

Factsheet 3Q23



Insight

Íslandsbanki's 3Q23 net profit amounted to ISK 6.0bn and annualised return on equity was 11.0% which is above the Bank's financial targets, and within the updated guidance of being between 10.7-11.7%. Net interest income rose by 4.7% compared to 3Q22 and the growth in the Bank's operating income was 6.5%, compared to 3Q22.

The cost-to-income ratio was 39.0% for the period which is in accordance with the Bank's financial target of being below 45% and lower than the Bank's guidance of the ratio being between 40-45%.

Loans to customers decreased by 2.2% during the quarter while deposits from customers increased by ISK 47.5bn. Net interest margin was 2.9% for the period, compared to 3.0% in 3Q22. Deposit margin was 2.0% for the period, having been 2.1% in 3Q22.

During a shareholder meeting held on 28 July 2023 changes were made to the Bank's Board of Directors. Four new members were elected, including a new chairman.

The Bank

12 branches

716 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 3Q23

IS HAF fjárfestingar concluded its first two investments in companies working in sea related fields

Íslandsbanki's Entrepreneurs' Fund opened for new grant applications

The Sustainable Financial Disclosure Regulation and EU Taxonomy regulation came into force

Digital milestones 3Q23

Equity trading is now available in the app for legal entities

The "My banking" user portal gives customers easy access to Íslandsbanki services

Customers can now log out of all devices with one click in case of a suspected security threat

Ratings and certifications

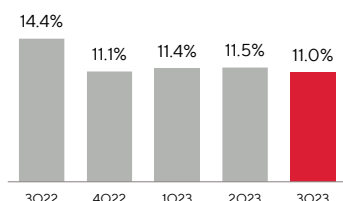
MOODY'S
A3 Stable outlook



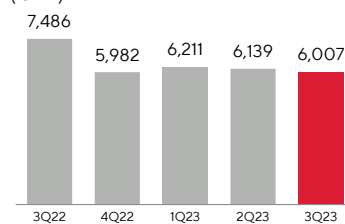
S&P Global
Ratings
BBB/A-2
Stable outlook



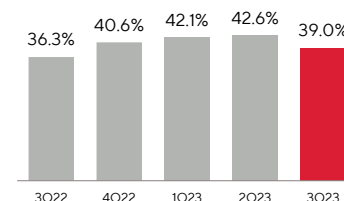
Return on equity



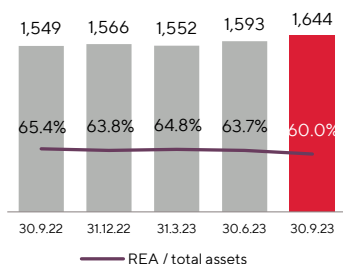
Profit after tax (ISKm)



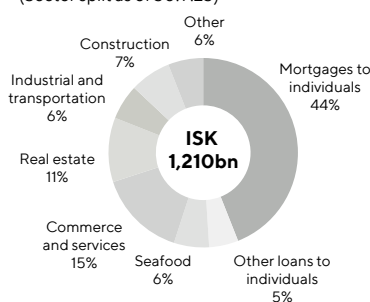
Cost-to-income ratio²



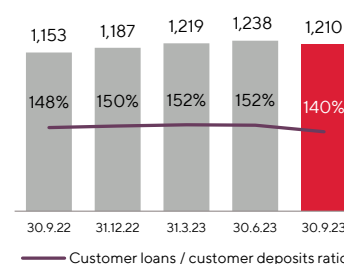
Total assets (ISKbn)



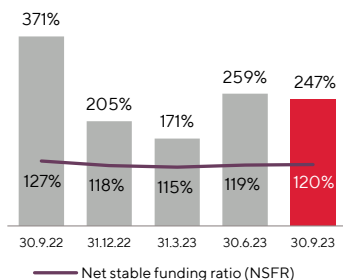
Loans to customers (Sector split as of 30.9.23)



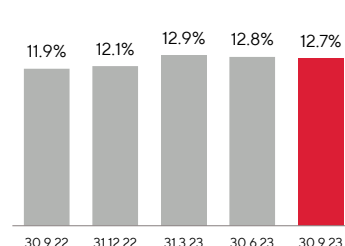
Loans to customers (ISKbn)



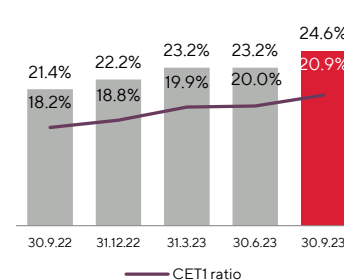
Liquidity coverage ratio



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, 1Q23 profit for 31.3.23 and 3Q23 profit for 30.9.23