

Auditor's Limited Assurance Report

To Íslandsbanki hf.



Introduction

We have been engaged by the Board of Directors of Íslandsbanki hf. (the Bank) to undertake a limited assurance engagement of *selected information* in the Bank's Annual and sustainability report for the year 2022.

Assurance scope

The scope of our work was limited to providing assurance on:

- The chapter "Sustainable Íslandsbanki" as presented on pages 35 to 52 in the Bank's Annual and sustainability report for 2022. The main information in that chapter is as follows:
 - The Bank's ESG statement; environmental factors on page 42, social factors on page 46 and governance factors on page 49
 - Sustainable lending under the Sustainable Financing Framework as presented on page 38
 - The Bank's offset of CO₂ emission for 2022 as presented on page 42
- Íslandsbanki's self-assessments/assertions of its fulfillment of its commitments as a signatory of the Principles for Responsible Banking for the year 2022, as is presented in the Bank's Reporting and Self-Assessment Template issued by the UNEP FI.

Together: "*the selected information*"

Our assurance does not extend to any other information in the Annual and sustainability report.

Responsibilities of the Board of Directors and the Executive Management for the Annual and sustainability Report

The Board of Directors and the Executive Management are responsible for preparing and presenting the Annual and sustainability report, and the self-assessment of the Principles for Responsible Banking. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Annual and sustainability report, such that it is free from material misstatement, whether due to fraud or error.

Responsibilities of the Auditor

Our responsibility is to express a limited assurance conclusion on the *selected information* specified above based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance engagements other than audits or reviews of historical financial information issued by IAASB. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Annual and sustainability reporting, and applying analytical and other limited assurance procedures, including inspection of documentation, and limited sample testing of the selected information.

The procedures performed in a limited assurance engagement vary in nature from, and are less in scope than for, a reasonable assurance engagement conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards. The procedures performed, consequently, do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

Our independence and quality control

Ernst & Young ehf. applies ISQM1 (International Standard on Quality Management) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Íslandsbanki in accordance with professional ethics for accountants and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

Conclusion

Based on the limited assurance procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the *selected information* disclosed in the Bank's Annual and sustainability report and the PRB Reporting and Self-assessment template have not been prepared, in all material respects, in accordance with the reporting criteria.

Reykjavík, 9 February 2023

Geir Steindórsson

State Authorised Public Accountant

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