

Factsheet 2Q23



Insight

Íslandsbanki's 2Q23 net profit amounted to ISK 6.1bn and return on equity was 11.5% which is above the Bank's financial targets. The net interest income rose by 23% compared to 2Q22 and the growth in the Bank's operating income was 12%, compared to 2Q22. Net interest margin was 3.2% for the period, compared to 2.9% in 2Q22.

The cost-to-income ratio was within the Bank's targets and was 42.6% for the period. This ratio excludes a charge in the amount of ISK 860 million due to an administrative fine recorded in the accounts during the quarter, following the Bank's execution of the Government's offering of a 22.5% stake in the Bank in March 2022. Loans to customers grew by 1.5% during the quarter and increase in deposits from customers amounted to ISK 16.6bn. Deposit margin was 2.3% for the period, having been 1.8% in 2Q22.

The Bank's new strategy, with Service, Data, Sustainability and Employees as the strategic priorities for the next two years reflects the Bank's commitment to run a solid business that is a force for good in society.

The Bank

12 branches

691 number of FTEs at Íslandsbanki at period end

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

Market share¹

30% retail customers

39% SMEs

35% large companies

Sustainability 2Q23

The Bank participated in the creation of a climate roadmap for financial entities

Íslandsbanki completed, at investors' request, the Climate Disclosure Project's questionnaire for the second year in a row

Íslandsbanki published the 2022 Allocation and Impact Report for its Sustainable Financing Framework

Digital milestones 2Q23

Electronic notarisation streamlines the car loan process and improves service to customers

Customer behaviour analysis and first data driven customer journeys are now live

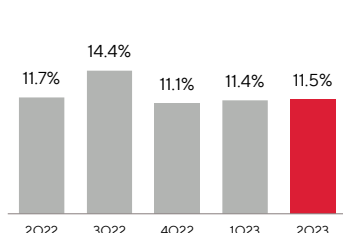
New "Digital and Data" unit created to support Íslandsbanki's strategic data and digital focus

Ratings and certifications

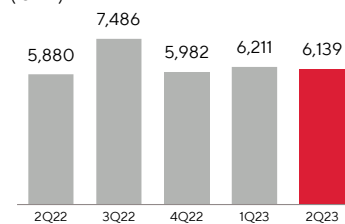
S&P Global Ratings **BBB/A-2** Stable outlook



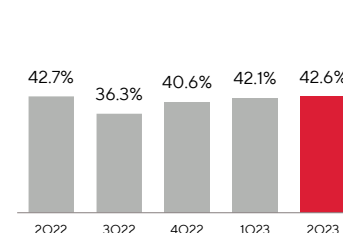
Return on equity



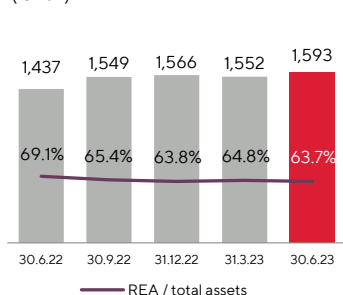
Profit after tax (ISKm)



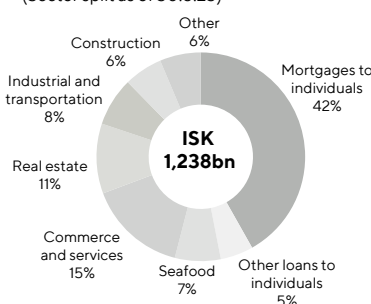
Cost-to-income ratio²



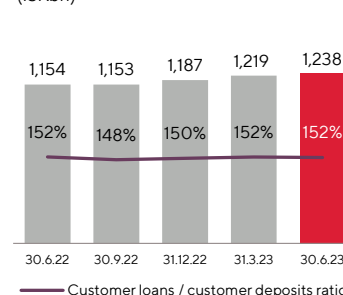
Total assets (ISKbn)



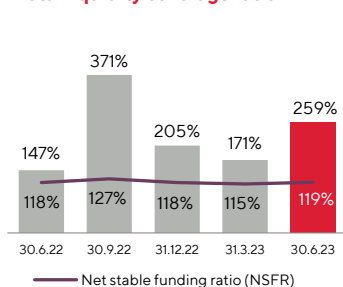
Loans to customers (Sector split as of 30.6.23)



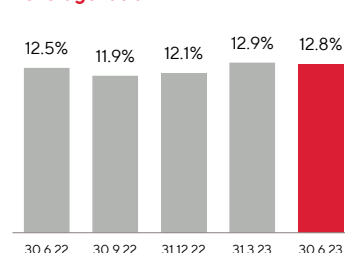
Loans to customers (ISKbn)



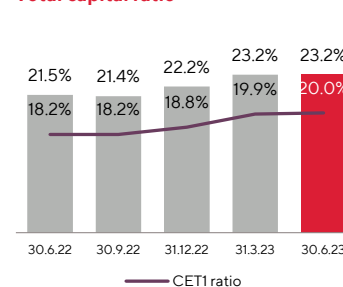
Total liquidity coverage ratio



Leverage ratio³



Total capital ratio³



The information above has not been reviewed or audited by the Group's auditor.

1. Based on Gallup surveys regarding primary bank. 6 months rolling average for retail customers, average of last two Gallup surveys conducted in Q1 and Q2 for SMEs and 2022 average for large companies.

2. C/I ratio for 2Q23 excludes a charge of ISK 860m due to an administrative fine. C/I ratio for 4Q22 included a provision of ISK 300m made in connection with an administrative fine, the C/I ratio has been restated so it excludes the provision.

3. Including 3Q22 profit for 30.9.22 and 1Q23 profit for 31.3.23.