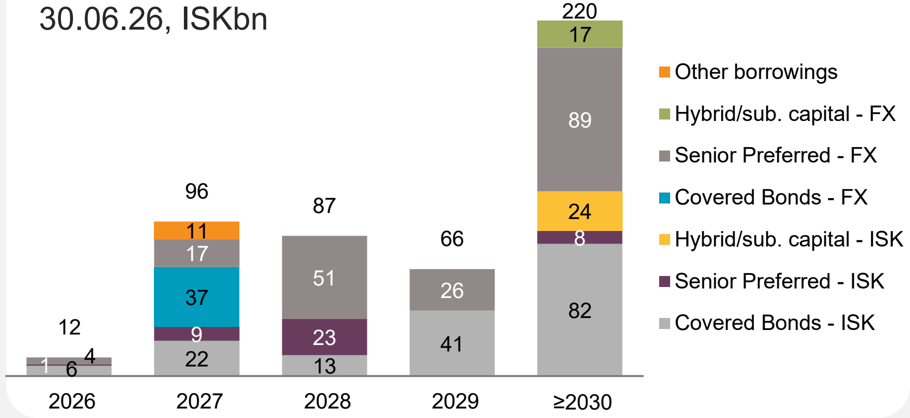
The Bank is fully MREL funded throughout the year

Good diversification of funding sources across products and maturities, as well as across investor types and locations

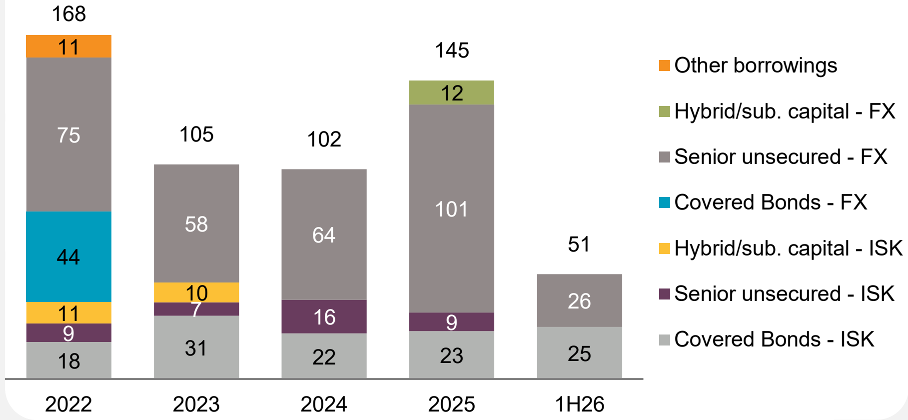
Sources of borrowings, ISKbn



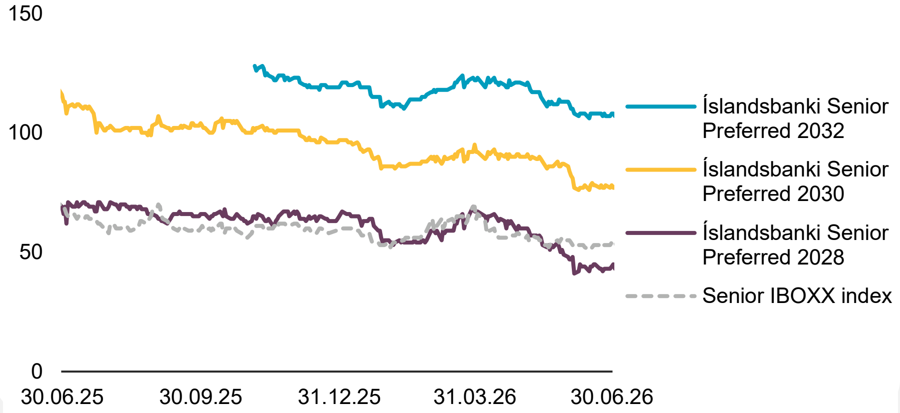
Contractual maturity profile of borrowings
30.06.26, ISKbn



Borrowings per year, ISKbn



Development of EUR funding spread, bps



Highlights

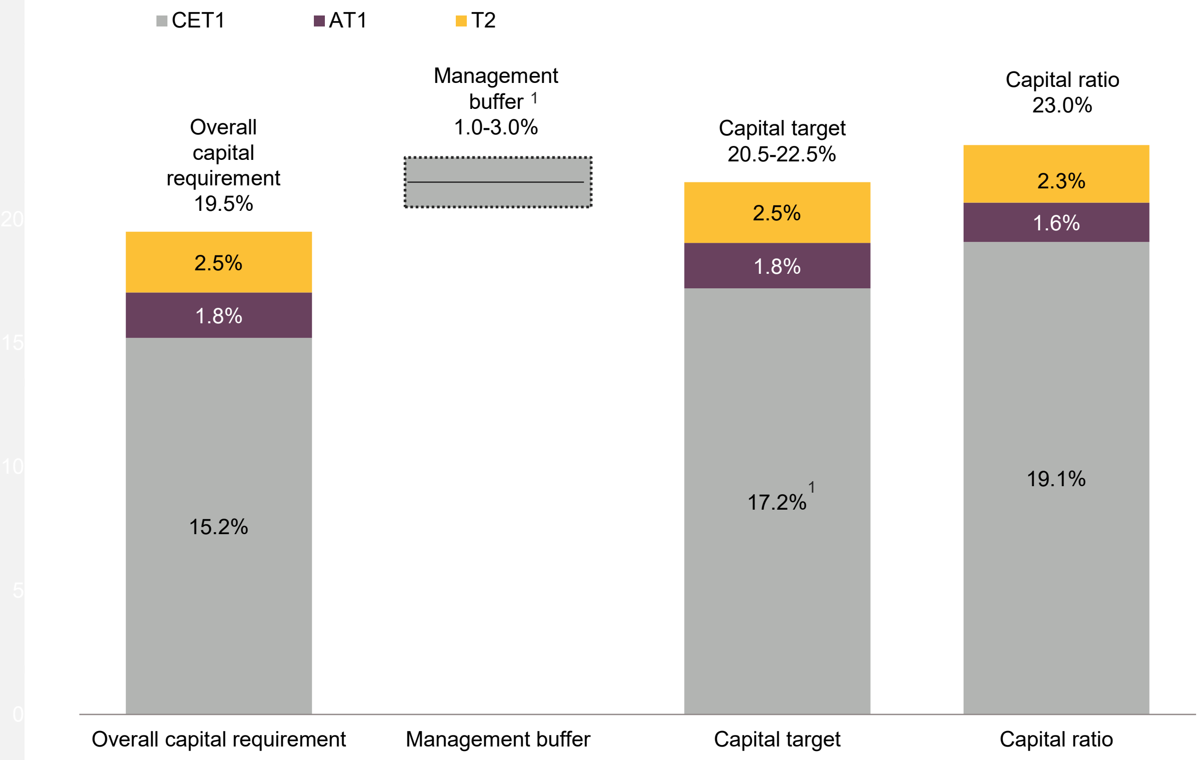
- Strong credit spread development through 2Q26 in good market conditions
- The Bank's wholesale borrowing split remains evenly divided between ISK and foreign currencies
- Limited maturities for the remainder of 2026 allow the Bank to remain an adaptive issuer
- Domestically in 2Q26 the Bank sold ISK 7bn of ISK denominated covered bonds
- The Bank issued 3-year NOK 600m and SEK 1,400m senior preferred green notes in June
- In March S&P affirmed the Bank's covered bond programme rating of A+ and revised the outlook from stable to positive
- In November 2025, Moody's Ratings affirmed Íslandsbanki's A2 long-term deposit and A3 long-term issuer ratings, with a stable outlook

Capitalisation remains strong end of the quarter

Total distribution capacity amounts to ISK 23.1bn as of now

Current regulatory requirements and minimum capital target

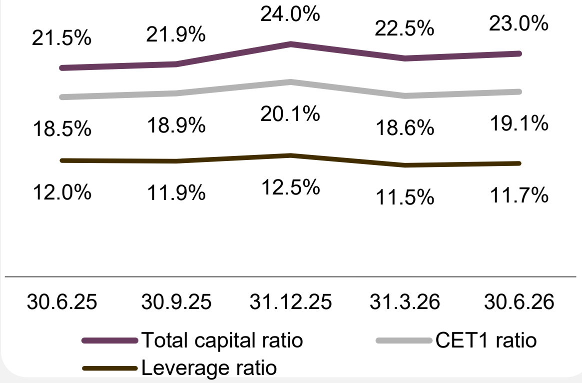
30.6.2026, by capital composition



[1]CET1 capital target set at mid-point of management buffer

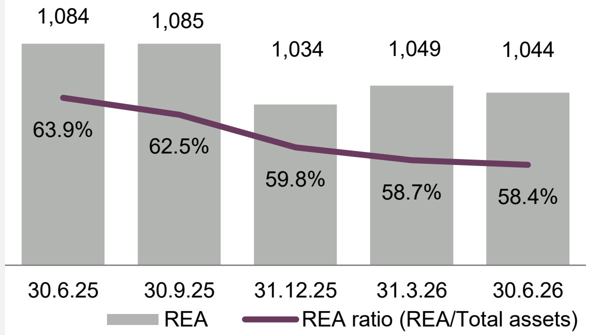
Capital and leverage ratios

% of REA (% of total exposure for leverage ratio)



REA and REA ratio

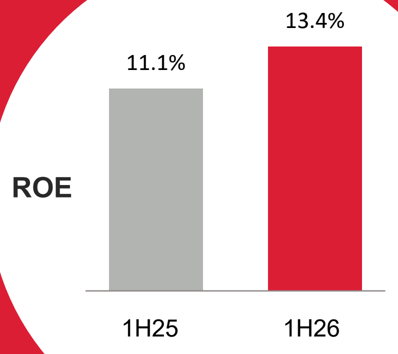
ISKbn and % of total assets



Highlights

- Following a favourable CRR 3 implementation year-end 2025, a further reduction of 2% of the Groups REA were realised following the Central Bank adoption of a loan splitting approach for IPRE mortgage exposures
- SREP: As of 30 June 2026, the Bank must maintain an additional capital requirement of 1.8% of the REA, resulting in an overall capital requirement of 19.5% and capital target of 21.5%, assuming the midpoint of the management buffer
- Total distributions during the first half of the year amounted to ISK 27.8bn, thereof ISK 15.2bn through buybacks
- As of 30 June 2026, ISK 3.9bn have been allocated to share buybacks which are deducted from the CET1 capital but yet to be completed
- Total distribution capacity (including uncompleted buybacks) amounts to ISK 23.1bn, assuming a fully optimised capital structure
- The Bank remains committed in its efforts to optimise its capital structure through growth and distributions to shareholders

Strong performance



Strong excess capital position

Excess CET1 ISK 23.1bn

Updated guidance for 2026

ROE >12.5%

Q&A

Appendix I

About Íslandsbanki and additional financial information

This is Íslandsbanki

We empower our customers to be a force for good

Values

Progressive thinking | Collaboration | Professionalism

The Bank

691 FTEs: Number of FTEs at Íslandsbanki at period-end

12 branches

Listed on Nasdaq Iceland as of June 2021

Market share[1]

32% Retail customers

37% SMEs

Key figures 2Q26

ROE	13.3%
Cost-to-income ratio	43.1%
CET1 ratio	19.1%
Total capital ratio	23.0%
LCR Group, all currencies	188%
NSFR Group, all currencies	126%
Leverage ratio	11.7%
Total assets	**ISK 1,788bn**

Sustainability in 2Q26

- Íslandsbanki maintained its Exceptional ESG rating, of A3, from Reitun, an Icelandic rating agency
- Íslandsbanki's sustainable assets amounted to ISK 182bn at end of 2Q26
- In June the Bank concluded a 3-year green senior preferred bond offering of NOK 600m and SEK 1.4bn

Digital milestones in 2Q26

- Continued enhancements to customer experience through new features and improvements to core functionality
- In-app access to fund overview and fund subscriptions and International payments were launched in the app
- Numerous new features were added to the new online bank, including invoice financing capabilities.

Ratings and certifications

Moody's
A3 Stable outlook

S&P Global Ratings
BBB+/A-2
Positive outlook

ESG risk rating
Reitun
A3 Exceptional

EQUALITY SCALE FKA 2025 AWARD

EQUAL PAY CERTIFICATE 2025 - 2028

1. For retail customers, based on the number of customers with active deposits as percentage of people with domicile in Iceland, for SMEs on average market share from Gallup's last four corporate surveys the most recent one carried out during 2Q26

Financial overview

Key figures & ratios

		2Q26	1Q26	4Q25	3Q25	2Q25
PROFITABILITY	Profit for the period, ISKm	**7,069**	7,456	5,947	6,901	7,192
	Return on equity	**13.3%**	13.6%	10.5%	12.2%	13.0%
	Net interest margin (on total assets)	**3.4%**	3.9%	2.9%	3.1%	3.3%
	Cost-to-income ratio[1]	**43.1%**	38.5%	43.5%	38.2%	41.0%
	Cost of risk[2]	**0.13%**	0.35%	0.32%	(0.00%)	(0.12%)
		30.6.26	31.3.26	31.12.25	30.9.25	30.6.25
BALANCE SHEET	Loans to customers, ISKm	**1,416,048**	1,401,212	1,367,106	1,333,234	1,331,288
	Total assets, ISKm	**1,788,385**	1,786,697	1,728,147	1,734,056	1,696,034
	Risk exposure amount, ISKm	**1,043,713**	1,049,435	1,033,788	1,084,527	1,084,492
	Deposits from customers, ISKm	**1,038,206**	1,013,431	968,695	1,008,919	966,075
	Customer loans to customer deposits ratio	**136%**	138%	141%	132%	138%
	Non-performing loans (NPL) ratio[3]	**2.6%**	2.0%	1.5%	1.6%	1.6%
LIQUIDITY	Net stable funding ratio (NSFR), for all currencies	**126%**	123%	127%	129%	125%
	Liquidity coverage ratio (LCR), for all currencies	**188%**	177%	203%	207%	185%
CAPITAL	Total equity, ISKm	**211,095**	212,718	225,359	226,974	224,725
	CET 1 ratio[4]	**19.1%**	18.6%	20.1%	18.9%	18.5%
	Tier 1 ratio[4]	**20.7%**	20.2%	21.7%	19.8%	19.4%
	Total capital ratio[4]	**23.0%**	22.5%	24.0%	21.9%	21.5%
	Leverage ratio[4]	**11.7%**	11.5%	12.5%	11.9%	12.0%
	MREL ratio[5]	**43.9%**	40.3%	44.0%	36.8%	36.7%

1. C/I ratio for 4Q25 excludes salary expenses of ISK 804m due to early retirement of employees and an 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 year). C/I ratio for 3Q25 excludes a charge of 550m within net interest income due to a provision for legal proceedings. 2 Negative cost of risk means that there is a net release of impairments. 3. Stage 3 loans to customers, gross carrying amount. 4. Including 1Q26 profit for 31.3.26 and 3Q25 profit for 30.9.25. 5. MREL ratio includes the CET1 capital held to meet the combined buffer requirement.

Income statement

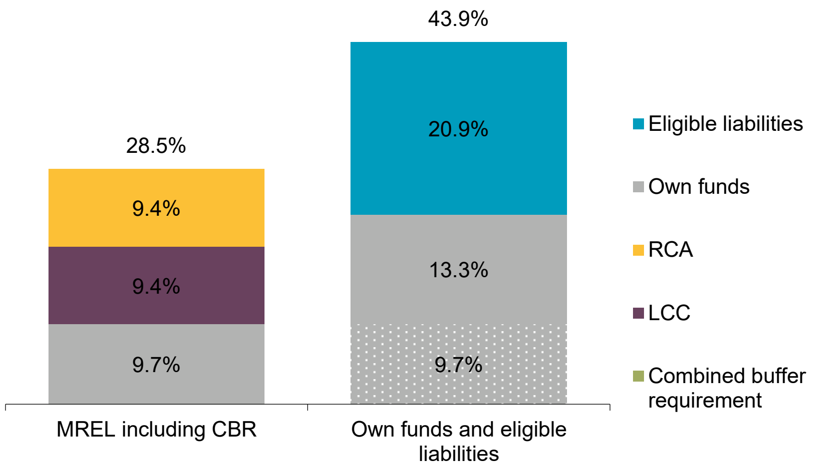
Income statement, ISKm	2Q26	2Q25	∆%	1H26	1H25	∆%
Net interest income	**15,281**	13,881	10%	**32,381**	26,820	21%
Net fee and commission income	**3,258**	3,620	(10%)	**6,526**	6,687	(2%)
Net financial income (expense)	**(94)**	13	-	**(307)**	(973)	(68%)
Net foreign exchange gain	**267**	71	276%	**424**	118	259%
Other operating income	**1**	131	(99%)	**15**	594	(97%)
Total operating income	**18,713**	17,716	6%	**39,039**	33,246	17%
Salaries and related expenses	**(5,096)**	(4,412)	16%	**(9,708)**	(8,901)	9%
Other operating expenses	**(2,964)**	(2,849)	4%	**(6,182)**	(5,756)	7%
Administrative expenses	**(8,060)**	(7,261)	11%	**(15,890)**	(14,657)	8%
Bank tax	**(548)**	(513)	7%	**(1,094)**	(1,013)	8%
Total operating expenses	**(8,608)**	(7,774)	11%	**(16,984)**	(15,670)	8%
Profit before net impairment on financial assets	**10,105**	9,942	2%	**22,055**	17,576	25%
Net impairment on financial assets	**(454)**	402	-	**(1,673)**	399	-
Profit before tax	9,651	10,344	(7%)	**20,382**	17,975	13%
Income tax expense	**(2,582)**	(3,152)	(18%)	**(5,857)**	(5,574)	5%
Profit for the period	**7,069**	7,192	(2%)	**14,525**	12,401	17%

Key ratios	2Q26	2Q25	1H26	1H25
Net Interest Margin (NIM)	**3.4%**	3.3%	**3.7%**	3.2%
Cost-to-income ratio (C/I)	**43.1%**	41.0%	**40.7%**	44.1%
Return on Equity (ROE)	**13.3%**	13.0%	**13.4%**	11.1%
Cost of risk (COR)	**0.13%**	(0.12%)	**0.24%**	(0.06%)

Íslandsbanki's MREL requirement

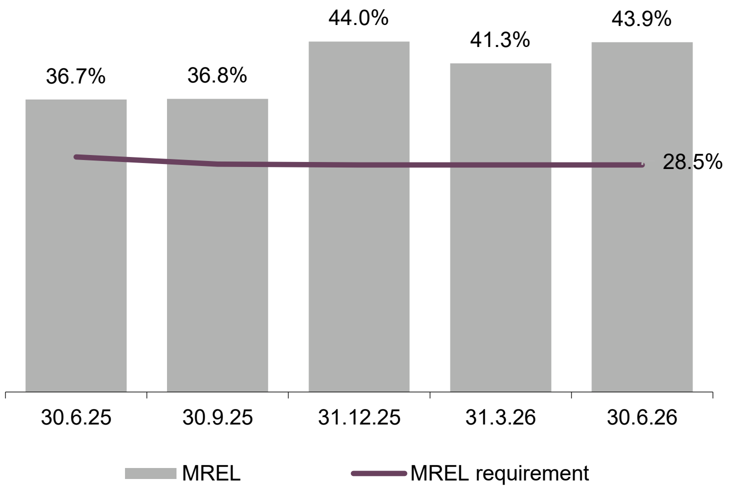
A resolution plan approved for the Bank on 17 October 2025

Minimum Requirement for Own Funds and Eligible Liabilities (MREL), 30.6.2026



MREL = RCA+LCC =2x(P1+P2)

MREL Development, %



- The Icelandic Resolution Authority approves annually a resolution plan for the Bank. The Resolution plan stipulates that the MREL requirement for Íslandsbanki is the sum of the Loss absorption amount (LAA) and Recapitalisation amount (RCA), both equal to the total SREP capital requirement in force at the date of approval (9.4%), resulting in an MREL requirement of 18.8% of REA.
- CET1 capital that is maintained to meet the combined buffer requirement can not be used to fulfil MREL, therefore the effective requirement can be monitored as 28.5%

Assets

Asset base mainly consists of loans and liquid assets

Assets, ISKm	30.6.26	31.3.26	Δ	Δ%	31.12.25	Δ	Δ%
Cash and balances with Central Bank	**91,559**	88,909	2,650	3%	80,394	11,165	14%
Loans to credit institutions	**65,288**	79,739	(14,451)	(18%)	80,009	(14,721)	(18%)
Bonds and debt instruments	**166,740**	164,093	2,647	2%	151,959	14,781	10%
Derivatives	**4,047**	4,052	(5)	(0%)	5,304	(1,257)	(24%)
Loans to customers	**1,416,048**	1,401,212	14,836	1%	1,367,106	48,942	4%
Shares and equity instruments	**12,770**	15,497	(2,727)	(18%)	20,517	(7,747)	(38%)
Other assets	**31,933**	33,195	(1,262)	(4%)	22,858	9,075	40%
Total Assets	**1,788,385**	1,786,697	1,688	0%	1,728,147	60,238	3%
Key ratios							
Risk Exposure Amount (REA)	**1,043,713**	1,049,435	(5,722)	(1%)	1,033,788	9,925	1%
REA / total assets	**58.4%**	58.7%			59.8%		
Non-performing loans (NPL) ratio[1]	**2.6%**	2.0%			1.5%		

1. Stage 3, loans to customers, gross carrying amount.

Liabilities and equity

Deposits continue to be the largest source of funding

Liabilities & Equity, ISKm	30.6.26	31.3.26	Δ	Δ%	31.12.25	Δ	Δ%
Deposits from Central Bank and credit institutions	**17,664**	11,419	6,245	55%	13,250	4,414	33%
Deposits from customers	**1,038,206**	1,013,431	24,775	2%	968,695	69,511	7%
Derivative instruments and short positions	**2,691**	5,950	(3,259)	(55%)	6,183	(3,492)	(56%)
Debt issued and other borrowed funds	**440,206**	452,085	(11,879)	(3%)	444,593	(4,387)	(1%)
Subordinated loans	**40,874**	40,530	344	1%	40,315	559	1%
Tax liabilities	**13,440**	13,386	54	0%	12,757	683	5%
Other liabilities	**24,209**	37,178	(12,969)	(35%)	16,995	7,214	42%
Total Liabilities	**1,577,290**	1,573,979	3,311	0%	1,502,788	74,502	5%
Total Equity	**211,095**	212,718	(1,623)	(1%)	225,359	(14,264)	(6%)
Total Liabilities and Equity	**1,788,385**	1,786,697	1,688	0%	1,728,147	60,238	3%

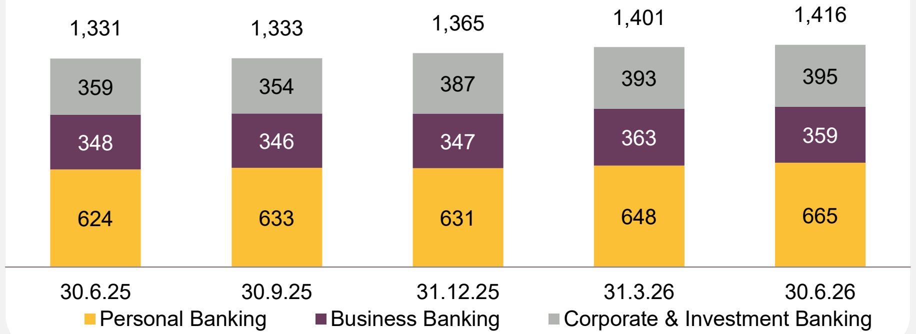
Key ratios

Customer loans to customer deposits ratio	**136%**	138%			141%		
Net stable funding ratio (NSFR)	**126%**	123%			127%		
Liquidity coverage ratio (LCR)	**188%**	177%			203%		
CET 1 ratio	**19.1%**	18.6%			20.1%		
Tier 1 capital ratio	**20.7%**	20.2%			21.7%		
Total capital ratio	**23.0%**	22.5%			24.0%		
Leverage ratio	**11.7%**	11.5%			12.5%		
MREL ratio	**43.9%**	40.3%			44.0%		

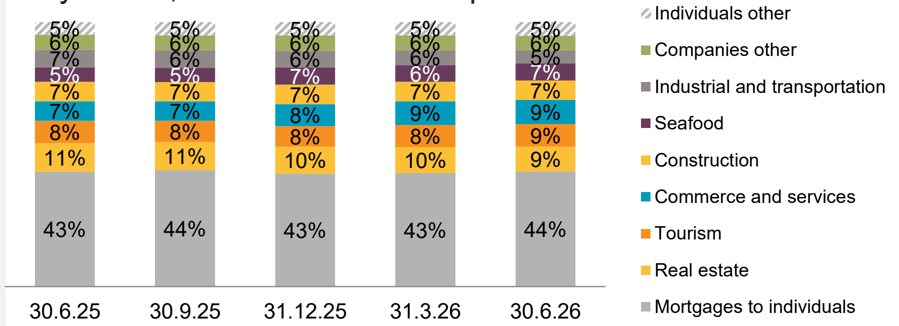
Loan book composition remains healthy

Portfolio based on robust credit culture and very high collateralisation

Loans to customers
By business division, ISKbn



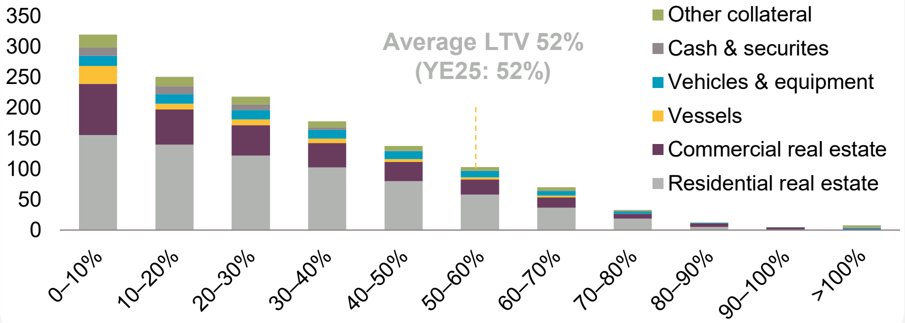
Loans to customers
By sector, with tourism as a separate sector



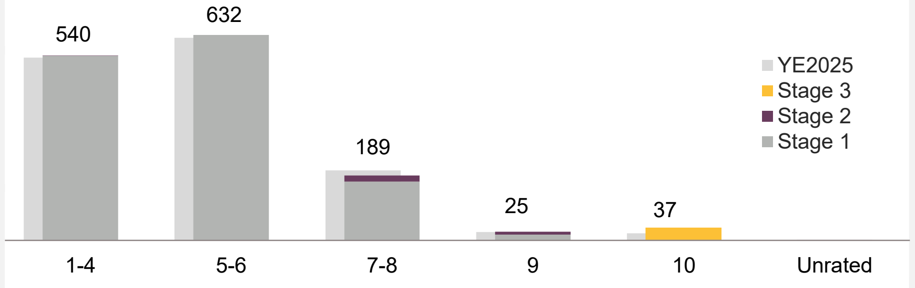
Highlights

- Around 94% of the loan book are covered by collateral – comparable to previous quarters
- Around 5% of loans to customers are to international parties
- Composition of the loan portfolio comparable to previous quarters
- The credit quality of assets continues to be robust due to strong risk management practices and disciplined lending policies

LTV distribution by underlying asset class
Loan splitting approach, ISKbn



Loans to customers: gross carrying amount[1]
Risk class and impairment stage, 30.06.2026, ISKbn

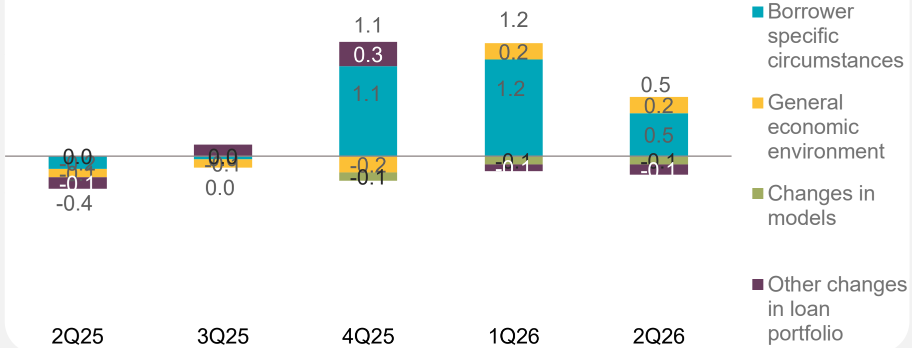


1. Risk class distribution at YE25 shown as comparison

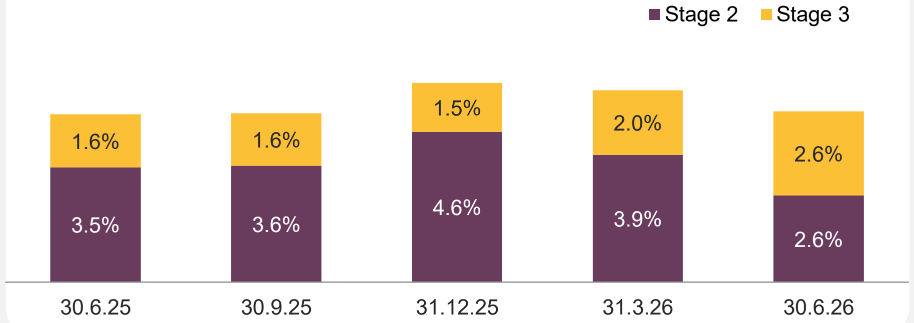
Despite economic slowdown, asset quality remains high

Increase in stage 3 among other related to exposures in the construction sector

Net impairment on financial assets
By period, ISKbn



Loans to customers: Stage 2 and 3 (NPL)
Development of gross carrying amount as ratio of total loans



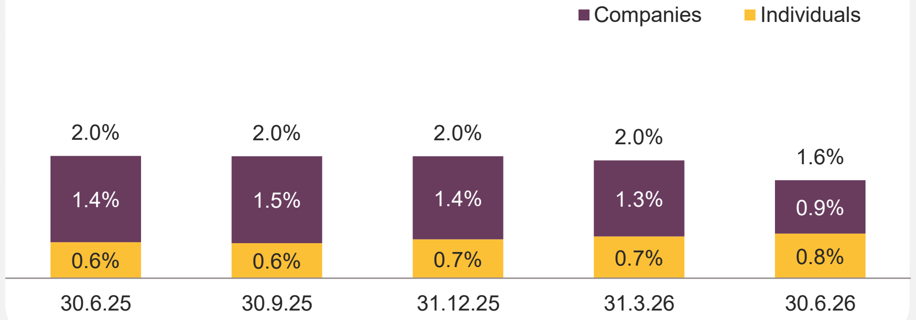
Highlights

- Increase in Stage 3 loans mainly related to borrower specific circumstances
- As sale time of new residential real estate is still high, a few construction projects have been classified on stage 2
- Clear indication that prolonged high interest rate and inflationary environment has started to have an impact
- The definition of forbearance includes a 24-month probation period. Therefore, loans are classified as forborne even after normal payments have resumed

Current and expected cost-of-risk

- Annualised cost of risk was 13bps in 2Q26 (-12bps for 2Q25)
- The probability weights of economic scenarios were kept unchanged at 20% (good), 50% (baseline), and 30% (bad) at the end of 2Q26. The weights were last changed at end of 1Q22.
- A shift of 5% from baseline to the bad scenario would increase the impairment allowance by ISK 270 million while 5% shift from the baseline to the good would decrease the allowance by ISK 110 million

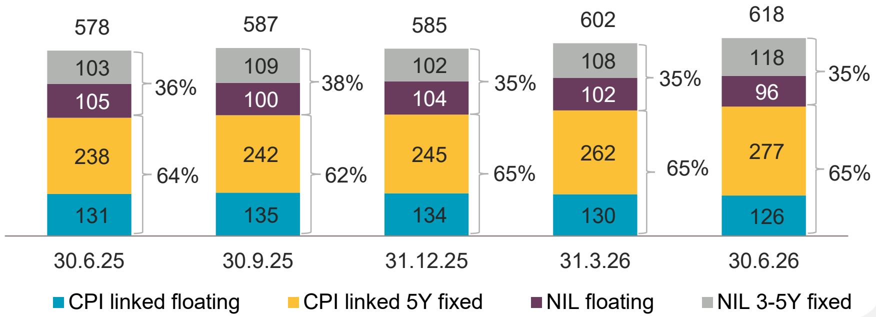
Performing loans with forbearance
Development of gross carrying amount as ratio of total loans



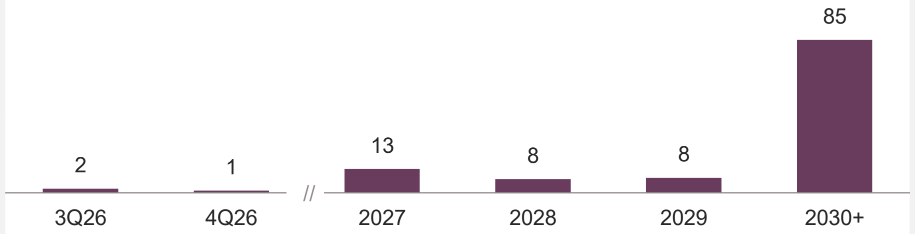
Nominal rate mortgages gaining momentum

Nominal fixed rate imbalance effectively run of by now – CPI related fixed rate imbalance still remains

Mortgage portfolio
By interest rate type, gross carrying amount, ISKbn



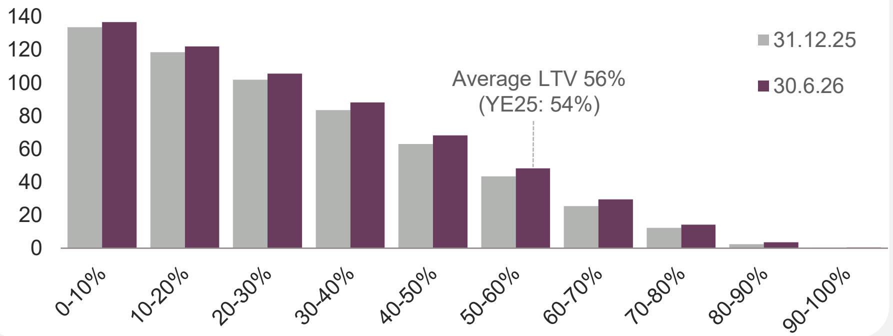
Interest rate reset profile for NIL 3-5y fixed rate mortgages
Gross carrying amount, ISKbn



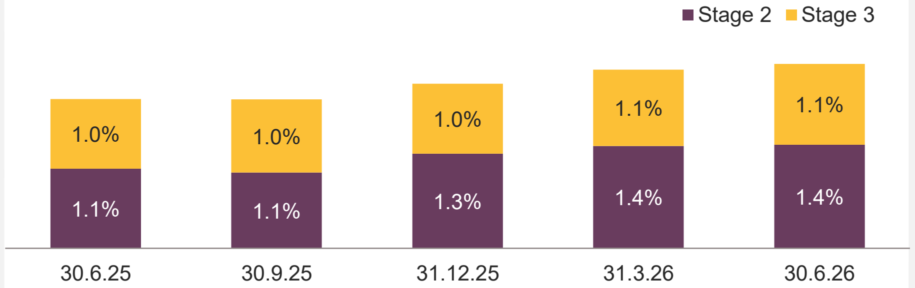
Highlights

- Composition of mortgage products beginning to normalise, with nominal rate mortgages starting to grow
- At origination, LTV is capped at 80% (85% for first time buyers) and debt service-to-income at 30% (35% for first-time buyers)
- Healthy LTVs in the mortgage book where average LTVs amount to 56% (54% year-end 2025)

LTV distribution of mortgages
Gross carrying amount, loan splitting approach, ISKbn



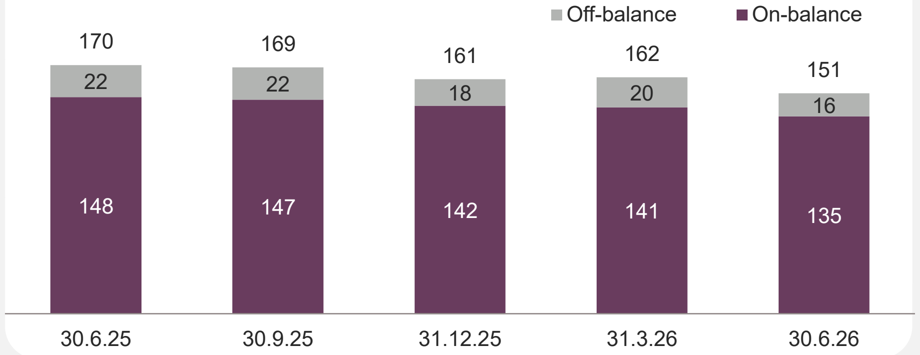
Mortgages portfolio: Stage 2 and 3 (NPL)
Gross carrying amount as ratio of total mortgages



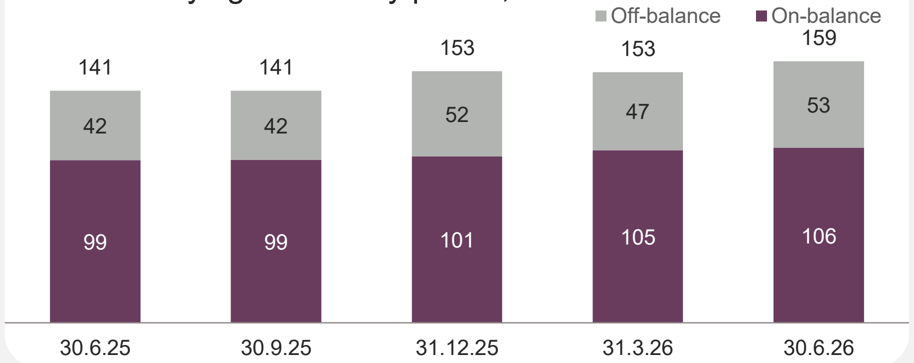
Increase in Stage 3 relates to slower new construction market

Occupancy ratios high for domestic commercial real estate companies

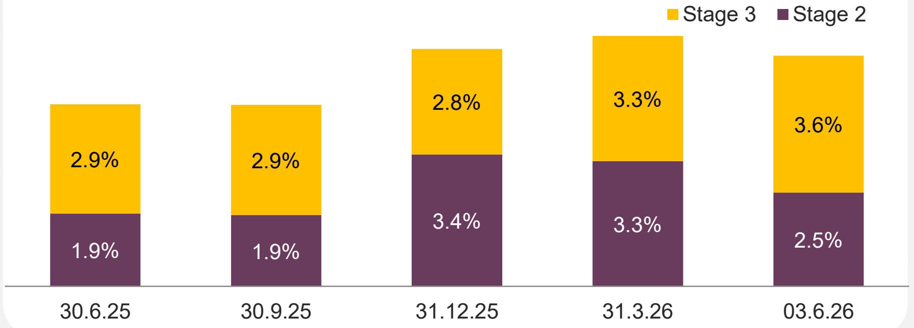
Development of exposure to real estate companies
Gross carrying amount by period, ISKbn



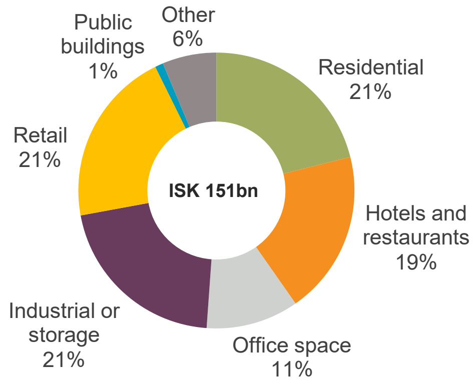
Development of construction exposure
Gross carrying amount by period, ISKbn



Real estate portfolio: Stage 2 and 3 (NPL)
Gross carrying amount as ratio of the real estate portfolio



Real estate collateral by type



Highlights

- Loans to real estate companies and construction amount to 9% and 7% of loans to customers, respectively
- Disciplined origination with conservative LTV requirements and debt service criteria
- Real estate companies naturally hedged in cash flow as both rental agreements and financing are both long-term and primarily CPI linked.
- High occupancy ratio of the listed commercial real estate companies of around 95%
- Over half of exposure in the construction sector is for residential real estate with low LTV compared to expected sales values

Appendix II

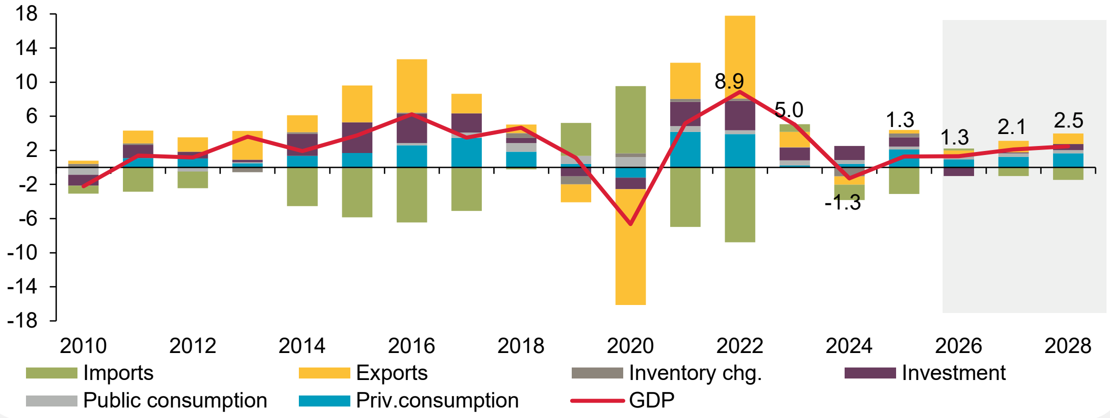
Icelandic economy update

GDP growth regains steam after a subdued 2026

Persistent inflation forces the Central Bank to hold rates high for longer

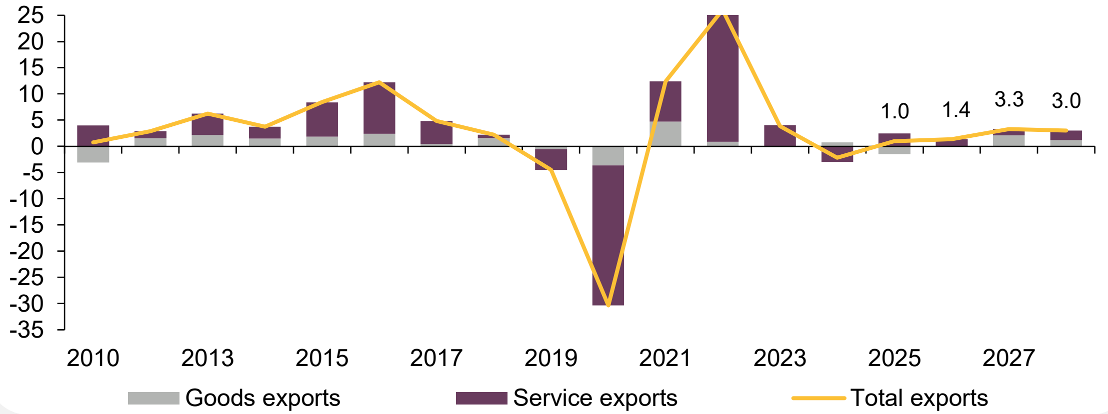
Slow GDP growth in the near term, gaining pace later on…

Real GDP and main subitems, YoY change, %



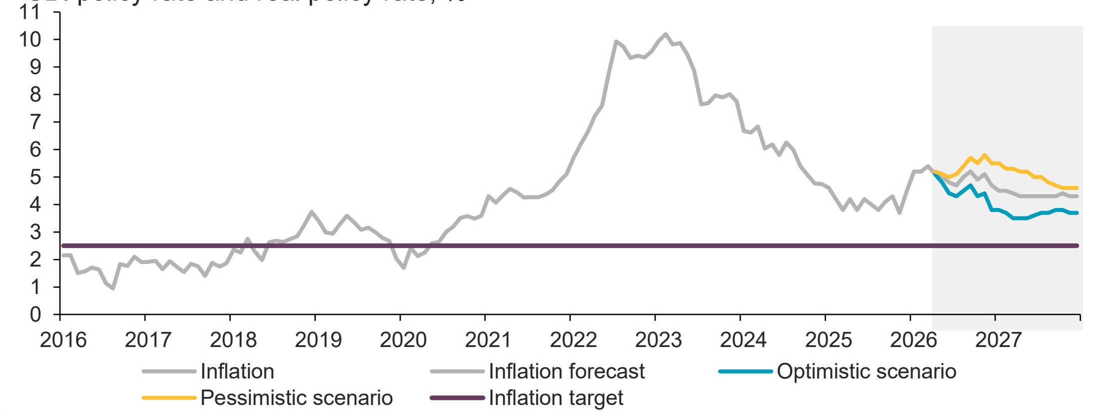
…as exports return to more robust growth from 2026 after a soft patch

Exports and contribution from subcomponents, % change



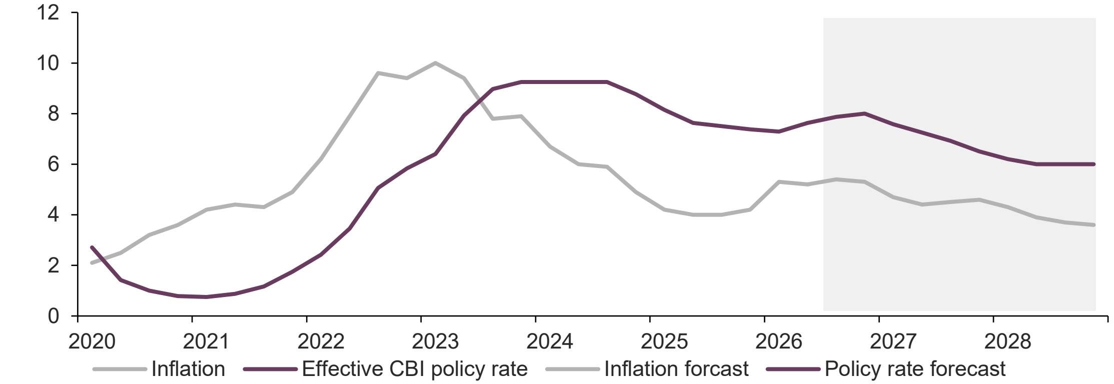
Inflation has proven persistent and will stay high in the near term…

CBI policy rate and real policy rate, %



…leading to continued tight monetary policy in coming quarters

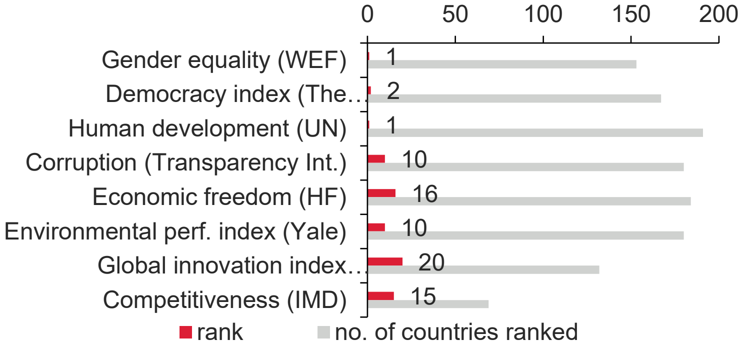
CBI policy rate and real policy rate, %



The Icelandic economy and society draw on many strengths

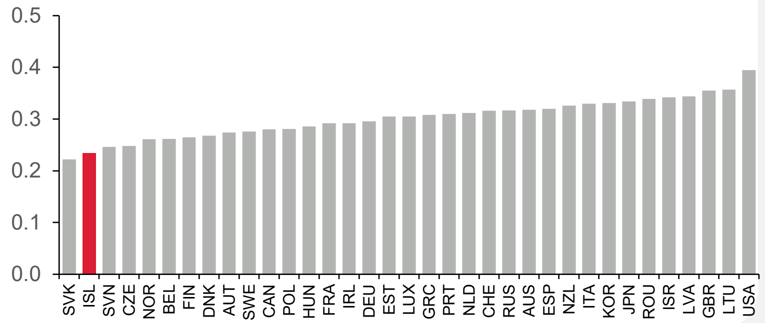
Icelanders enjoy high standards of living in a modern, open and egalitarian society

Iceland ranks highly on a variety of global development benchmarks



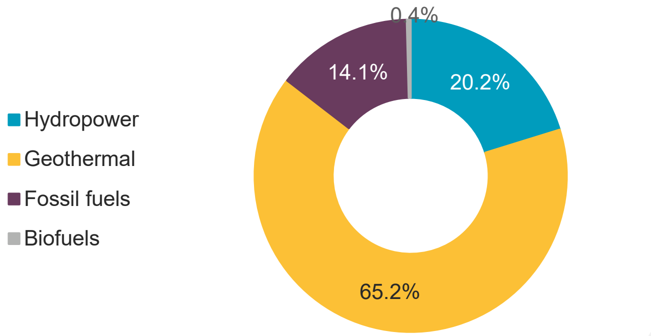
Income inequality is low compared to OECD peers

Gini coefficient, OECD, most recent data available



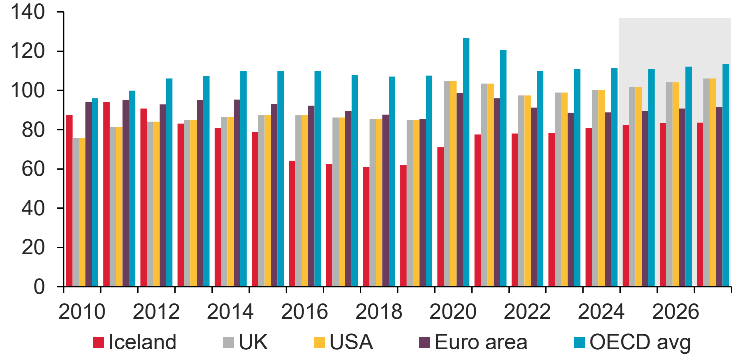
Sustainable energy usage is prevalent

Energy consumption by source, 2022



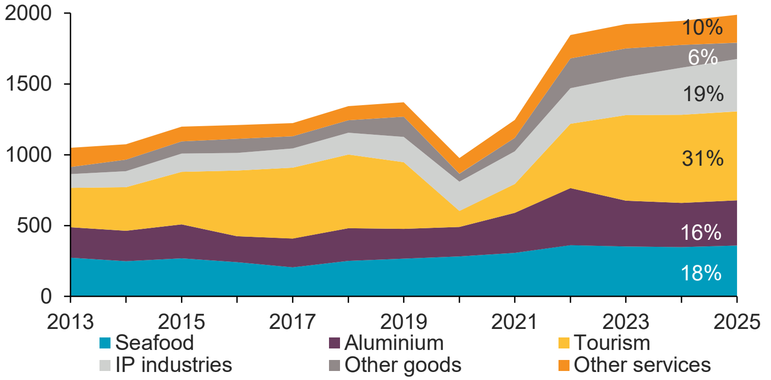
Public debt remains sustainable after pandemic

General govt. gross financial liabilities, % of GDP



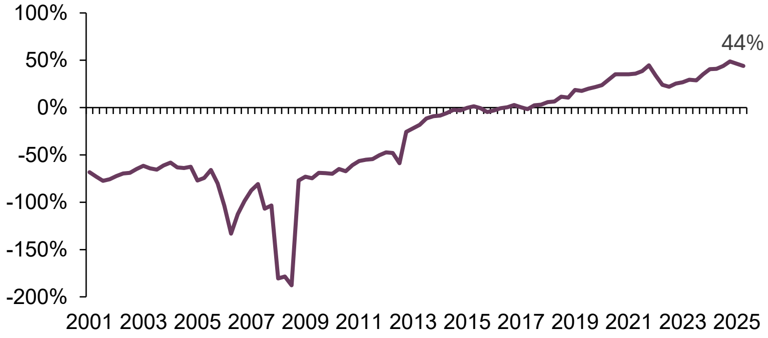
Export base has grown more diverse over time

Export contribution by industry



Net international investment position has changed

% of GDP



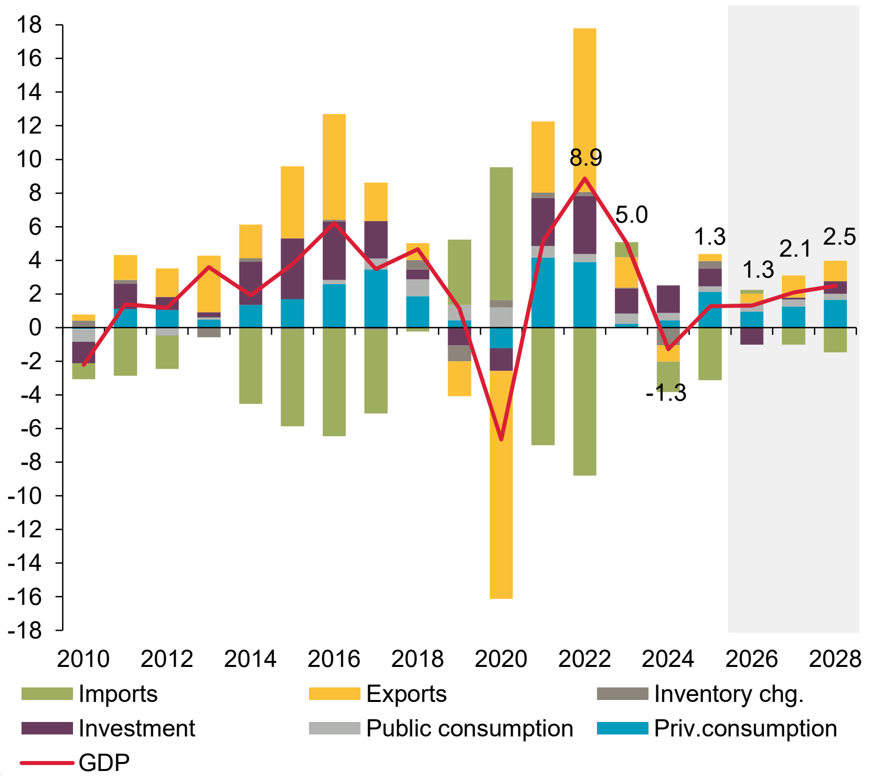
Shaded area denotes OECD forecast

Source: Statistics Iceland, Central Bank of Iceland, OECD, IMF, WEF, IEP, The Economist, UN, Transparency Int., HF, Yale, IMD, INSEAD

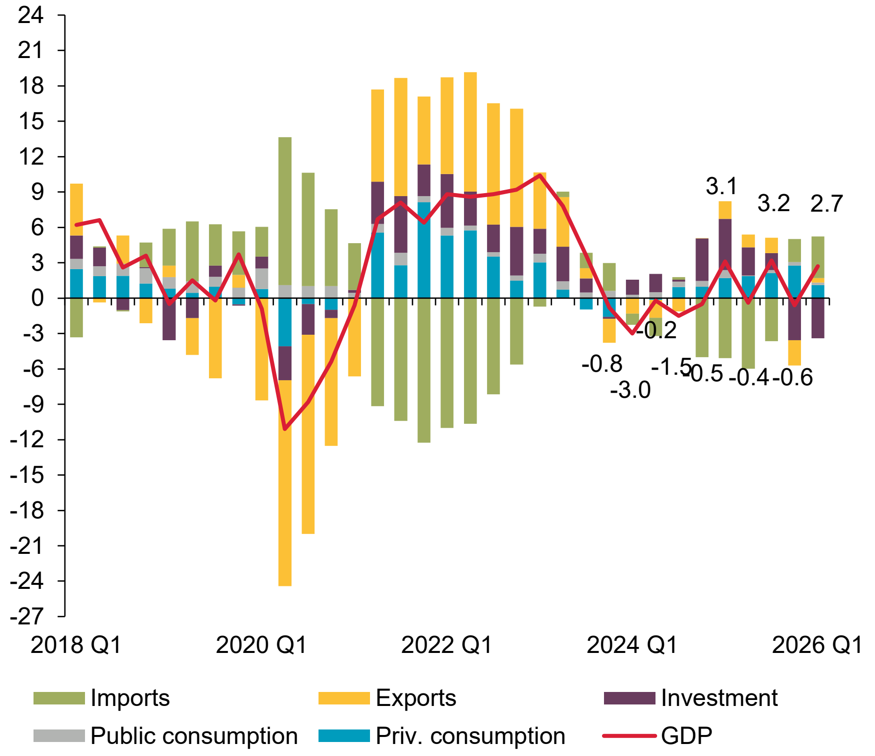
Upward-sloping GDP growth path after a subdued 2026

Temporary lull caused mainly by a brief setback in exports and a high real interest rate

GDP and contribution of its subcomponents
Volume change from prior year (%), annual data



GDP and contribution of its subcomponents
Volume change from prior year (%), quarterly data



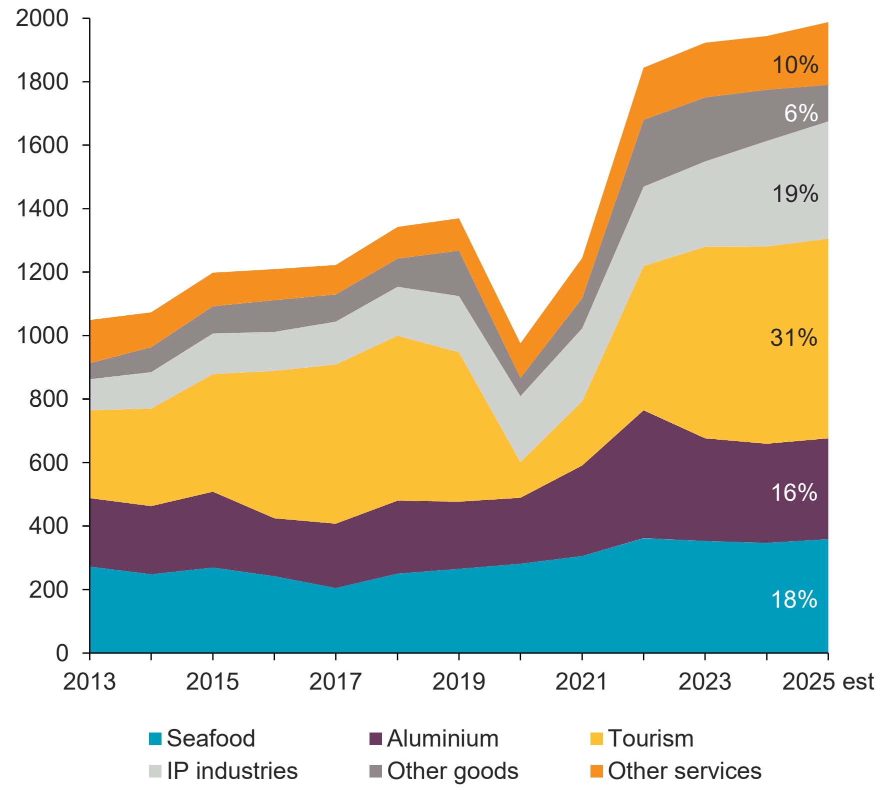
Highlights

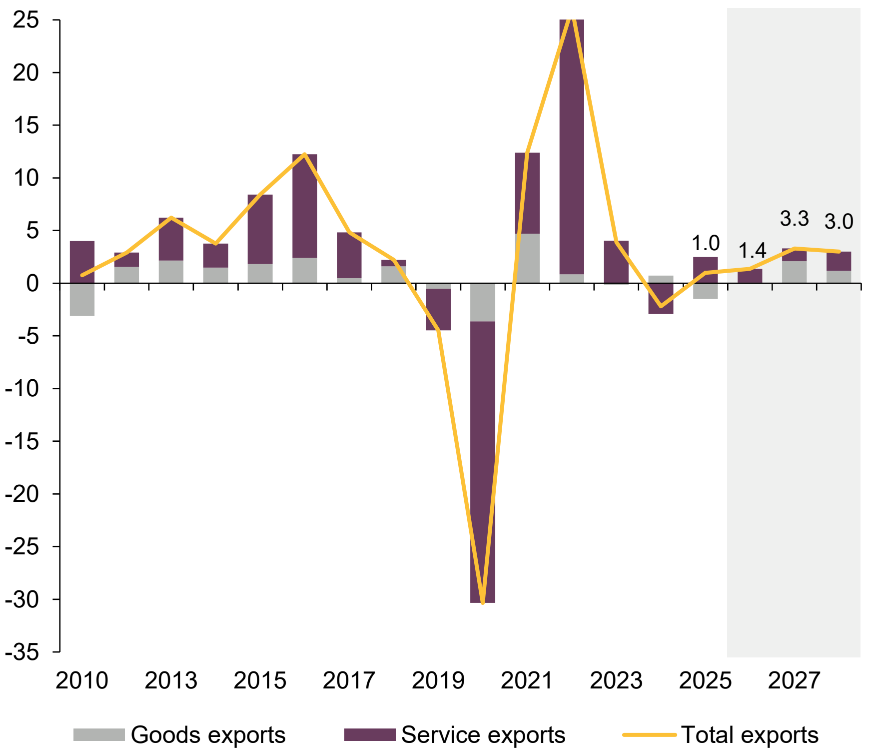
- Economic growth returned in 2025, with 1.3% growth following a 1.3% GDP contraction in 2024. Growth was supported by strong private consumption, continued investment, and moderate export gains.
- Growth is expected to remain at 1.3% in 2026, although the drivers of growth will shift, with weaker domestic demand and declining investment offset by export growth and a slight contraction in imports.
- The medium-term outlook is more favourable, with growth expected to accelerate to 2.1% in 2027 and 2.5% in 2028. Stronger private consumption, recovering investment, and faster export growth are expected to underpin this improvement.
- Economic uncertainty remains elevated, due to both domestic and international risks.
- Key external risks include geopolitical tensions in the Persian Gulf and the ongoing US-led tariff dispute, where renewed escalation could dampen global growth, raise inflationary pressures, and weaken demand for Icelandic exports.
- Domestic risks stem primarily from possible seismic activity, housing market developments, and labour market uncertainty.
- Upside potential comes for example from productivity gains driven by AI and the expanding intellectual property sector.

Shaded areas and dotted lines denote ÍSB Research forecasts
Sources: Statistics Iceland, ÍSB Research

Tourism to languish while other export sectors blossom

Tepid growth in established export pillars; growth in intellectual property and aquaculture takes the lead





Highlights

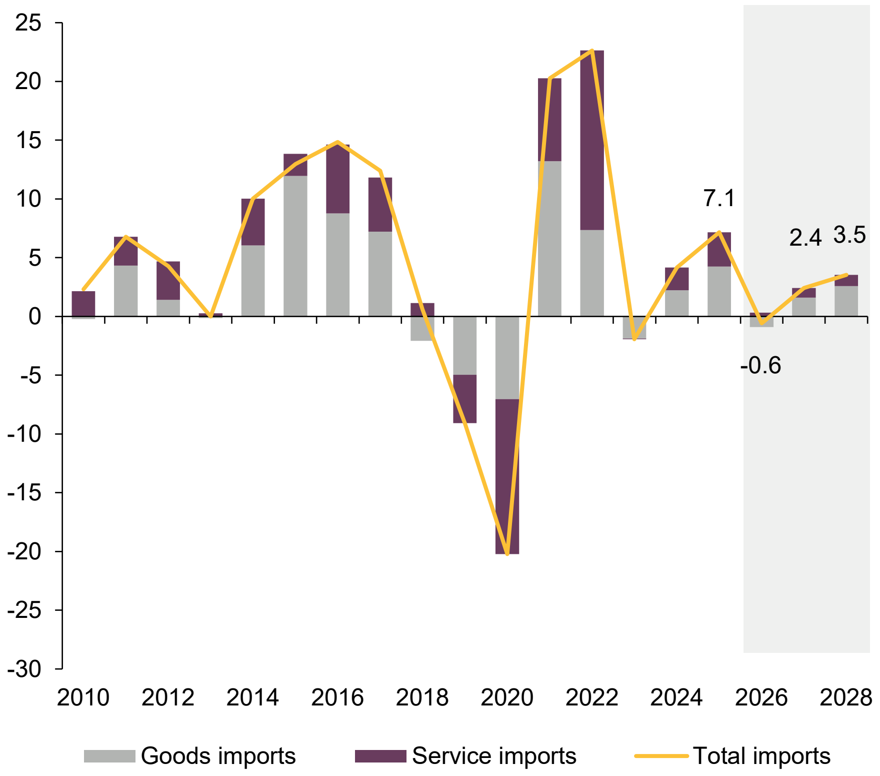
- Tourism outperformed expectations in 2025, as a brisk high season offset the off-season slump; foreign departures via Keflavík Airport were about unchanged from 2024.
- Early 2026 has also beaten expectations, with 1H26 foreign departures just shy of 1H25 levels, though transit passenger numbers fell markedly.
- A small contraction is expected in 2026, as a strong peak season aided by August's solar eclipse is offset by a weaker autumn—visitor numbers down just over 1% YoY.
- Modest growth is forecast for 2027–2028, returning 2028 tourist numbers roughly to the 2018 record.
- Metals and groundfish exports are set to contract near-term, though groundfish could be more than offset by a strong capelin season and healthy aquaculture growth.
- IP exports are surging—ISK 369bn in 2025, double the level early in the decade; ICT services revenues jumped 61% to ISK 124bn in the year to end-March 2026.
- IP export growth should stay robust on data centres, pharmaceuticals, and medical equipment; total exports (up 1.0% in 2025) should accelerate, led by services, higher fishing quotas, and resolved aluminium output.

Shaded areas and dotted lines denote ÍSB Research forecasts
Sources: Statistics Iceland, Federation of Icelandic Industries, ÍSB Research

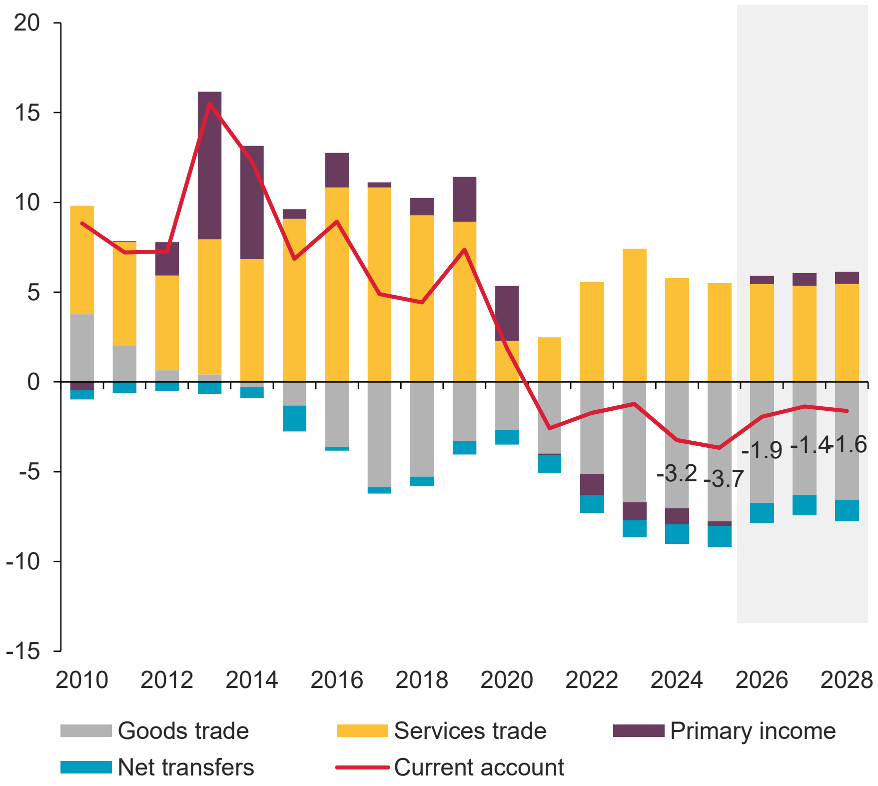
External trade on the mend

Modest current account deficit over the horizon, but high real exchange rate is a barrier to equilibrium

Imports and contribution from subcomponents
% change



Current account balance
% of GDP



Highlights

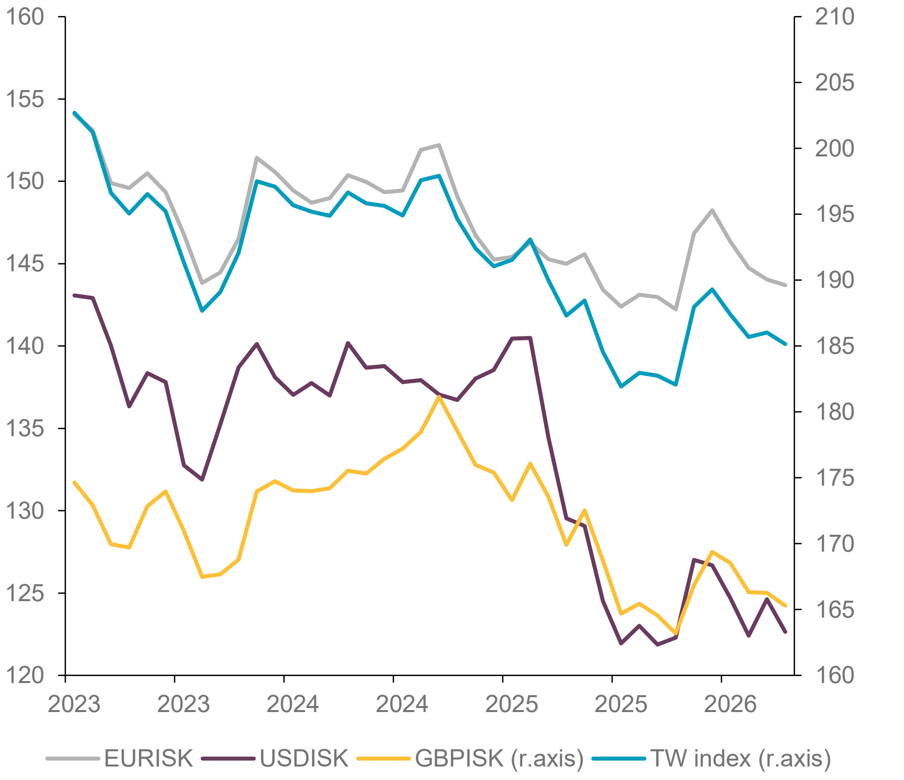
- Imports are forecast to contract by 0.6% in 2026, mainly due to reduced imports of data-centre equipment, alongside softer imports of rental cars and other capital goods.
- As domestic activity strengthens thereafter, imports are likely to regain momentum. Net trade is expected to support GDP growth in 2026–2027 before turning slightly negative at the end of the forecast horizon.
- Following substantial current account deficits in 2024–2025, external balances are set to improve, helped by stronger terms of trade due to e.g. elevated marine product and aluminium prices.
- The current account deficit is projected at just under 2% of GDP in 2026 and around 1.5% of GDP in 2027–2028, a level considered sustainable given expected economic growth.
- A balanced current account would still be preferable over the longer term, but the high real exchange rate suggests some depreciation of the ISK may eventually be needed.
- Iceland's external position remains exceptionally strong, with net external assets equivalent to 43% of GDP at end-2Q26, supporting both exchange rate stability and investor confidence.

Shaded areas and dotted lines denote ÍSB Research forecasts
Sources: Statistics Iceland, Central Bank of Iceland, ÍSB Research

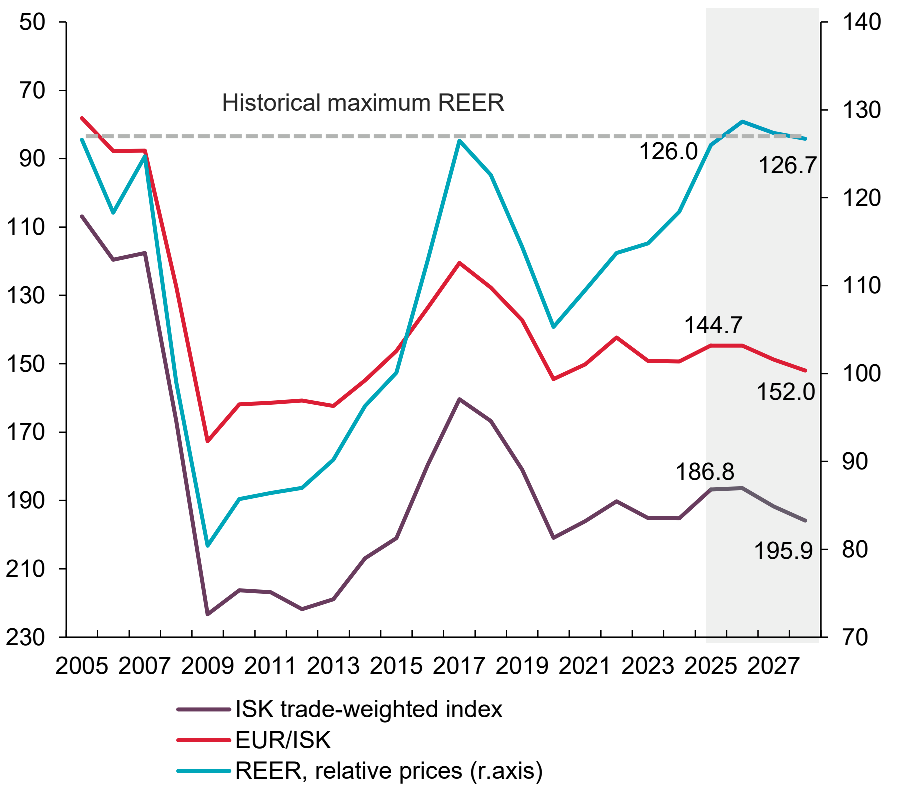
ISK stable but will probably soften over time

High real exchange rate challenges the export sector, putting downward pressure on the nominal ISK rate

ISK exchange rate
Major currency exchange rates against the ISK and index values



ISK exchange rate and real exchange rate
EURISK levels and indices



Highlights

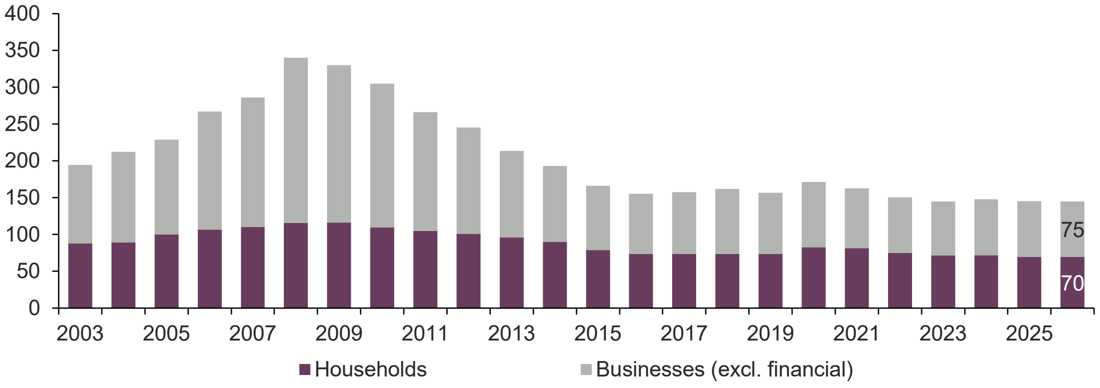
- The ISK has been remarkably stable despite domestic and external shocks, with the trade-weighted index virtually unchanged in 2023 and 2024.
- It strengthened marginally in 2025 and gained further in 2026; by June it was nearly 2% stronger in trade-weighted terms than in December 2025.
- Exchange rate stability despite a sizeable current account deficit reflected favourable FX flows, with much of it financed by non-residents, limited forward sales of peak-season tourism revenues, modest pension-fund FX purchases, and sizeable corporate FX borrowing.
- Near-term support should persist through a narrowing current account deficit, a strong NIIP, ample reserves, solid fundamentals, and a wide interest-rate differential.
- The ISK could weaken, however, if next winter's tourist season disappoints, investment-related inflows contract sharply, or terms of trade worsen materially.
- The real exchange rate should stay near historical highs if export sectors avoid a larger setback, but faster domestic wage and price growth in Iceland than main trading partners means the nominal rate must eventually fall.
- The baseline assumes gradual depreciation, ending about 5% weaker than end-2025 – near EURISK 153 and USDISK 132 – though the forecast is highly uncertain.

Sources: Statistics Iceland, Central Bank of Iceland, ÍSB Research

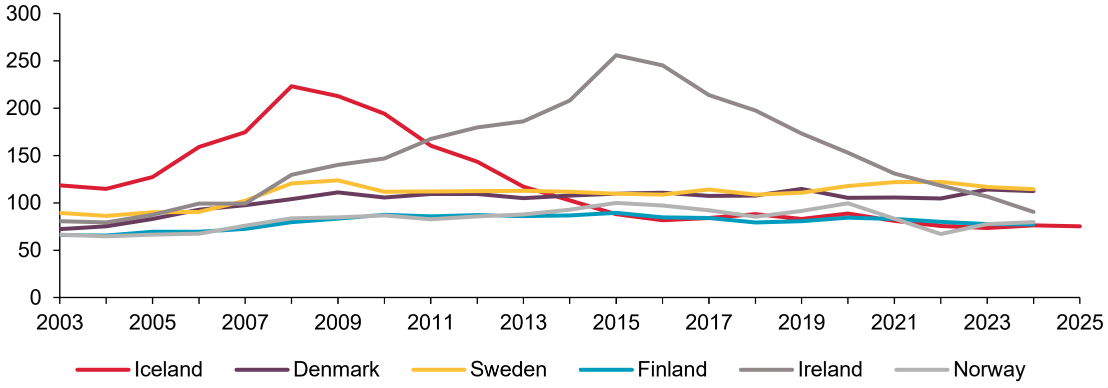
Domestic balance sheets remain broadly robust

Private sector debt ratios are stable, and public debt is on a more favourable trajectory than many major economies

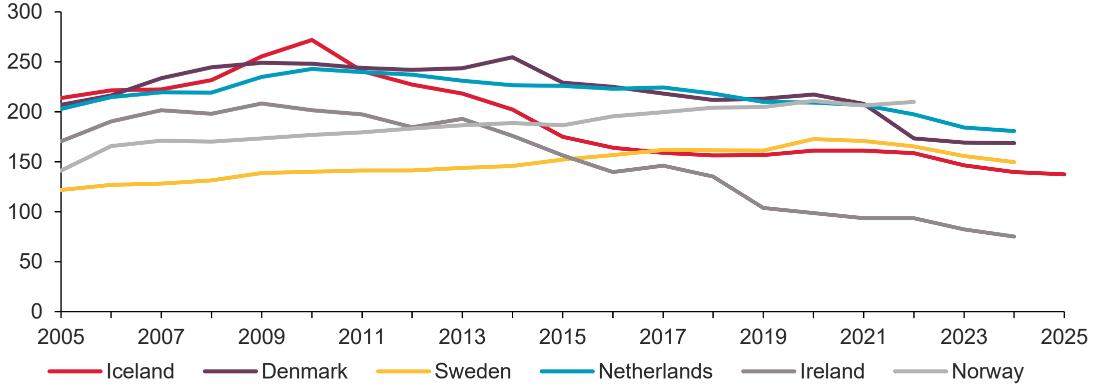
Private sector debt
% of GDP



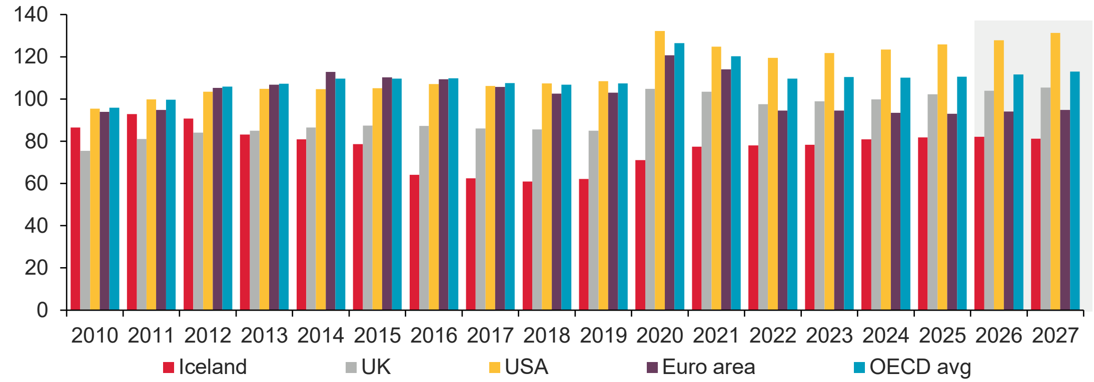
Corporate debt
% of GDP



Household debt
% of disposable income



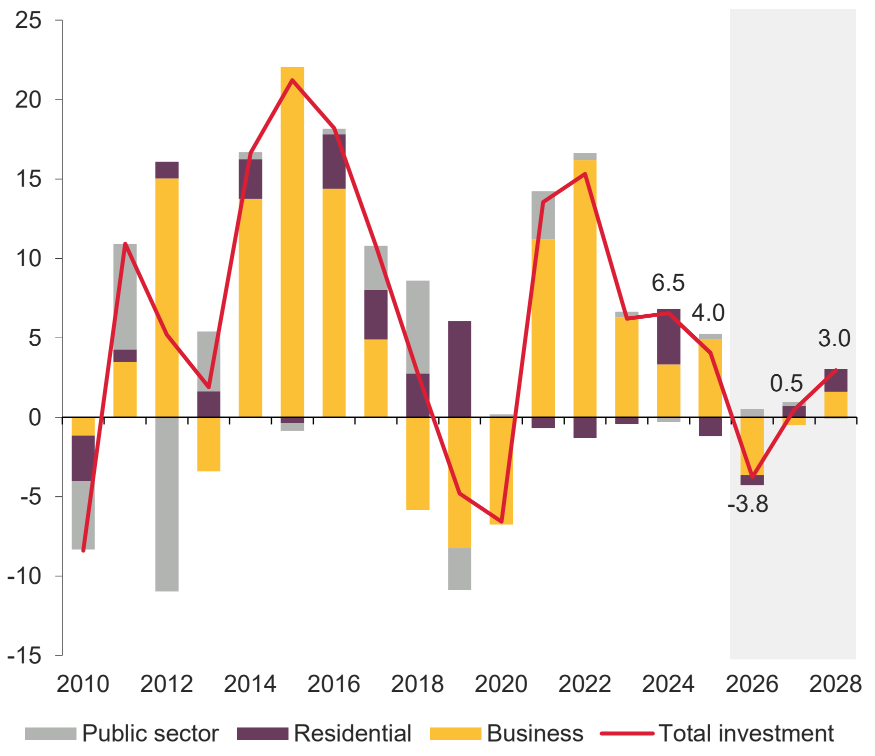
General government gross financial liabilities
% of GDP

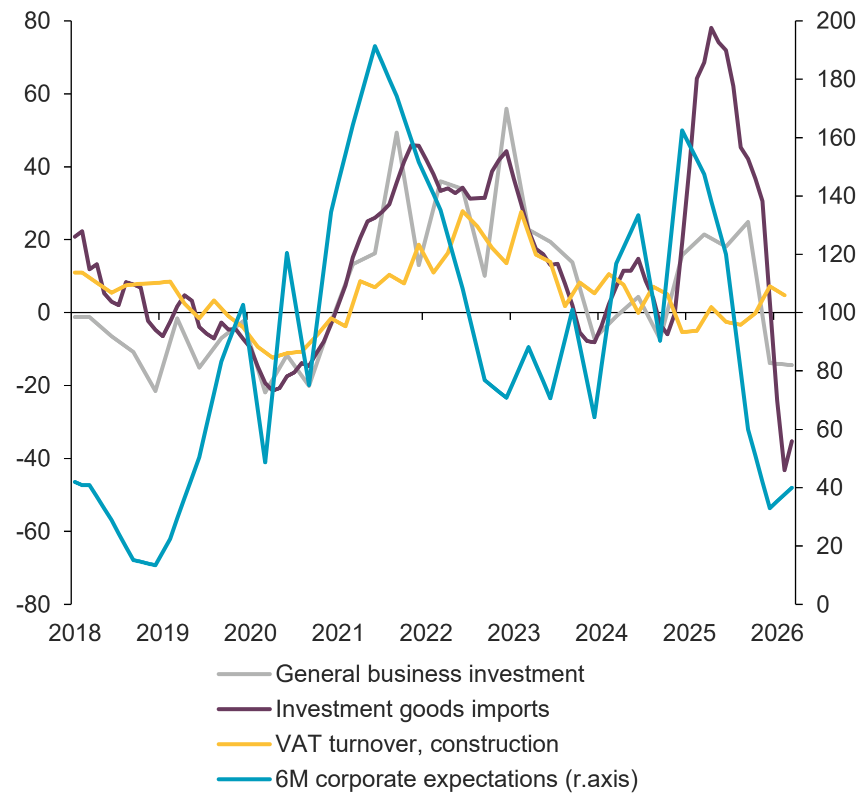


Shaded areas indicate OECD forecasts. Source: Central Bank of Iceland, Eurostat, Statistics Iceland, OECD

Investment to dip temporarily in 2026

A turning point in data-centre development and a challenging rate environment weigh on the near-term outlook





Highlights

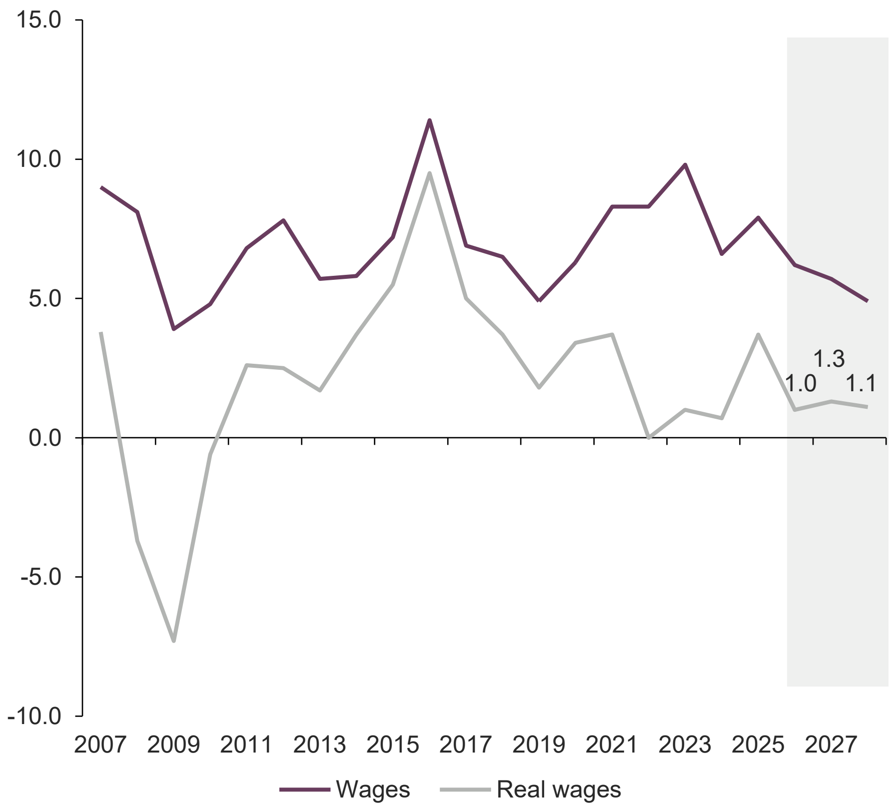
- Investment has risen over the past five years, driven by strong investment growth in tourism, fishing, and IT. Higher interest rates and export headwinds have since slowed growth, offset lately by data centres and aquaculture.
- Gross capital formation grew 4% YoY in 2025 — the weakest pace since the pandemic and below the ten-year average of over 8%. Growth came almost entirely from business investment.
- Investment looks set to contract by nearly 4% in 2026, as private-sector investment falls broadly, and only modest public investment pulls the other way.
- The business-investment downturn reflects cooling data centre development and lower spending on transport equipment and machinery, alongside slower hotel and commercial property construction.
- Infrastructure-related investment provides a partial offset, classified variously as business and public investment in SI's figures.
- Investment should recover later in the horizon, supported by falling rates, brighter export prospects, ongoing investment in energy infrastructure and land-based aquaculture, and renewed housing construction.
- We forecast investment growth of 0.5% in 2027 and 3% in 2028 — a softer upswing than projected earlier this year, given higher real interest rates and energy-procurement risks.

Sources: Central Bank of Iceland, Statistics Iceland, Gallup

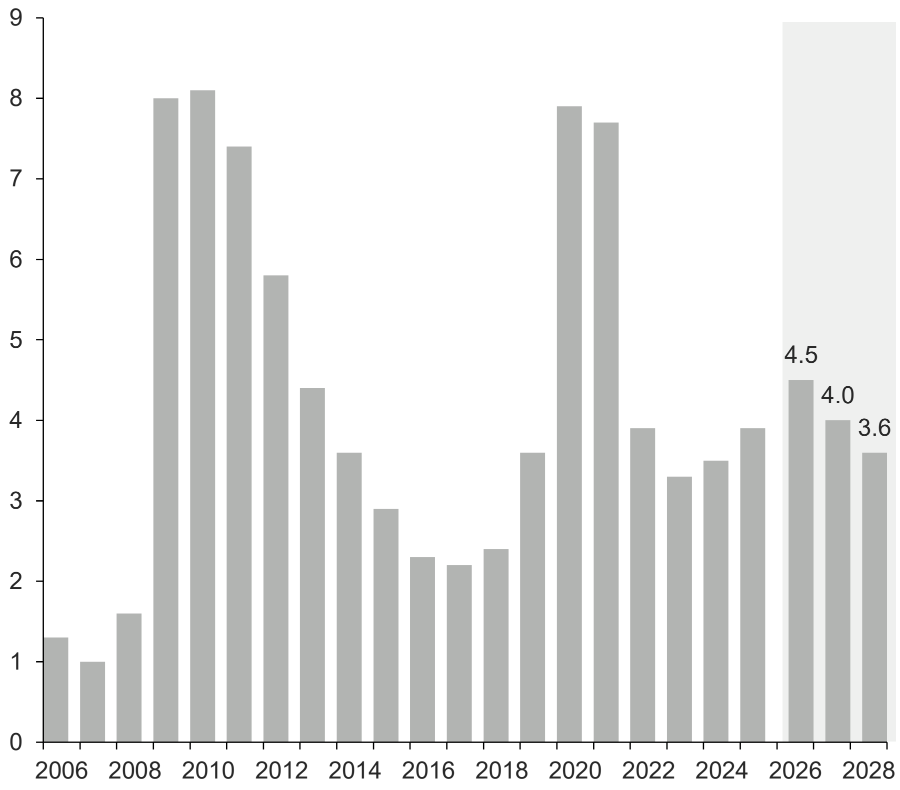
Unemployment to peak in 2026

Wage developments will be shaped by long-term contracts, and wage drift will be limited

Wages, YoY change
%



Unemployment[1]
% of workforce, annual average



Highlights

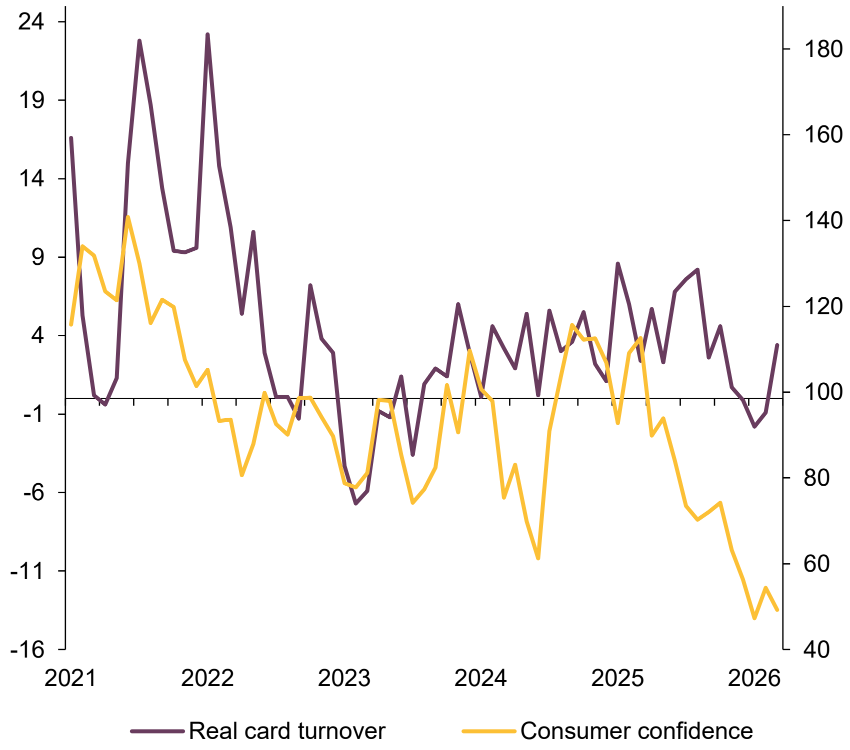
- Unemployment has risen steadily since the end of 2025 and currently stands at 4.6%, its highest level since 2021. It is expected to ease over the summer but average unemployment is projected to peak in 2026 before declining over the forecast horizon.
- Some slack has opened up in the labour market as persistent inflation and high interest rates weigh on economic activity. Elevated uncertainty due to economic headwinds abroad is also likely to make firms more cautious.
- Firms' hiring intentions are at a low ebb, and only 16% of executives at Iceland's largest companies consider their firms understaffed. The share has reached its lowest level since 2021 in 4Q25. Immigration has also slowed markedly as employment opportunities have become scarcer.
- Although unemployment is expected to peak this year, Iceland's flexible labour market should allow it to decline fairly quickly as economic activity recovers.
- Considerable uncertainty surrounds a large share of wage agreements, which may be reviewed or terminated in November if inflation exceeds 4.7% in August. We expect inflation to exceed the threshold but assume that the contracting parties will reach an agreement and avoid termination.
- Wage increases in 2027 are projected to be slightly larger than stipulated in current agreements but modest by historical standards, as wage drift remains limited. Real wages are therefore expected to continue rising, albeit at a moderate pace.

1. Excluding recipients of part-time unemployment benefits.
Sources: Statistics Iceland, Central Bank of Iceland, ÍSB Research

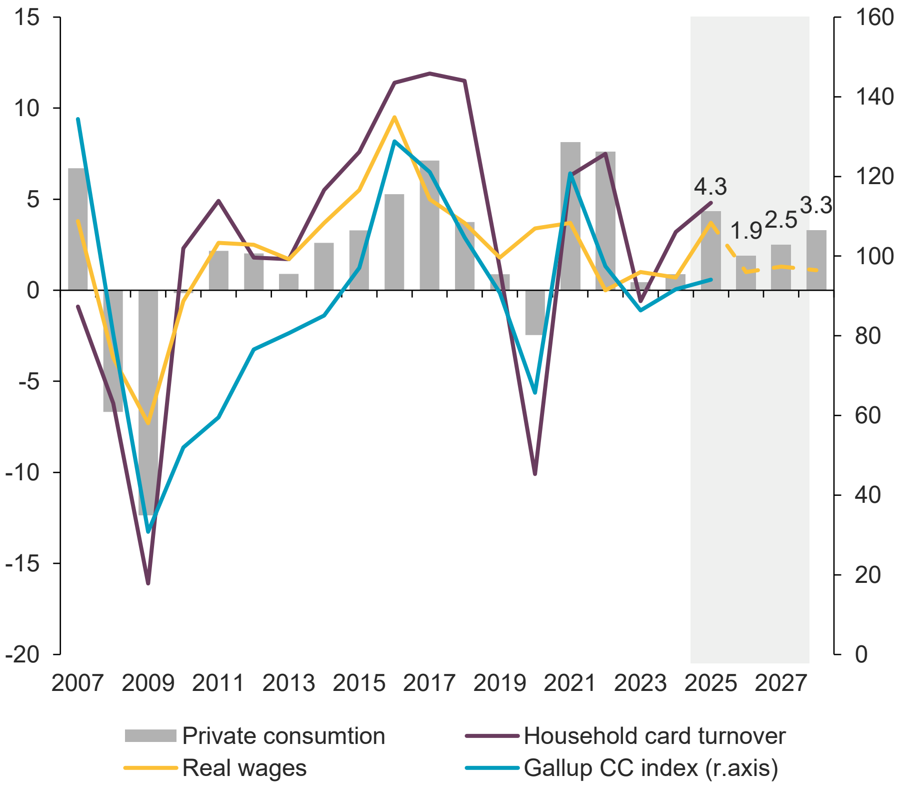
Private consumption growth to continue in 2026, but at a slower pace

Real wage growth and sizeable accumulated savings will support household consumption in the coming term

Consumer confidence index and card turnover
Real card turnover (left) and Gallup CC index (right)



Private consumption and related indicators
% change YoY (left) and index value (right)



Highlights

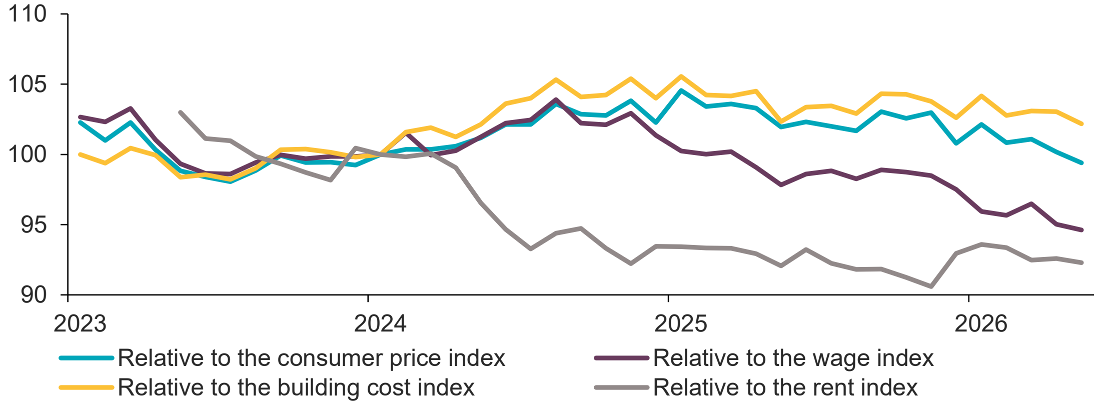
- Private consumption grew by 4.3% in 2025, its fastest pace since 2022. Growth was unusually strong in 4Q25, as households brought forward car purchases and overseas spending remained buoyant.
- Private consumption is expected to continue growing in 2026, but more slowly. Preliminary figures show that growth eased to 2.2% YoY in Q1.
- After contracting in April and May for the first time since late 2023, payment card turnover rebounded in June, rising by 3.4% YoY in real terms.
- Consumer sentiment remains exceptionally weak. However, the big-ticket index has risen for two consecutive quarters, suggesting that bleak sentiment reflects households' assessment of the economy as a whole rather than their own financial position, which remains relatively strong.
- Household finances remain relatively strong, supported by historically high savings. Real wages rose by 3.7% in 2025 and should continue rising in 2026, albeit at a less brisk pace.
- Private consumption growth of 1.9% is expected in 2026, the weakest rate over the forecast horizon, mainly because of the cooling economy and car purchases brought forward to 2025. Growth should gradually pick up thereafter as economic activity regains momentum.

Sources: Central Bank of Iceland, Statistics Iceland, ÍSB Research

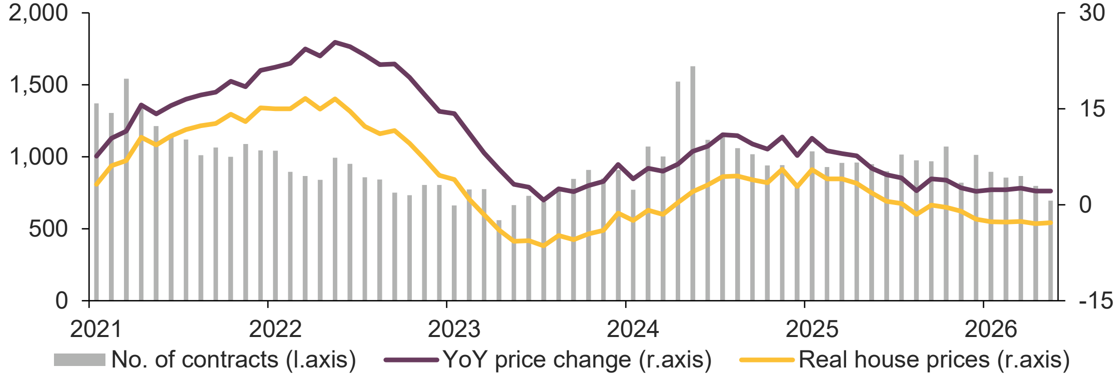
The real estate market has been impacted by high interest rates

Tighter monetary policy has cooled the market with real residential house prices declining in recent quarters

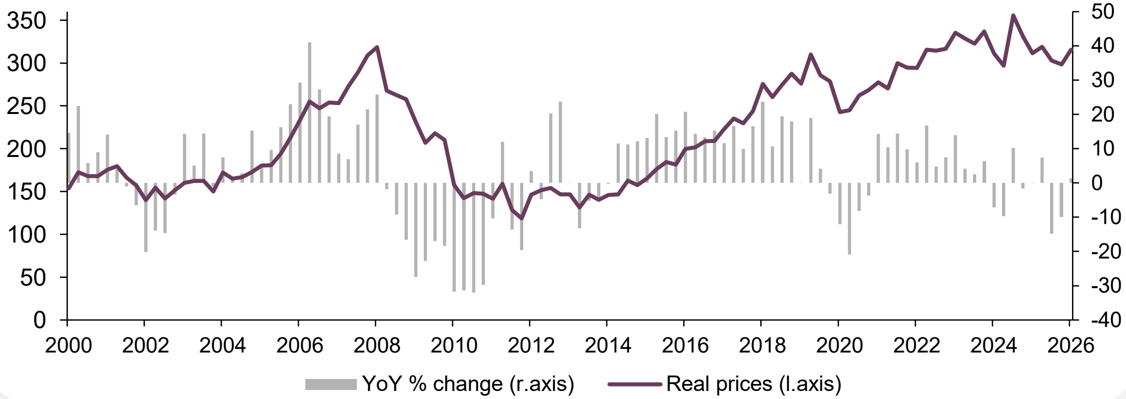
Capital area house prices relative to macroeconomic fundamentals
Index, January 2024=100



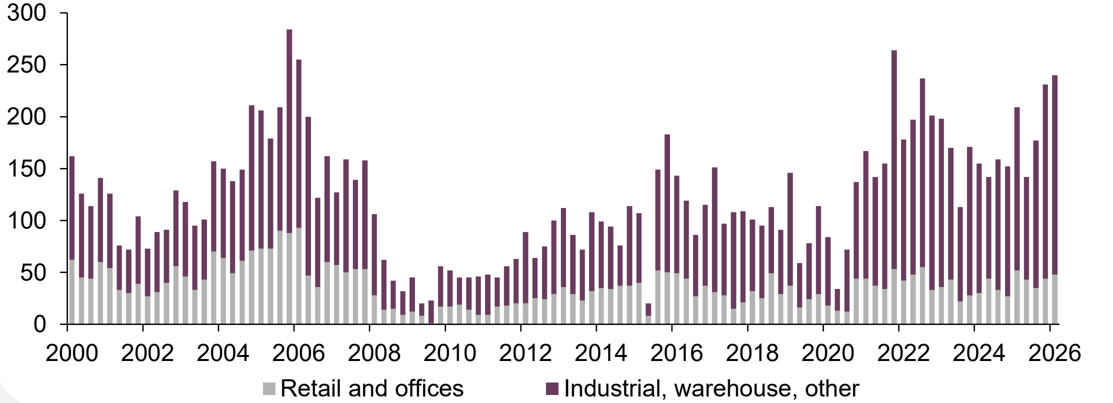
Residential house prices and turnover
% change (r. axis) and number (l. axis)



Commercial property real prices in greater Reykjavík
Index, 1995=100 (l.axis) and % change (r. axis)



Commercial real estate market activity
No. of registered purchase agreements



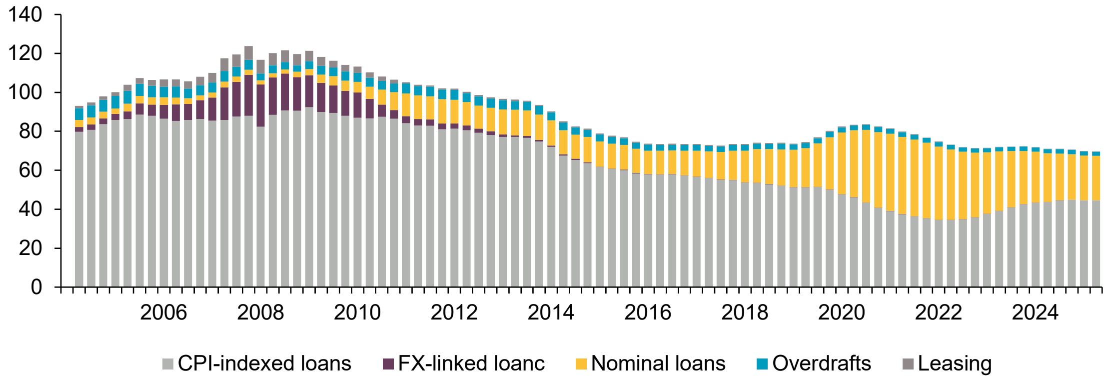
Source: Central Bank of Iceland

The Icelandic housing market is quite flexible as conditions change

Supply, demand, mortgage market factors combine to make a large price correction less likely

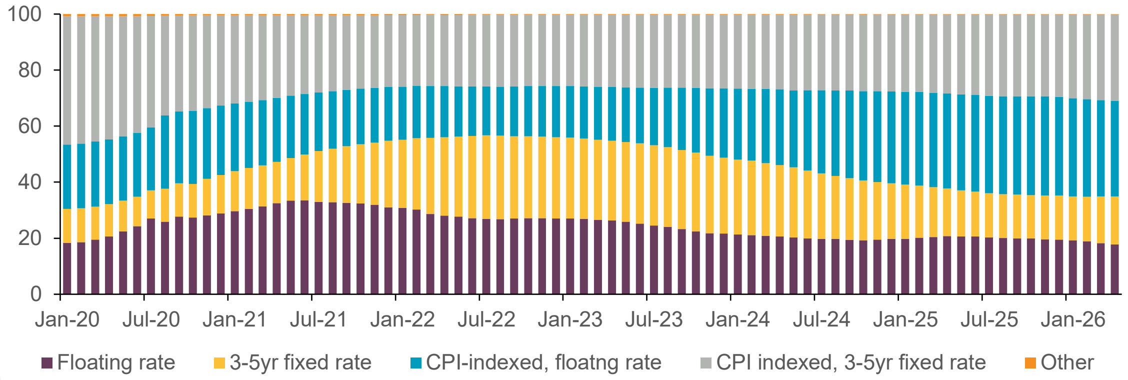
Households are not highly indebted compared to peers

Household debt, % of GDP



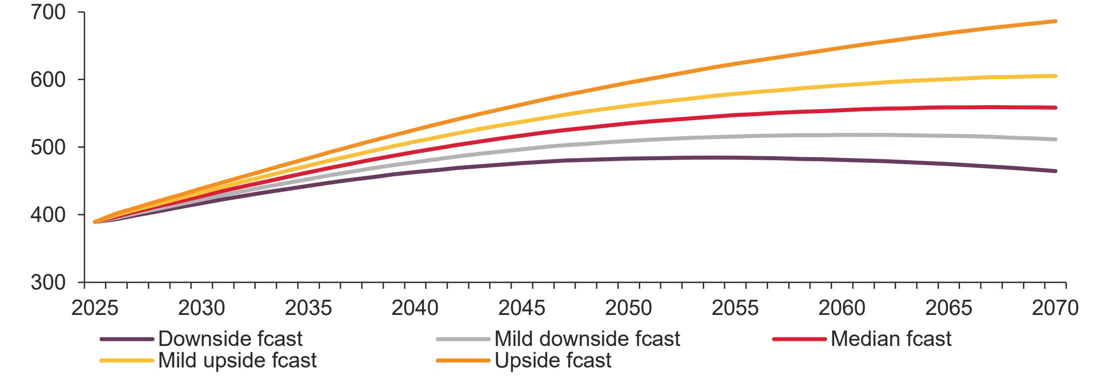
Mortgage market is flexible w.r.t. loan types with different payment burdens

Outstanding mortgage loans, share of total



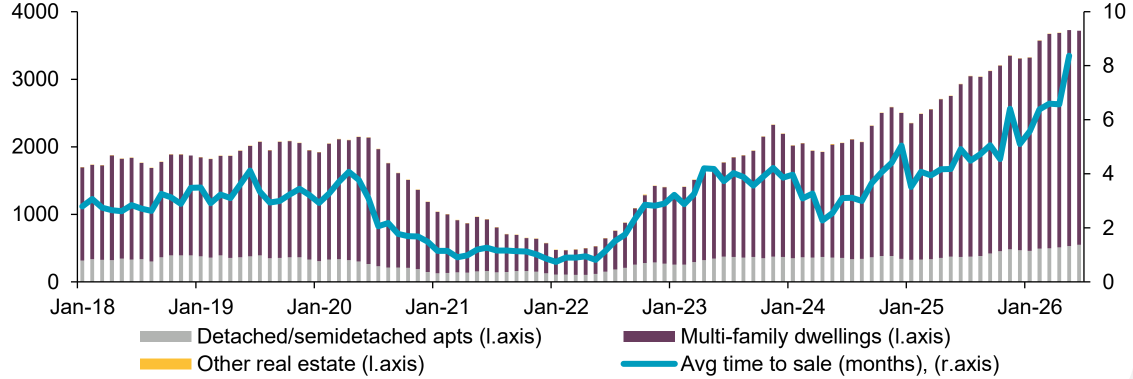
Underlying upward demand trend steady as population growth remains robust

Population forecast by Statistics Iceland



Turnover in the residential housing market remains steady despite rate hikes

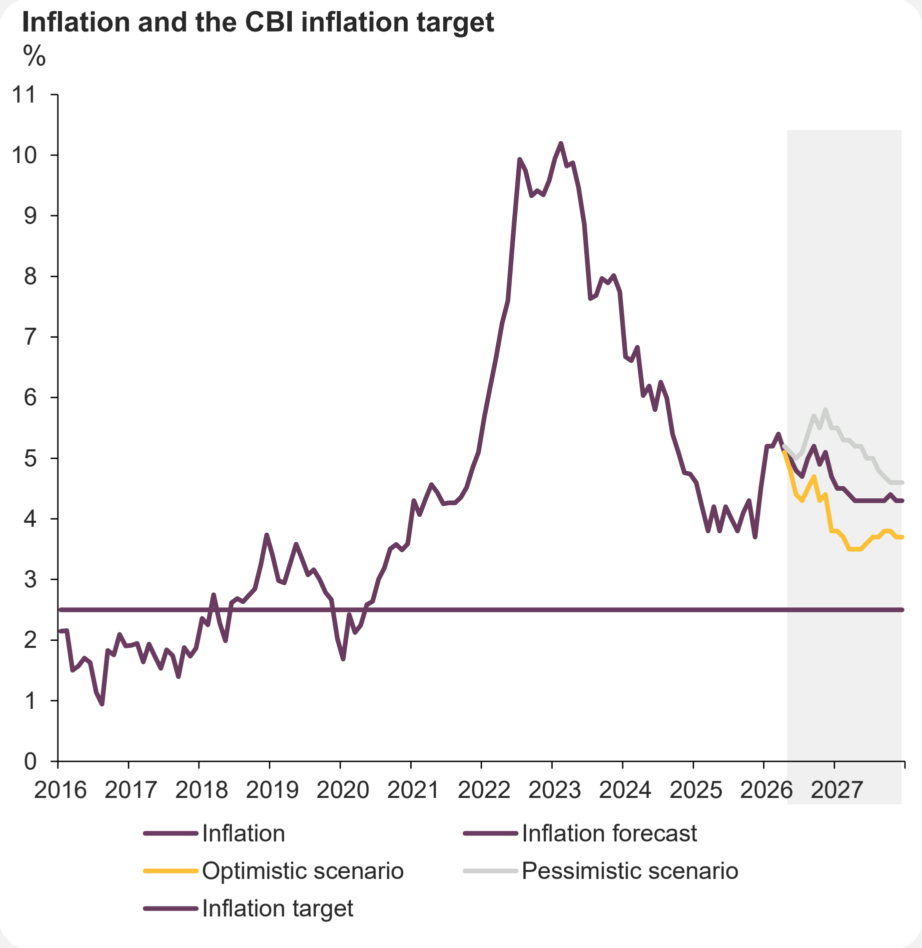
No. of purchase agreements, capital region (left axis) and average time to sale (right axis)

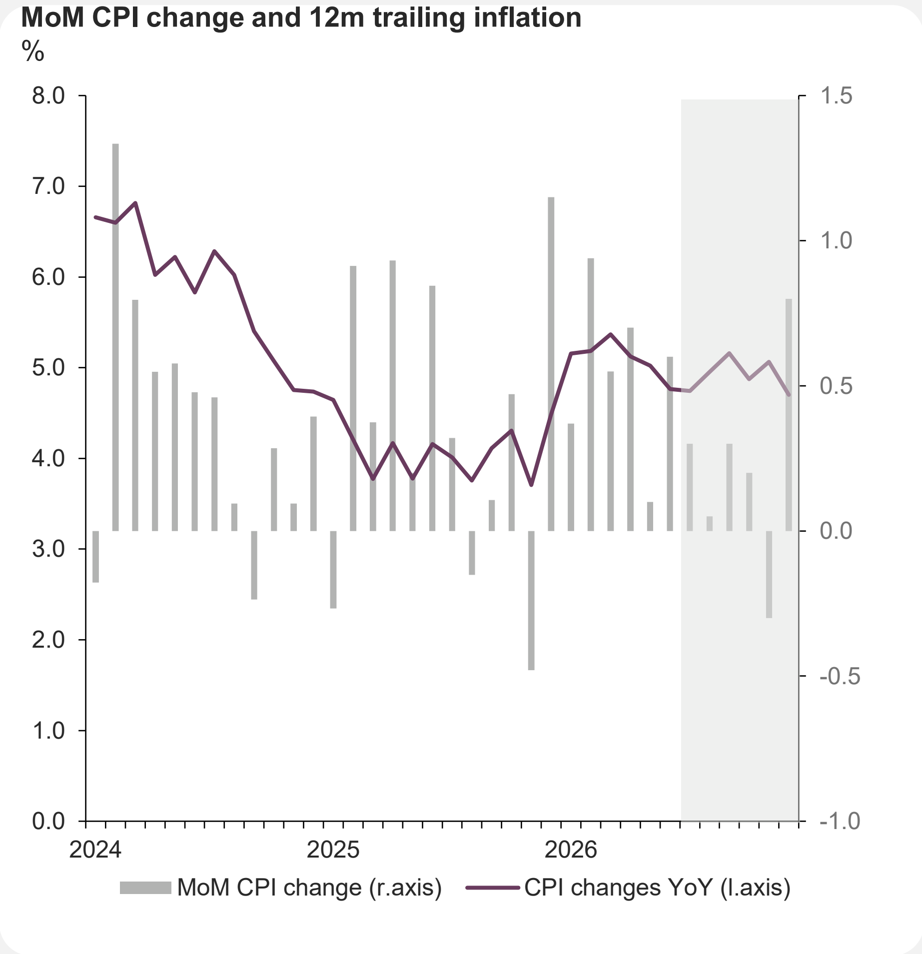


Source: Central Bank of Iceland, Statistics Iceland

Inflation remains stubbornly above target

Rising uncertainty as the Persian Gulf conflict drags on





Highlights

- Inflation remained persistent in 2025, hovering close to the 4% upper deviation threshold of the Central Bank's target, before gaining momentum in early 2026. Inflation peaked at 5.4% in March, its highest level since September 2024, driven mainly by higher fuel prices and changes in public levies. In June, inflation measured 5.2%.
- Government measures announced in April, including a temporary fuel VAT cut from May to August, are expected to partially dampen near-term inflation pressures.
- Inflation is expected to measure 5.2% in July, before edging higher in August, which would imply inflation exceeding the 4.7% threshold and triggering the wage agreement review clause.
- Based on three simplified scenarios assuming differing Persian Gulf conflict impact, twelve-month inflation is expected to be around 4.7% in December in the baseline scenario, fall to 3.8% in a positive scenario, or rise to as high as 5.5% in a negative scenario.
- Developments in the Persian Gulf will therefore be a key determinant of inflation in the months ahead.
- In early 2027, inflation is predicted to fall somewhat, reaching 4.3% by May. For the remainder of next year, the outlook is for inflation to remain near the 4.2% level.

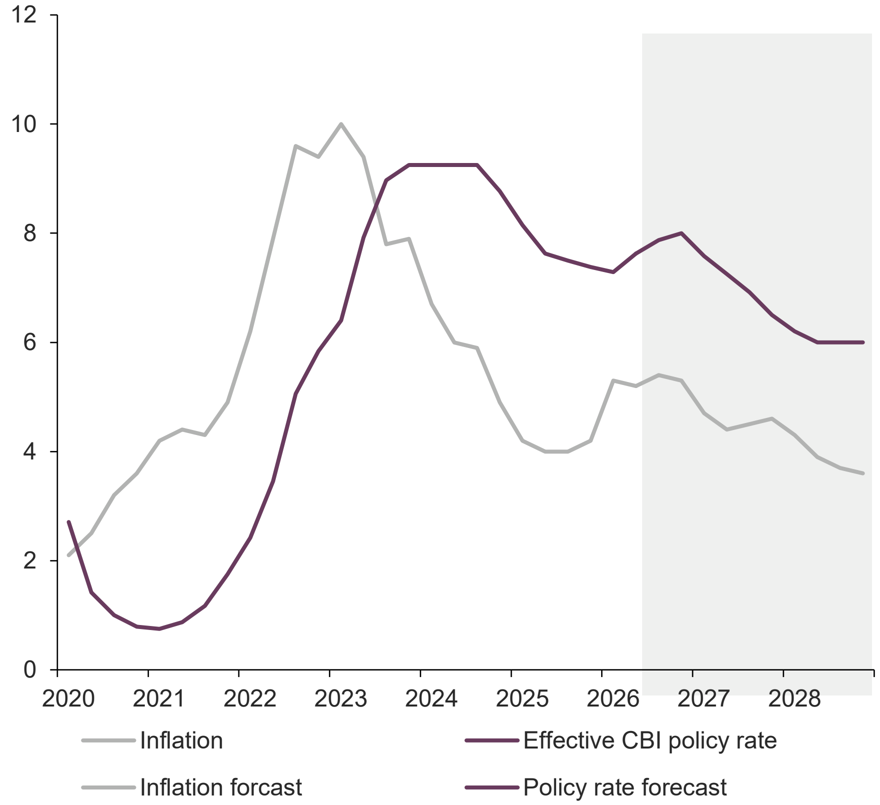
Sources: Central Bank of Iceland, Statistics Iceland, ÍSB Research

Central Bank in a tight spot, likely to keep policy rates high

One further policy rate hike expected in 2H26, with rate cuts to resume in 2027

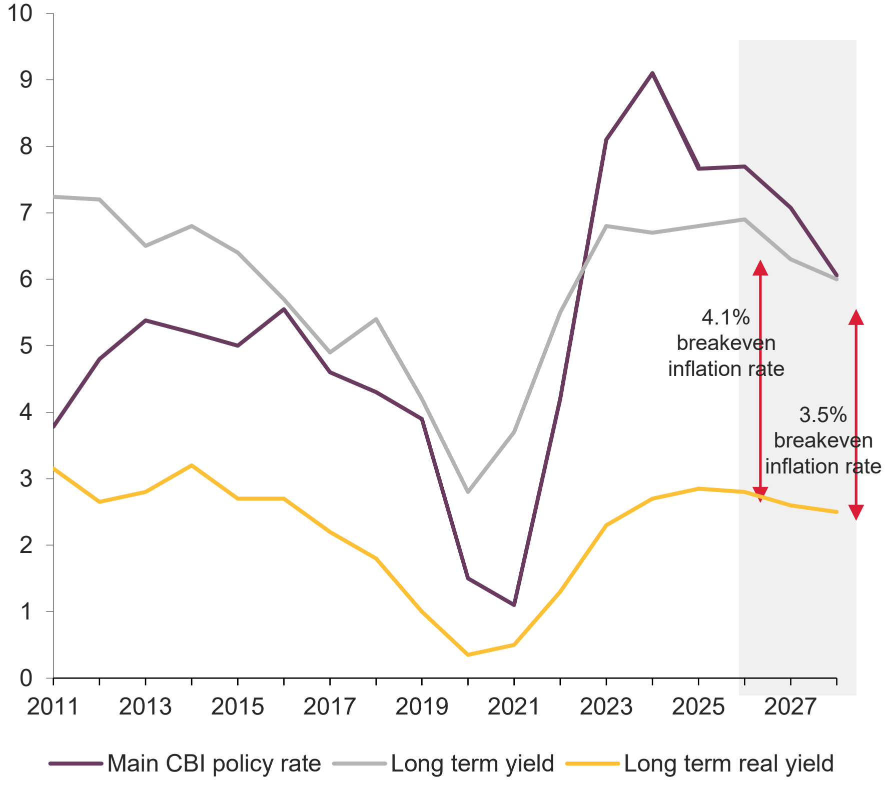
Policy rate and inflation

%, Real policy rate based on 12m forward forecast



Key interest rates

%, average per year



Highlights

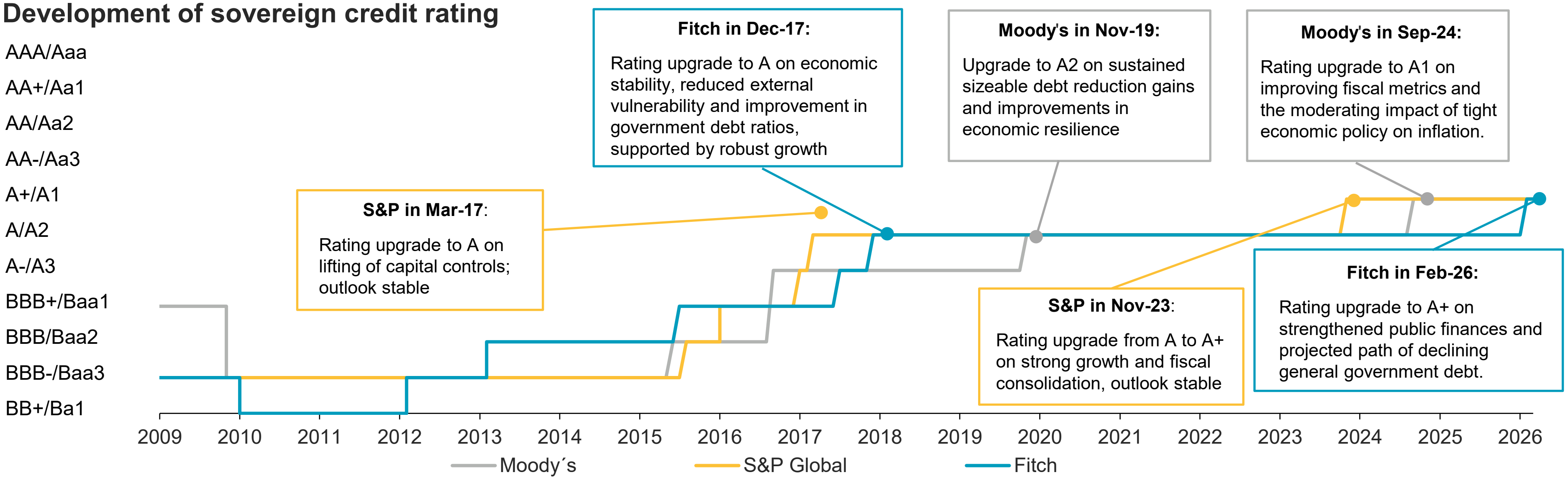
- After easing from autumn 2024 through end-2025, the CBI resumed tightening in March 2026, lifting the policy rate 0.5 pp YTD to 7.75%.
- In May, the MPC hiked on a worsening inflation outlook and high expectations, and signalled readiness to tighten further.
- We expect another rate hike in 3Q26, then an unchanged policy rate until 1Q27, followed by an easing phase into 2028 that could bring the rate to around 6.0%.
- Long-term rates remain high and have edged up in 2026, with nominal 10-year base rates near 6.9% and real rates at 2.9%.
- Over the forecast horizon, we see nominal rates falling to 6.0% and real rates to 2.5%, implying a breakeven inflation rate of 3.5% versus just over 4.0% today.
- Actual long-term inflation expectations are likely lower than the breakeven rate, which embeds an uncertainty premium.
- The equilibrium real rate now looks higher than previously assumed, in line with international trends and signalling more persistent inflation and greater economic resilience. The 2028 projections are seen as close to equilibrium.

Sources: Central Bank of Iceland, Statistics Iceland, ÍSB Research

Iceland's credit rating on a secular upward path

Rating companies acknowledge the flexibility of the economy and improving public debt metrics

Development of sovereign credit rating



MOODY'S IN MARCH 2026

- "The credit profile of Iceland is underpinned by its wealthy and flexible economy with favourable demographics that support its long-term growth prospects."
- "The country has built significant buffers in the form of large pension assets and external reserves, which help mitigate its vulnerability to shocks due to its small size and concentration in a limited number of sectors."
- "The general government debt burden, which stood at around 56% of GDP in 2025, is relatively high but the government is pursuing fiscal consolidation that is bringing debt metrics closer to peers."

FITCH IN FEBRUARY 2026

- "The upgrade reflects Iceland's strengthened public finances and projected path of declining general government debt, underpinned by a strong political commitment to fiscal prudence and a return towards balanced budgets."
- "Iceland's ratings and Stable Outlook are supported by its wealthy economy, high governance standards, strong institutions, and strong private-sector balance sheets."
- "Set against these strengths are the economy's small size and resulting vulnerability to sector-specific shocks. However, Iceland's strong financial buffers and policy prudence have enhanced its economic resilience"

S&P IN MARCH 2026

- "S&P Global Ratings revised the outlook on its long-term rating on Iceland to positive from stable."
- "The positive outlook primarily reflects the potential for Iceland's budgetary performance to strengthen over the next two years, leading to a further sustained decline in net general government debt."
- "We could raise the ratings if Iceland's fiscal performance proves stronger than we currently forecast."
- "We could revise the outlook back to stable if Iceland's growth performance was weaker than we expect [or] under a scenario of weaker budgetary outturns."

Sources: S&P, Fitch, Moody's

Disclaimer

This presentation is for information purposes only and shall not be construed as an offer or solicitation for the subscription or purchase or sale of any financial instrument.

All information contained in this presentation should be regarded as preliminary and based on company data available. The information set out in this presentation has not been independently verified. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures. 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.

No representation or warranty is made by Íslandsbanki as to the accuracy, completeness or fairness of the information or opinions contained in this presentation. 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 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 and accepts no liability whatsoever for any direct or indirect loss, howsoever arising, from use of this presentation.

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