



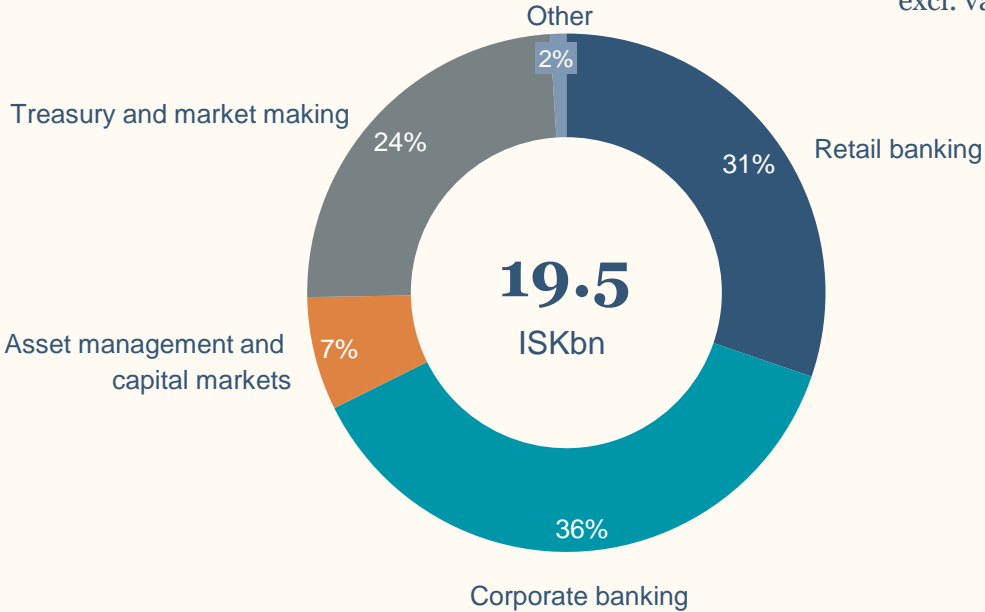
3M 2025 Results

Lilja Björk Einarsdóttir
CEO

Hreiðar Bjarnason
CFO

Landsbankinn - largest commercial bank in Iceland

Operating income excl. value changes



Interconnected services

Accessible in the app, online banking and around Iceland



Loans to customers*

29.9%

Customer deposits**

37.8%

Total assets

2,257
ISKbn

Total capital ratio

23.6%

Credit rating S&P Global

A-/A-2
stable outlook



LANDSBRÉF



ESG risk rating



Low risk

*Market share in lending to credit institutions
**Market share in deposits with deposit institutions
Source: Central Bank of Iceland, 28 February 2025

Positive performance of growing Group

Profit 7.9 ISKbn	Return on equity 10.0%	Combined ratio of TM* 98.9%
Net interest income +3%	Net fee & commission income +10%	Cost-income ratio 38.7%
Total lending 1,813 ISKbn	Total deposits 1,244 ISKbn	Equity 314 ISKbn

*Q1 for TM

Return on equity in the first quarter was 10.0%; annualised ROE is expected to be 10-12%.

Net interest income increases by ISK 417 million between years and amounts to ISK 14.8 billion in the first quarter. The household interest margin is stable at 2.1%.

Net fee & commission income is up by ISK 268 million between years and has grown by 50% since the beginning of 2021, driven by rising customer numbers, increase in services, improved efficiency and enhanced customer engagement.

Insurance is part of the Bank's results for the first time. **Performance of insurance activity was positive** with net results negative due to the performance of TM's investment assets.

Operating expenses are up by 11% between years and the goal to keep the **cost-income ratio** under 40% is achieved. Rising expenses are mainly from contractual wage increases and the purchase of TM.

Total lending growth has slowed, both to retail and corporate customers. Lending to individuals grew by ISK 2.2 billion and lending to corporates by ISK 3.5 billion.

Increased **diversification and efficiency** was achieved in the Bank's funding structure in the quarter with the issuance of AT1 securities and senior non-preferred bonds. Total customer deposits grew by ISK 15.8 billion.

Dividend in the amount of ISK 9.5 billion was paid at the end of the quarter. Total dividend for the accounting year 2024 amounts to ISK 18.9 billion, the equivalent of 50% of profit.

The Bank's **capital position is strong** and its total capital ratio is 320 bps above the 20.4% regulatory requirement.

Ever better service

Achieve goals with Smart Savings

67,600 customers save in the app

- 34% more than the same time last year

12,600 save with others

- 41% more than last year



Opened a strong branch in a new location in downtown Akureyri



New savings account in Polish zloty – the first in Iceland



Order all cards in the app, change and close them, and choose dematerialised versions only

Varied learning initiatives around the country



- Open meeting about personal finances with the host and participants of TV programme Viltu finna milljón?
- Financial Forum about pension savings and cybersecurity in Akranes and Vestmannaeyjar
- Financial Forum on how to start investing





Always more Aukacrónur

Popular and convenient benefit system

20
new partners

More restaurants
offer 2 for 1 deals
and repayment

+22%
Aukacrónur collected
compared to Q1
last year

February 27th - the Aukacrónur Discount Day

Repayment rate raised to

20%

for **24 hours**
with 43 partners

71%

more customers

160%

more purchases

Aukacrónur

Initiative and progress

Encourage collaboration and support development

Successful meeting on the private-public partnership with the Confederation of Icelandic Industry

Acquiring service turnover grew from ISK **6.1** to **65.6** billion between years

Coordination of the sale and presentation of bond issuance by NIB in the amount of ISK **8.5** billion

Lending to corporates grew by ISK **8.7** billion in the quarter

New online banking for corporates features a simpler interface and increased security

Well attended lunch meeting on the state and outlook of the real estate market



Pallborðsumræður

Hvernig fjármögnum við uppbyggingu innviða?



Ólaf Skaftadóttir
ráðgjafi og hlaðvarps-
stjórnandi, stýrir pallborði



Eyjólfur Ármannsson
samgöngu- og
sveitarstjórnarráðherra



Ólafur Sigurðsson
framkvæmdastjóri
Birtu lífeyrissjóðs



Sigurður Hannesson
framkvæmdastjóri
Samtaka iðnaðarins



Sigþór Sigurðsson
framkvæmdastjóri
Colas Ísland





Favourable funding

Opportunities for issuance during the first quarter utilised

NOK 500 m

senior
non-preferred
bonds

SEK 1,300 m

senior
non-preferred
bonds

USD 100 m

Additional tier 1
(AT1)
securities

1 issuance

Securities issuance in USD to strengthen the Bank's capital ratio and dividend capacity in the long term following the purchase of TM.

2 issuances

In line with goals to diversify its funding structure, Landsbankinn issued senior non-preferred bonds in SEK and NOK, alone among the Icelandic banks.

Landsbankinn og TM

Better together



- Landsbankinn assumed operation of TM tryggingar hf. on 28 February.
- Three Landsbankinn and TM branches merged on 24 March.
- The contractual purchase price of ISK 28.6 billion was subject to a closing adjustment and the final consideration is estimated at ISK 32.3 billion.
- Performance of insurance activity in the first quarter is positive yet net results are negative due to investment activities.
- The number of full-time equiv. positions rises by 100 with the addition of TM.

Opportunities

1

Broader service
base for
customers

2

Strong
synergies

3

Increased
value for the
Bank's
shareholders





Promoting a bright future

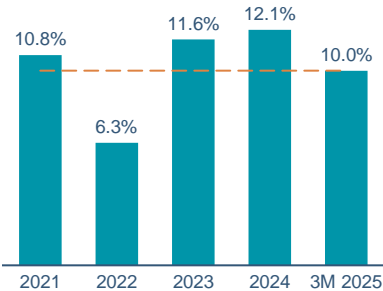


Financial targets and development of KPIs

Strong financial position and efficient operations

Profitability

Return on equity (ROE)



3M 2025 **Target**

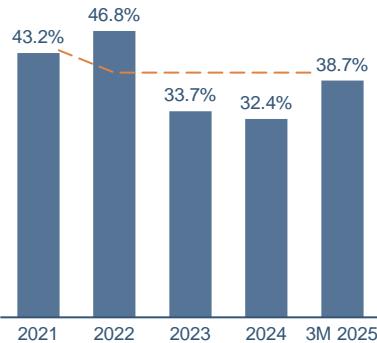
10.0% ≥ 10%

Guidance

Expected ROE in 2025 is 10–12%.

Efficiency

Cost/income ratio



3M 2025 **Target**

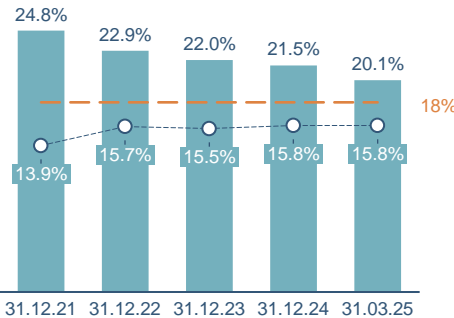
38.7% ≤ 40%

Guidance

Projected 2025 cost/income ratio is 32–36%.

Financial strength

CET1



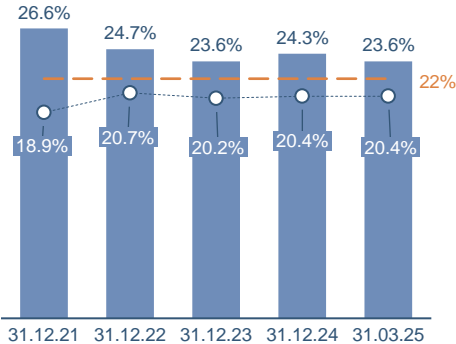
3M 2025 **Target**

20.1% ≥ 18%

Guidance

The Bank aims to be in the highest category for risk-adjusted capital ratio, as estimated by credit rating agencies.

Total capital ratio



3M 2025 **Target**

23.6% ≥ 22%

Guidance

Implementation of CRR III later in the year will lead to a reduction in the Bank's risk-weighted exposure amount.

Target: Regular dividend to be 50% of the previous year's profit.



--- Target
-○- Regulatory requirements



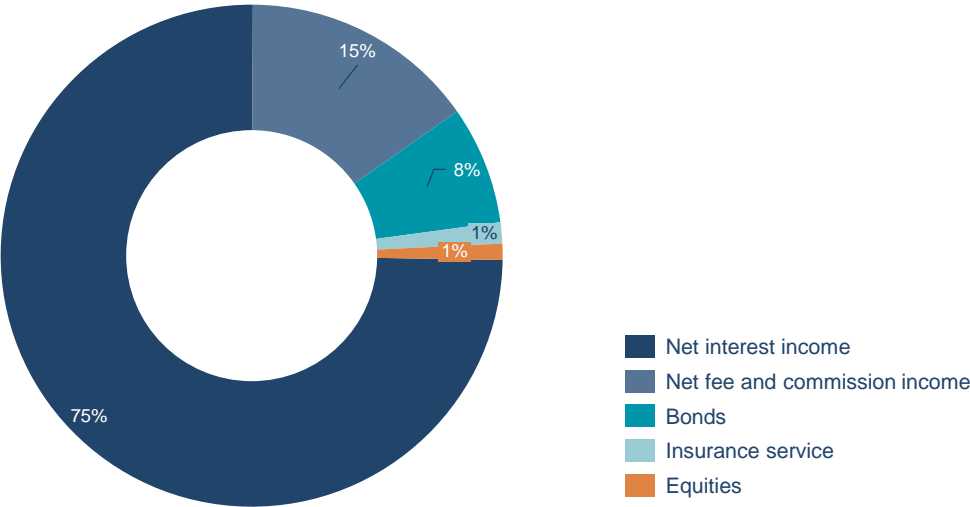
Income statement

Income statement

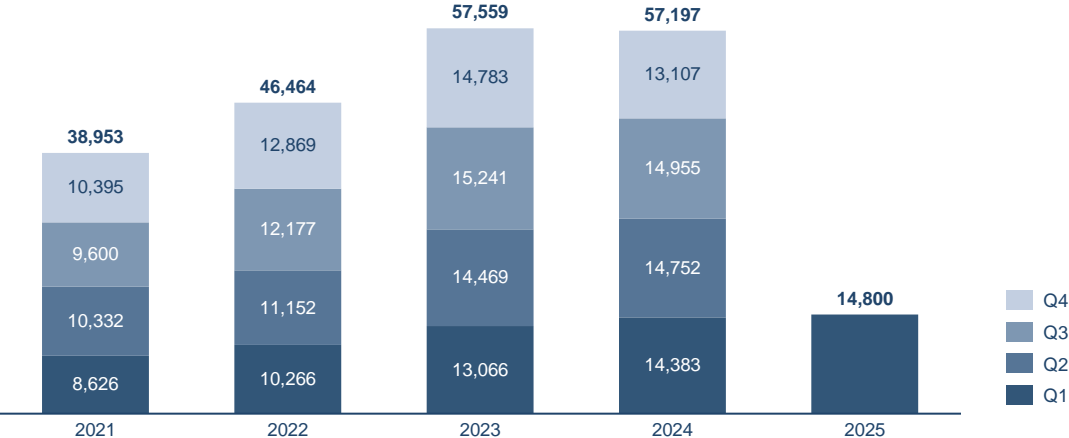
	3M 2025	3M 2024	Change	
Net interest income	14,800	14,383	417	3%
Net fee and commission income	3,004	2,736	268	10%
Insurance service result	270	0	270	
Net impairment changes	-331	-2,714	2,383	88%
Other net operating income	1,417	3,156	-1,739	-55%
Total operating income	19,160	17,561	1,599	9%
Salaries and related expenses	4,465	4,233	232	5%
Other operating expenses	3,068	2,586	482	19%
Tax on liabilities of financial institutions	671	600	71	12%
Total operating expenses	8,204	7,419	785	11%
Profit before tax	10,956	10,142	814	8%
Income tax	3,016	2,986	30	1%
Profit for the period	7,940	7,156	784	11%

Net operating income

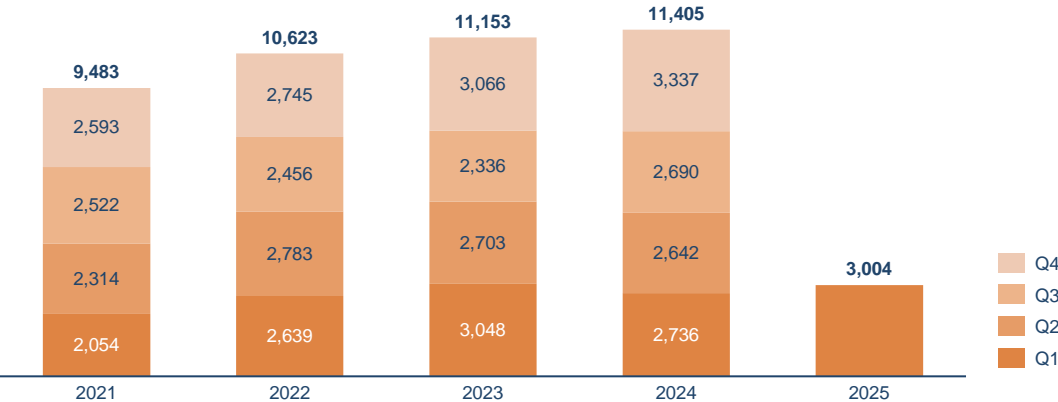
Net interest income grew by 3% between years and net fee & commission income by 10%



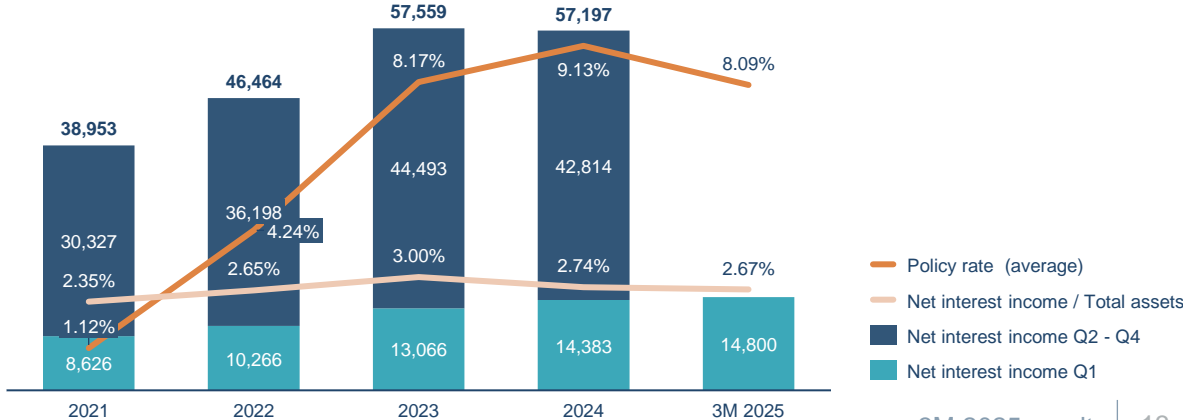
Net interest income



Net fee and commission income



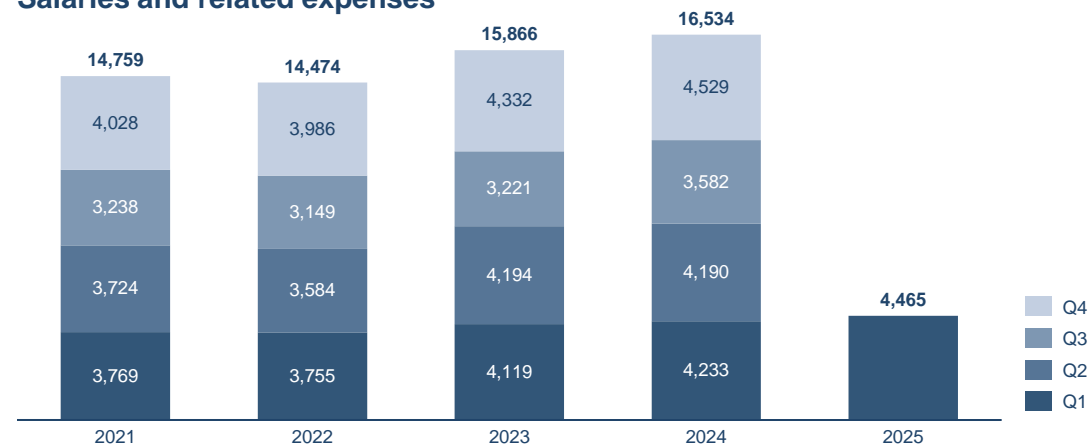
Policy rate and net interest income



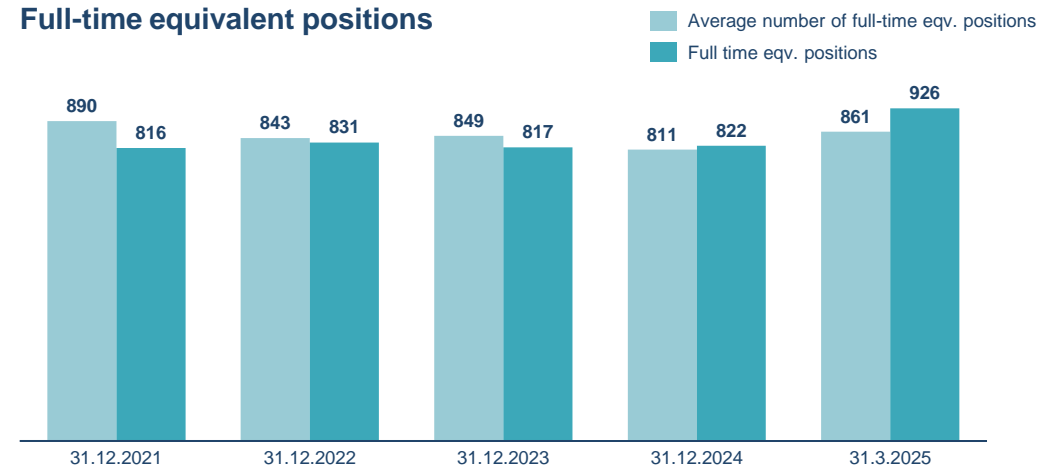
Operating expenses

Operating expenses increase in line with expectations and the purchase of TM results in more full-time equivalent positions

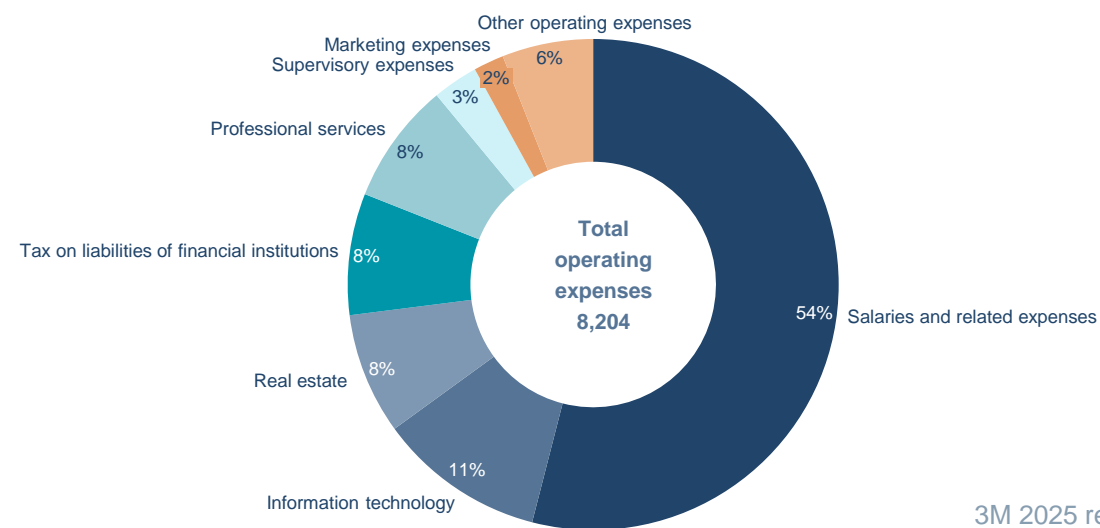
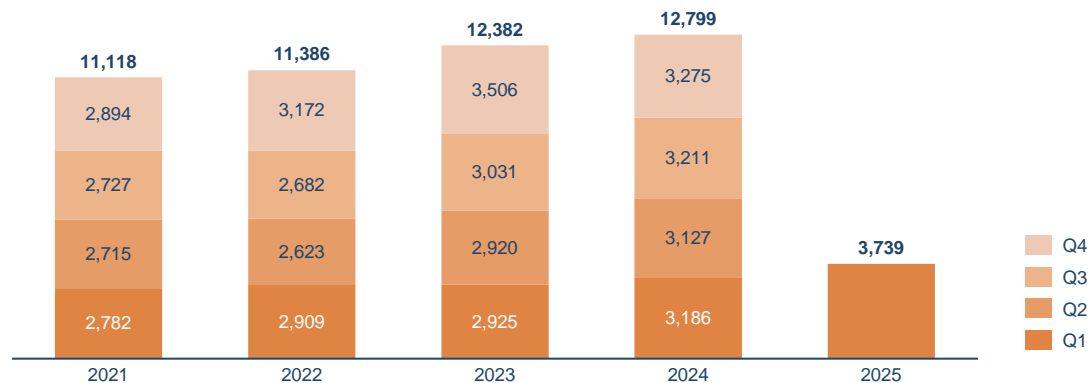
Salaries and related expenses



Full-time equivalent positions



Operating expenses



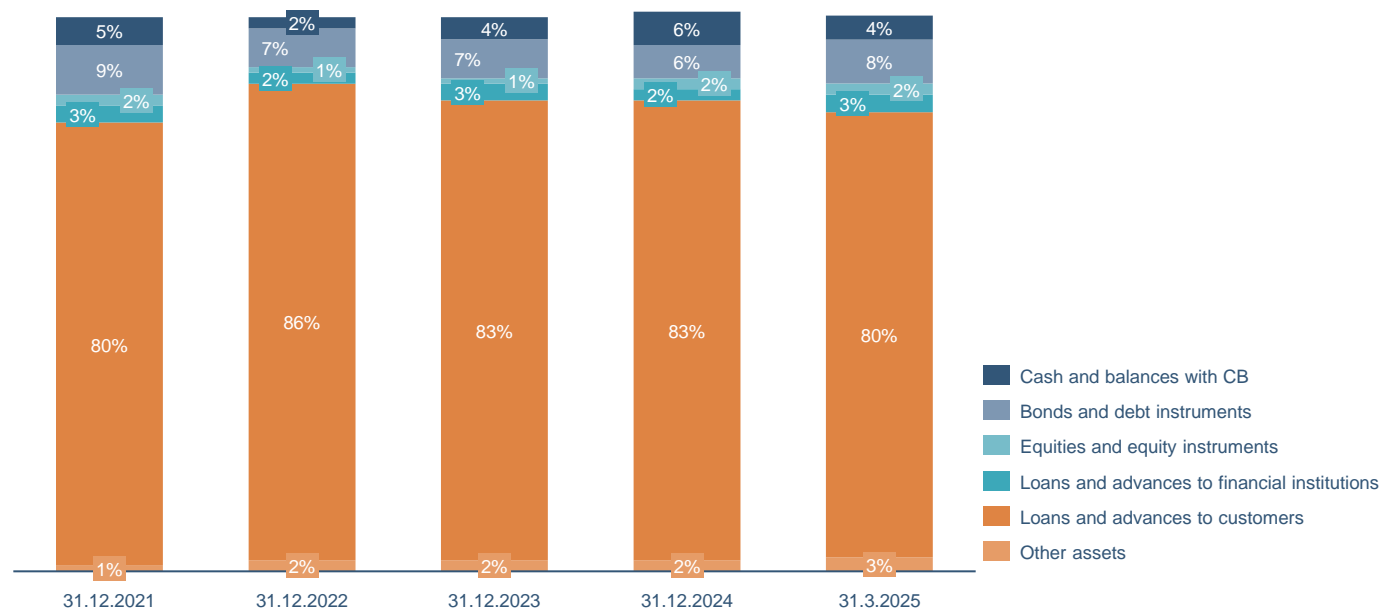


Balance sheet

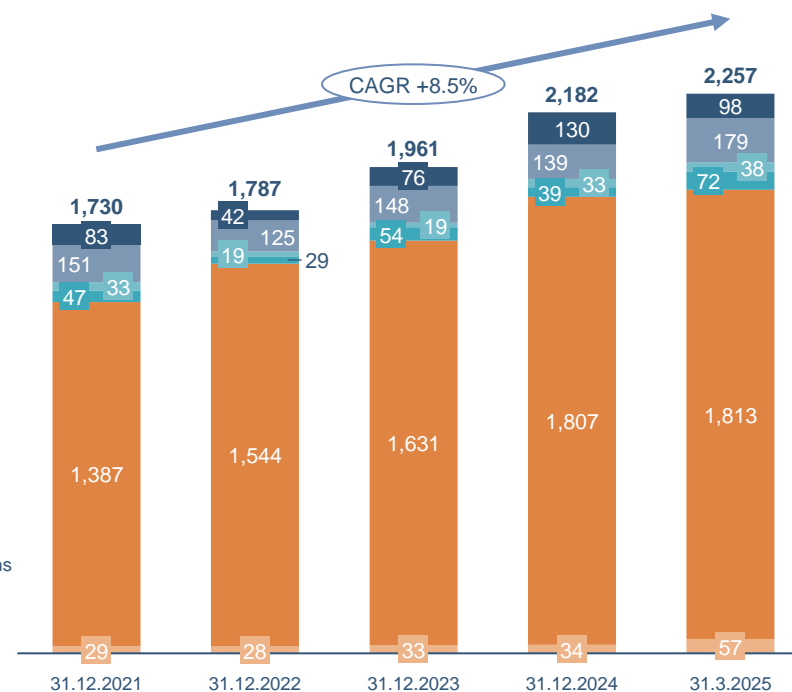
Total assets

The Bank's purchase of TM adds to the consolidated balance sheet

	31.3.2025	31.12.2024	Change	
Cash and balances with Central Bank	98	130	-32	-25%
Bonds and debt instruments	179	139	40	29%
Equities and equity instruments	38	33	5	15%
Loans and advances to financial institutions	72	39	33	85%
Loans and advances to customers	1,813	1,807	6	0%
Other assets	57	34	23	68%
Total	2,257	2,182	75	3%



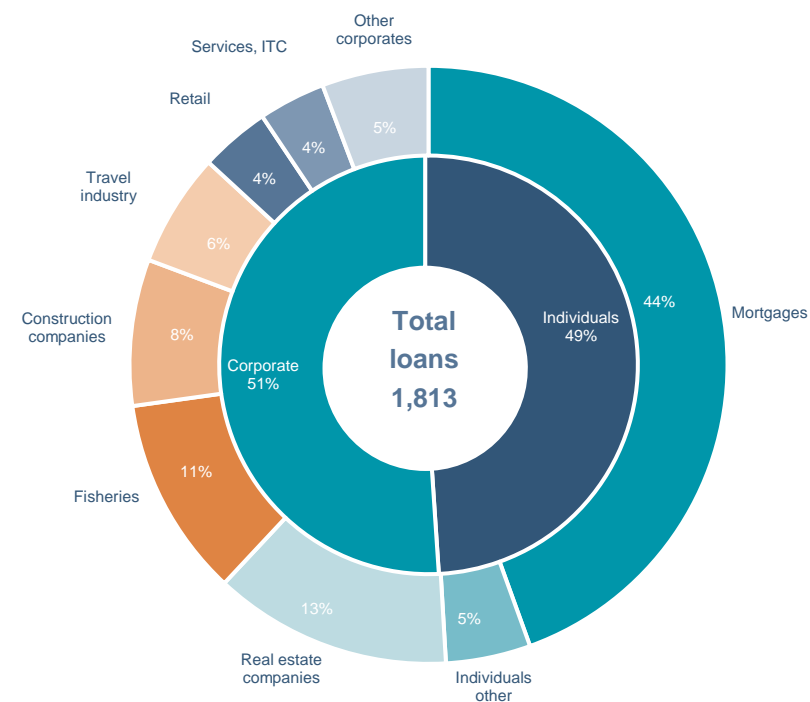
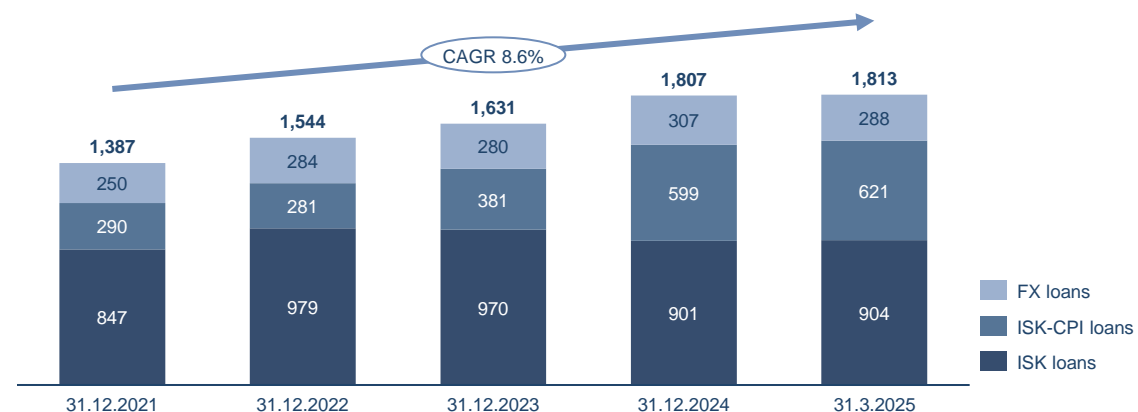
- Lending to individuals increased by ISK 2.2 billion, mostly mortgage loans.
- Lending to corporates increased by ISK 8.7 billion. A negative exchange rate impact in the amount of ISK 5.2 billion results in a net increase of ISK 3.5 billion.



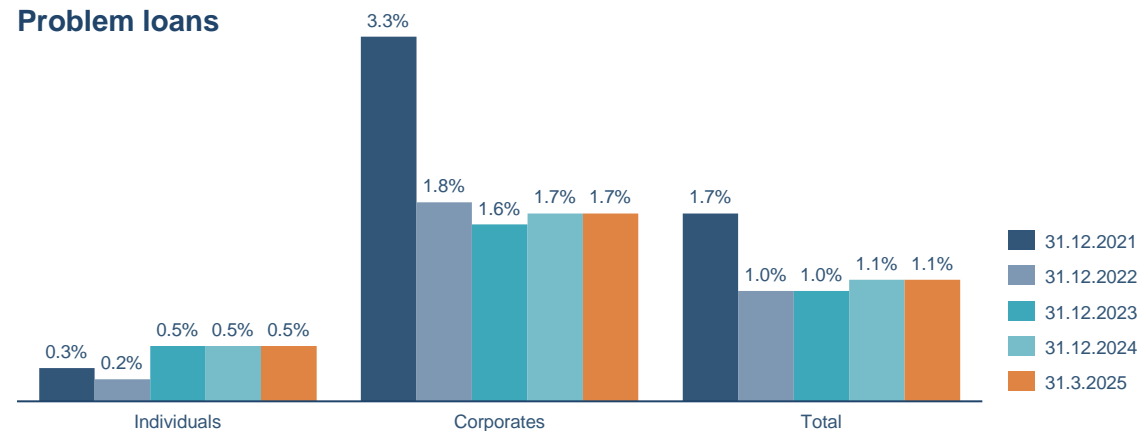
Loans

Modest lending growth while loans in arrears to both individuals and corporates remain low

Total loan portfolio

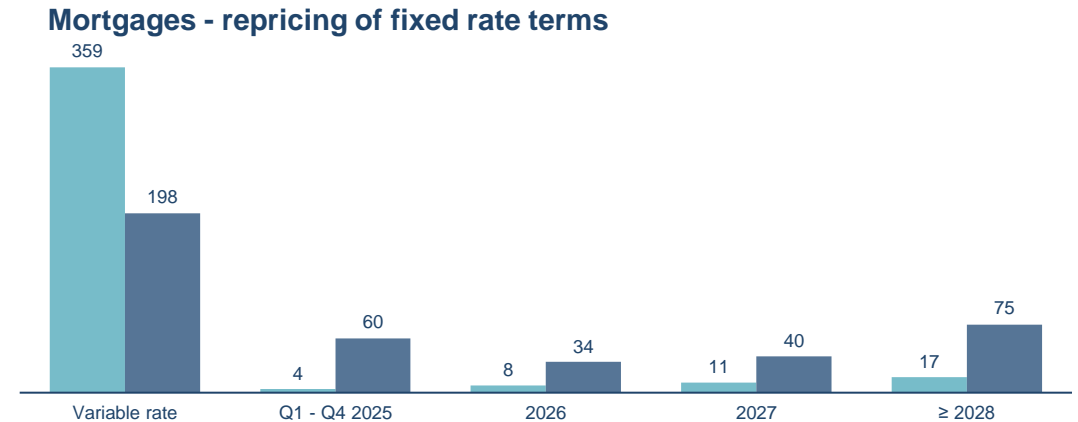
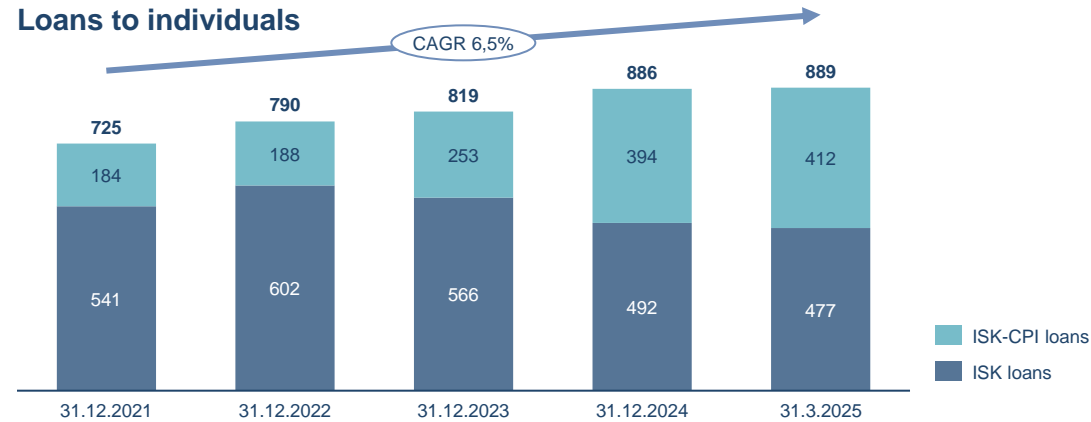


Problem loans

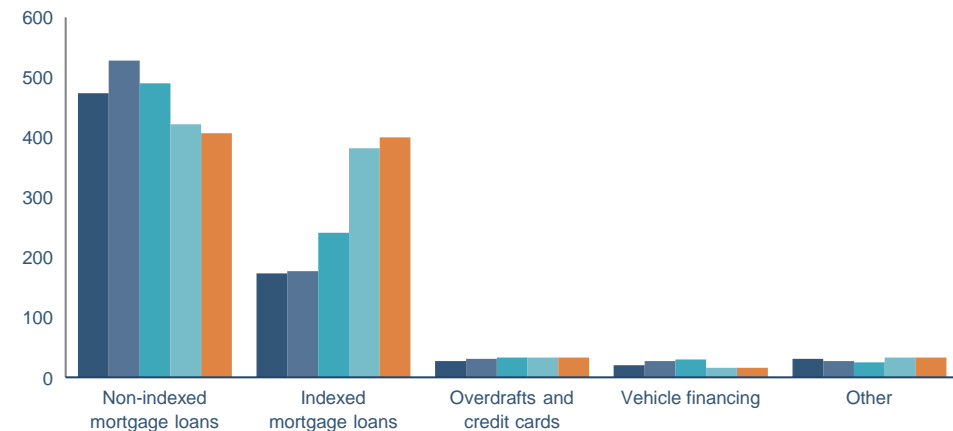


Loans to individuals

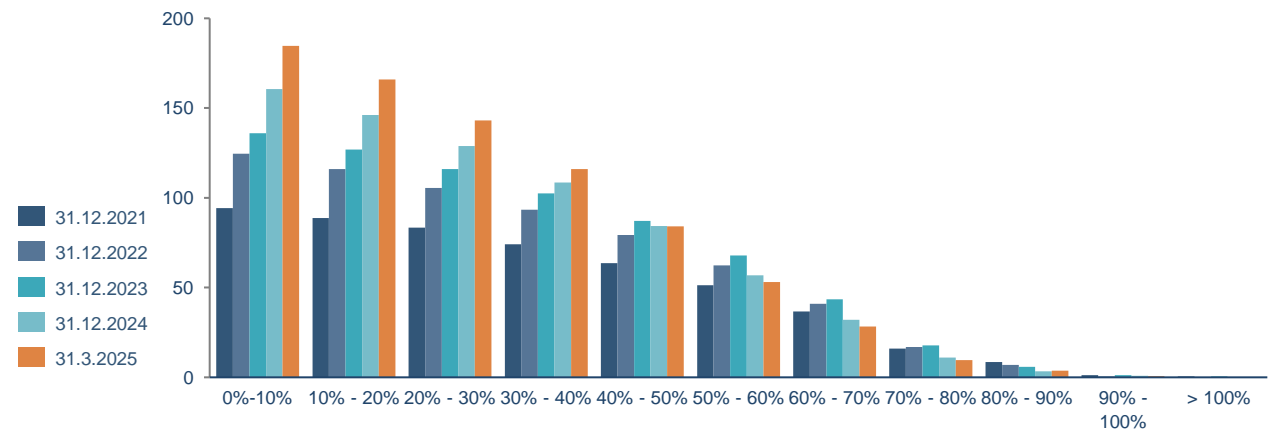
Lending growth has slowed but the average LTV of the residential mortgage portfolio is at a healthy 48.0%



Loans to individuals by loan type



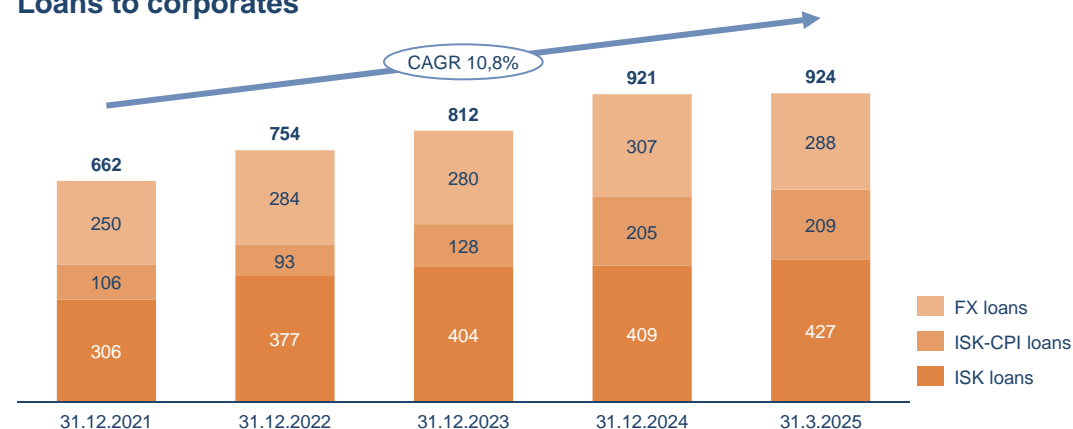
Continuous LTV distribution of mortgages



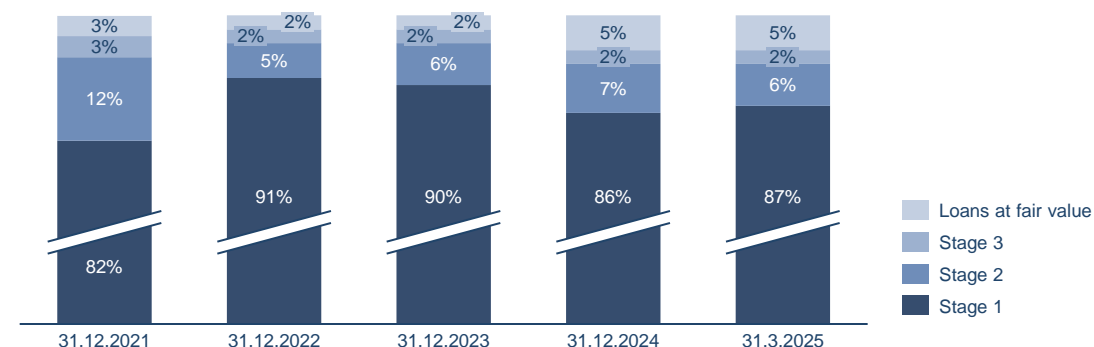
Loans to corporates

Lending to corporates has slowed and, in addition, appreciation of the ISK in the quarter leads to a decrease in FX loans

Loans to corporates



Stage allocation of loans to corporates



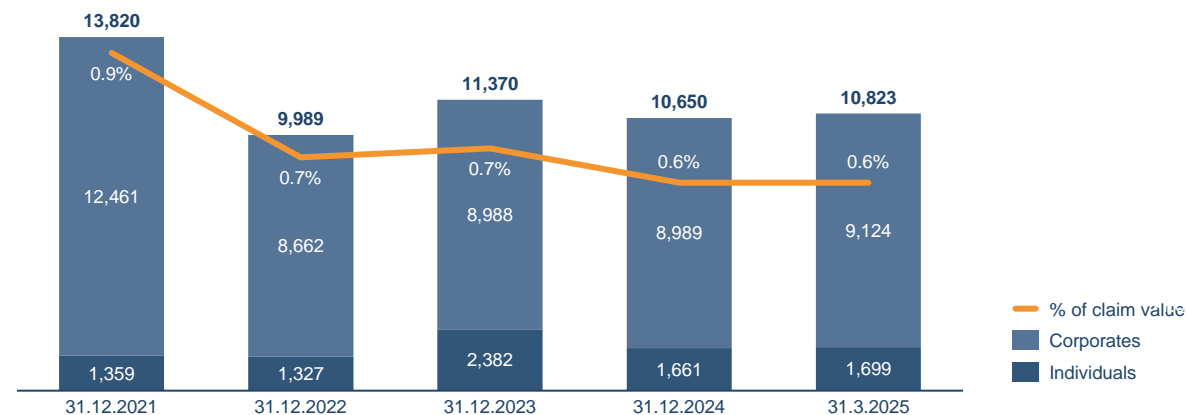
Loans to corporates by industry sector



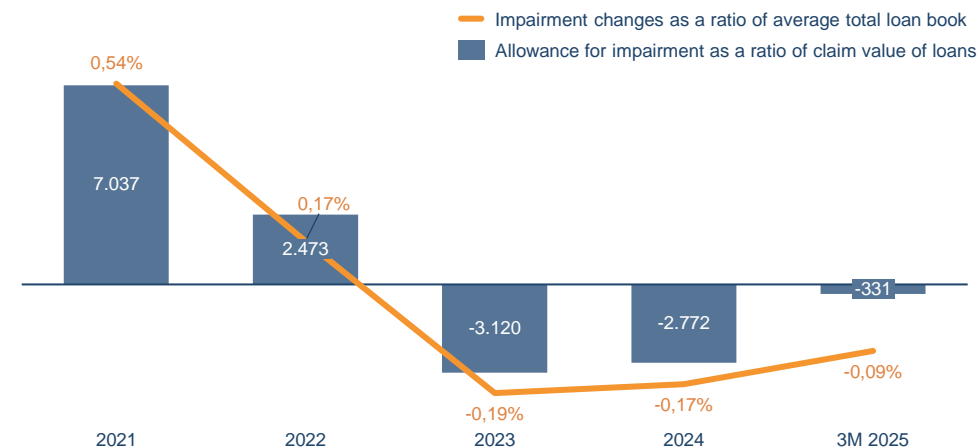
Impairment on loans

New expected credit loss is low in the quarter and the impairment fund remains at around 0.6% of the Bank's credit portfolio

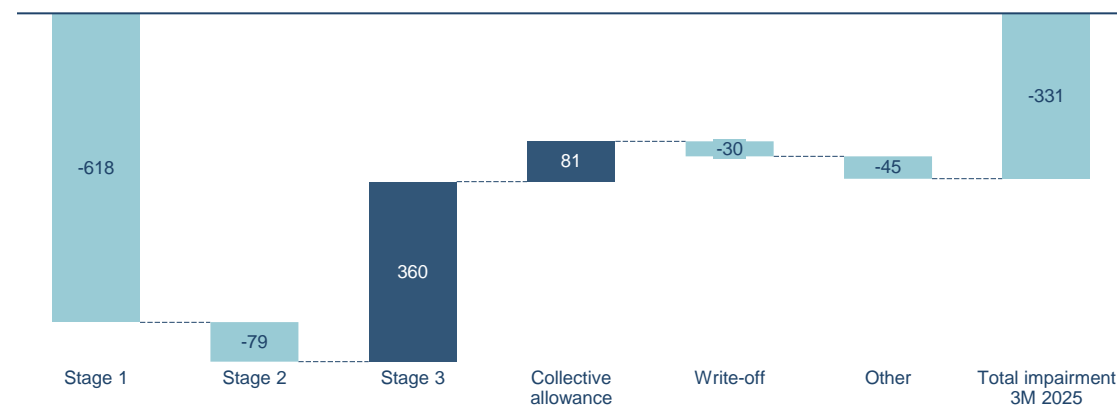
Allowance for impairment on loans and advances to customers



Cost of risk



Impairment on loans – PL impact



Loan staging

	Gross carrying amount		Allowance for impairment		Carrying amount	
Stage 1	1,668,115	91.5%	2,477	0.1%	1,665,638	91.9%
Stage 2	84,253	4.6%	2,225	2.6%	82,028	4.5%
Stage 3	24,444	1.3%	6,121	25.0%	18,323	1.0%
Fair value	47,179	2.6%	0	0.0%	47,179	2.6%
Total	1,823,991	100%	10,823	0.6%	1,813,168	100%

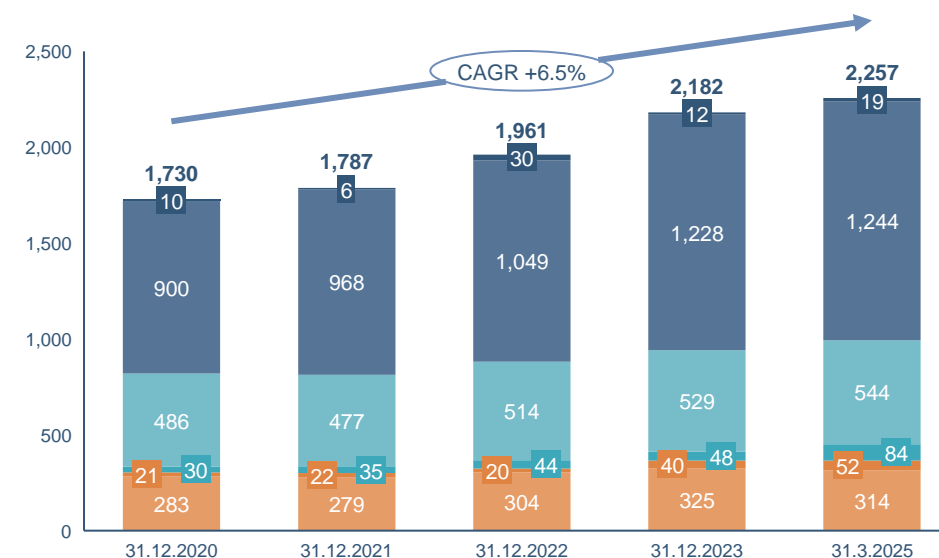
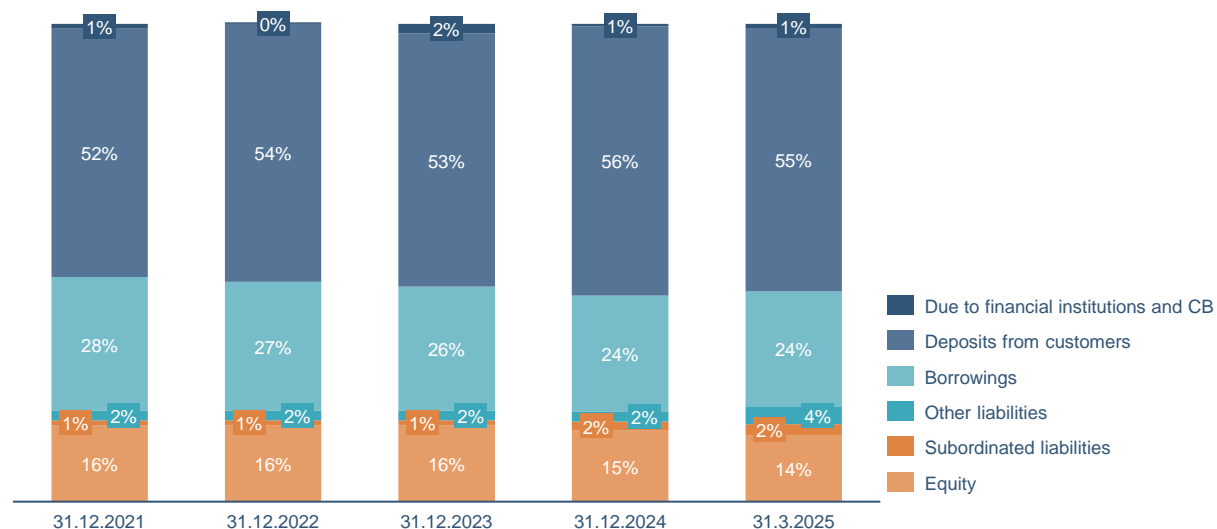


Liabilities and equity

Equity decreases as the result of dividend paid during the quarter, with other liabilities increasing because of the insurance liability of TM

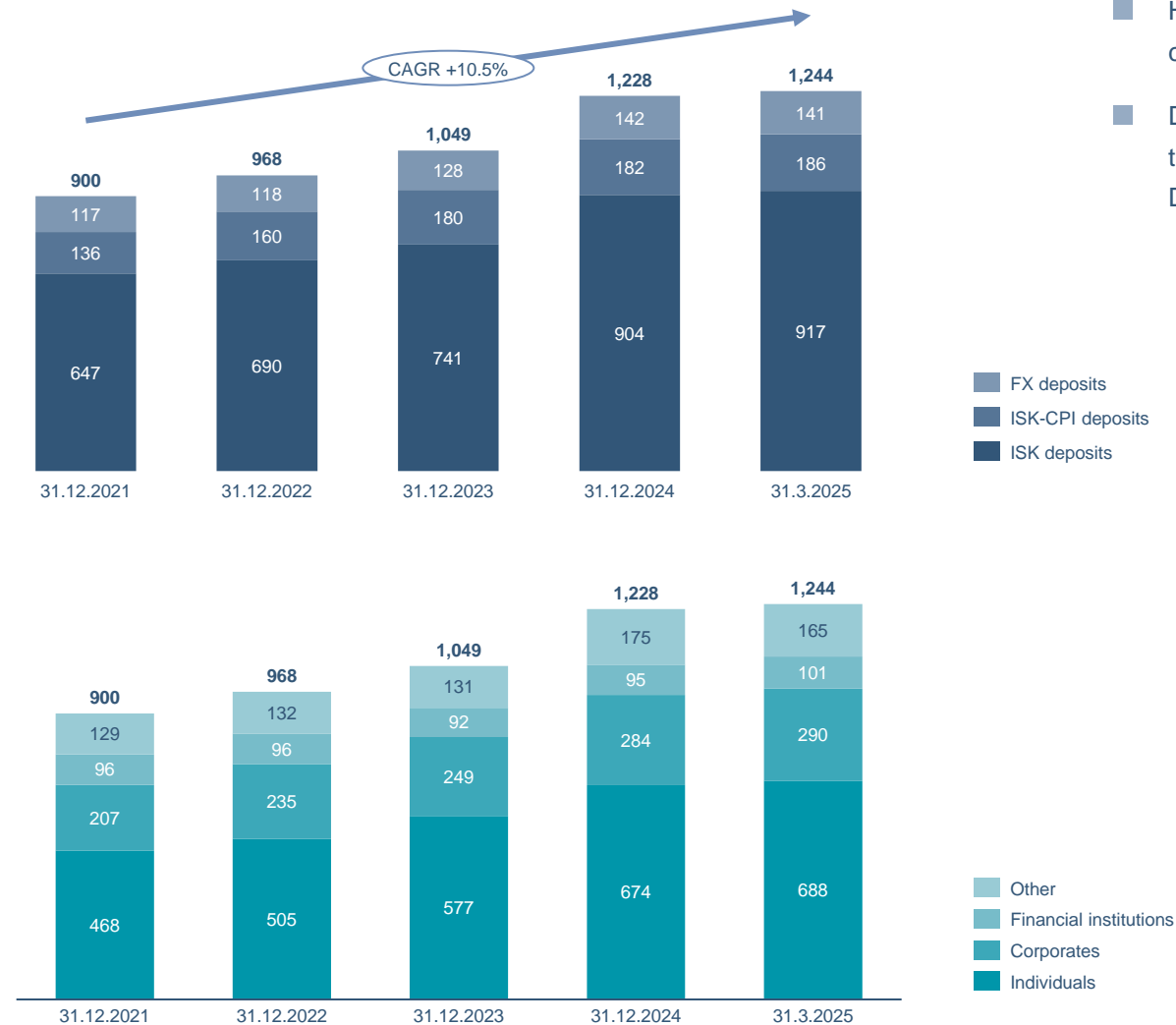
	31.3.2025	31.12.2024	Change	
Due to financial institutions and CB	19	12	7	58%
Deposits from customers	1,244	1,228	16	1%
Borrowings	544	529	15	3%
Other liabilities	84	48	36	75%
Subordinated liabilities	52	40	12	30%
Equity	314	325	-11	-3%
Total	2,257	2,182	75	3%

- Customer deposits increased by ISK 16 billion from the beginning of the year.
- Net borrowings increased by ISK 15 billion, having regard for negative exchange rate changes in the amount of ISK 0.9 billion.
- Subordinated liabilities increased by ISK 12 billion, having regard for negative exchange rate changes in the amount of ISK 0.8 billion.

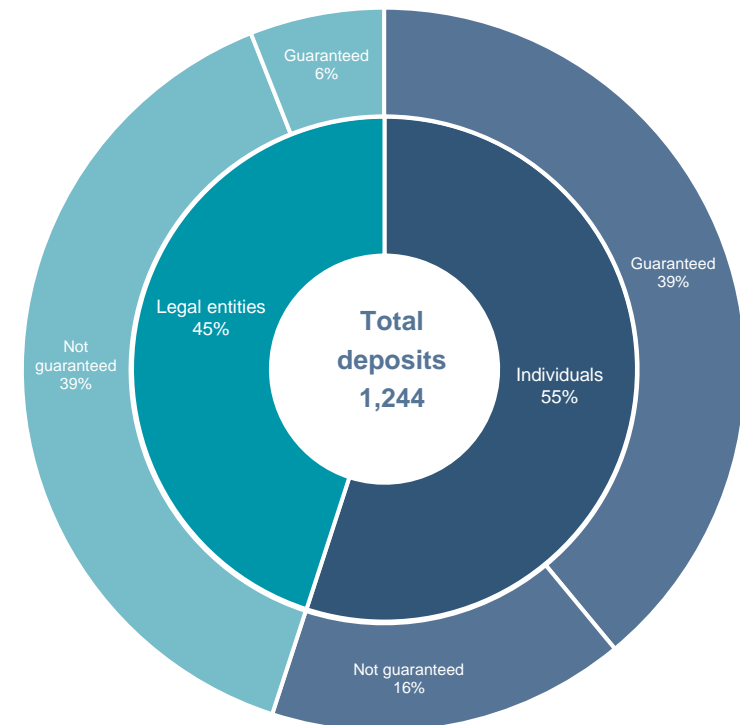


Deposits from customers

Continued growth of household deposits yet total deposit growth slows



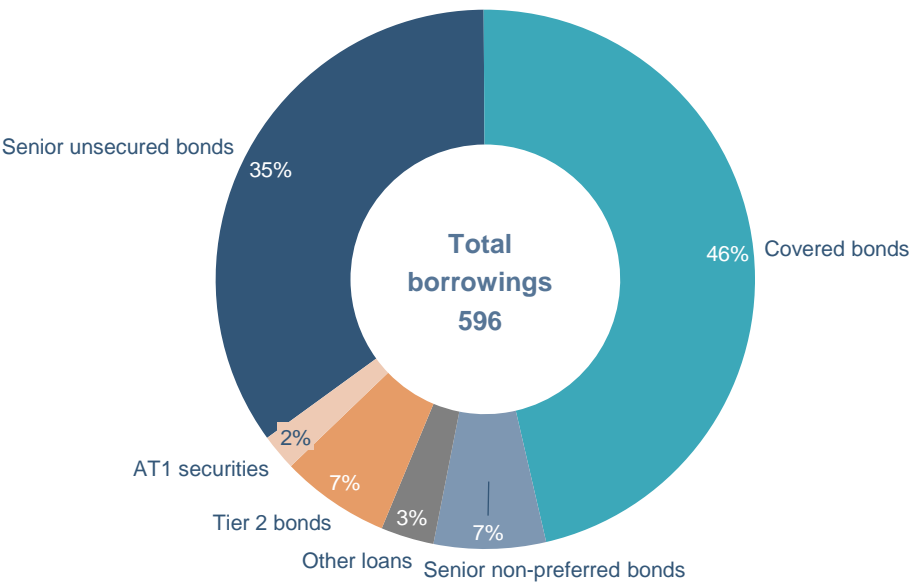
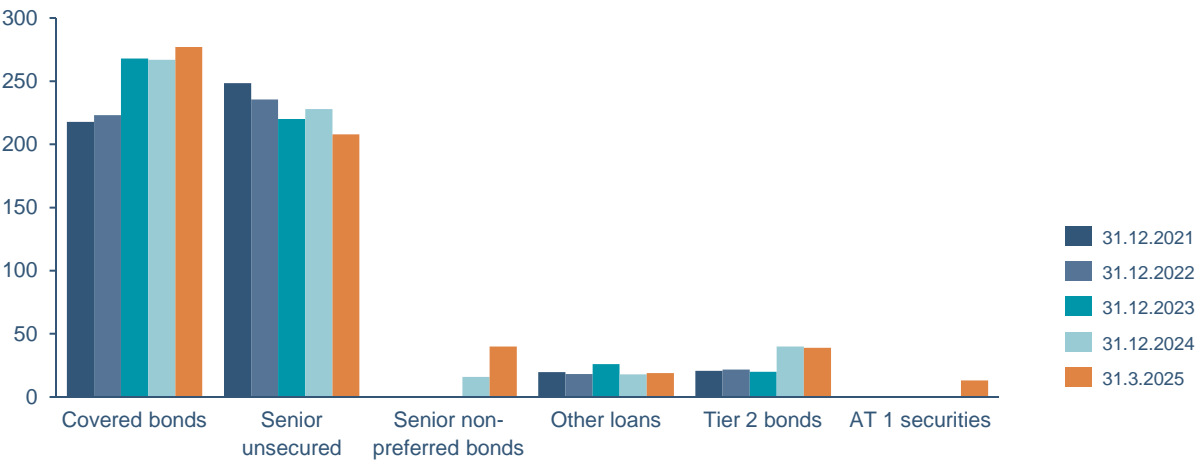
- Household deposits grew by ISK 14 billion from beginning of the year, with total customer deposits increasing by ISK 16 billion during the period.
- Deposits have priority over senior unsecured claims in the winding-up of deposit-taking institutions in Iceland. 45% of total deposits are guaranteed under the Act on Deposit Guarantees and Investor-Compensation Scheme.



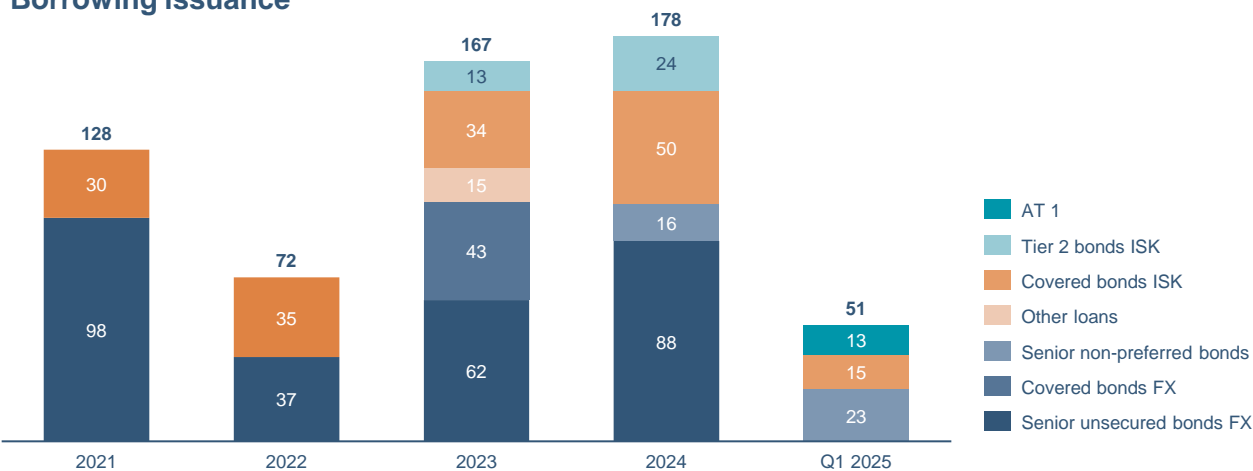
Borrowings

Diversification of the Bank’s funding structure achieved through successful issuance of USD 100 million AT1 securities in the quarter

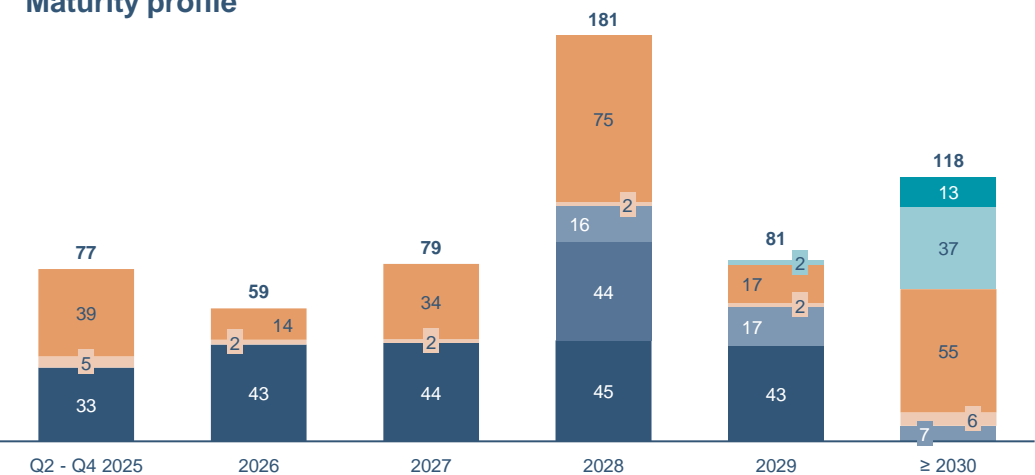
Borrowings



Borrowing issuance



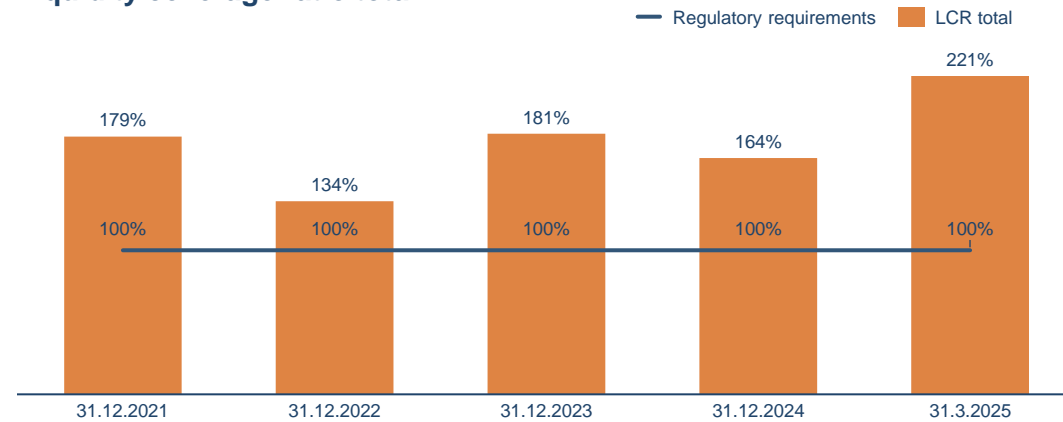
Maturity profile



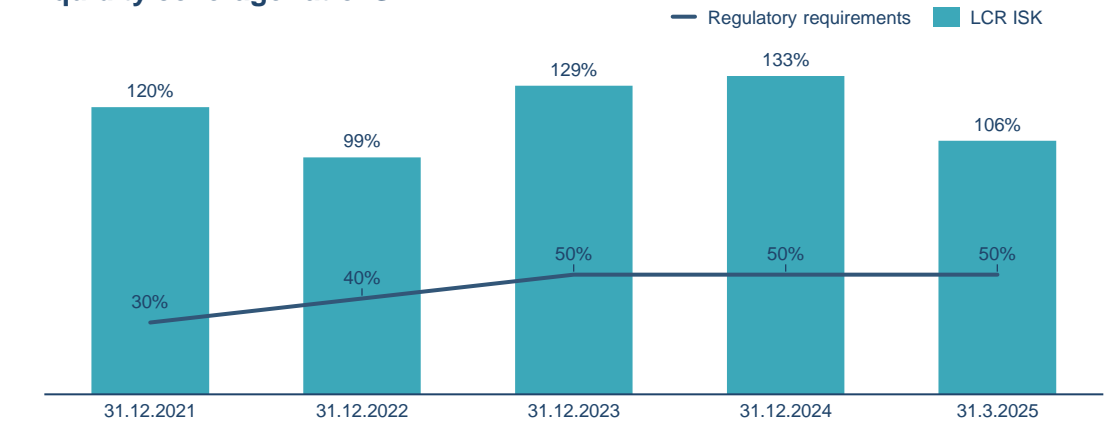
Liquidity ratio and net stable funding ratio

Liquidity and funding ratios well above regulatory requirements

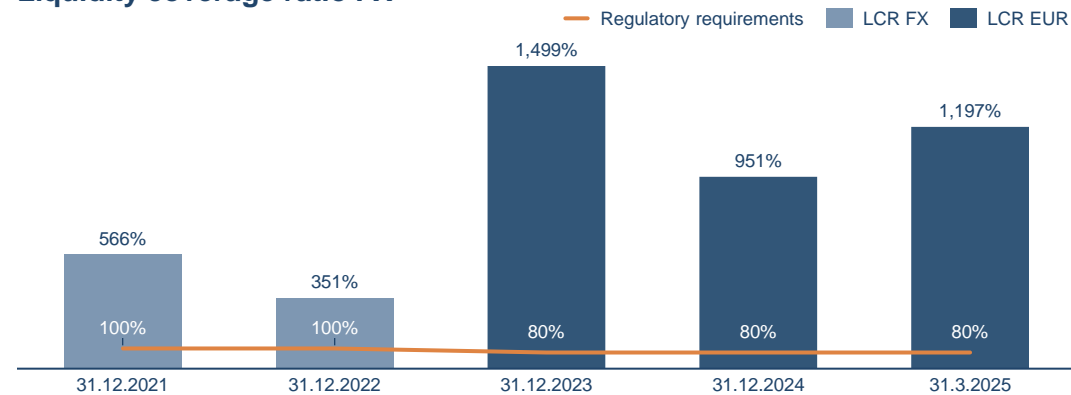
Liquidity coverage ratio total



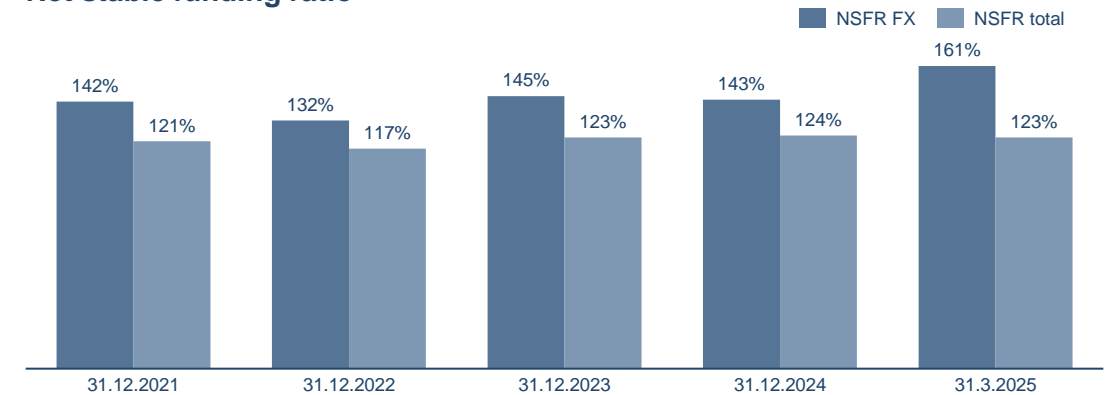
Liquidity coverage ratio ISK



Liquidity coverage ratio FX



Net stable funding ratio



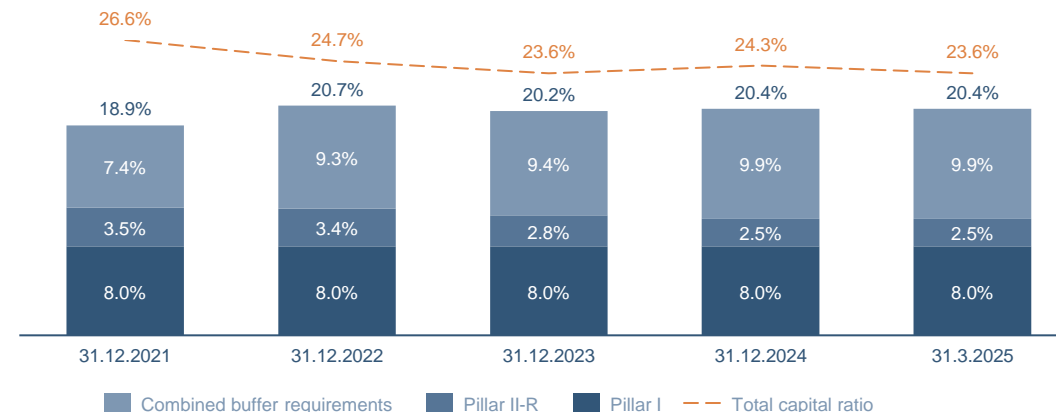
Capital requirements

Capital ratios well above regulatory requirements

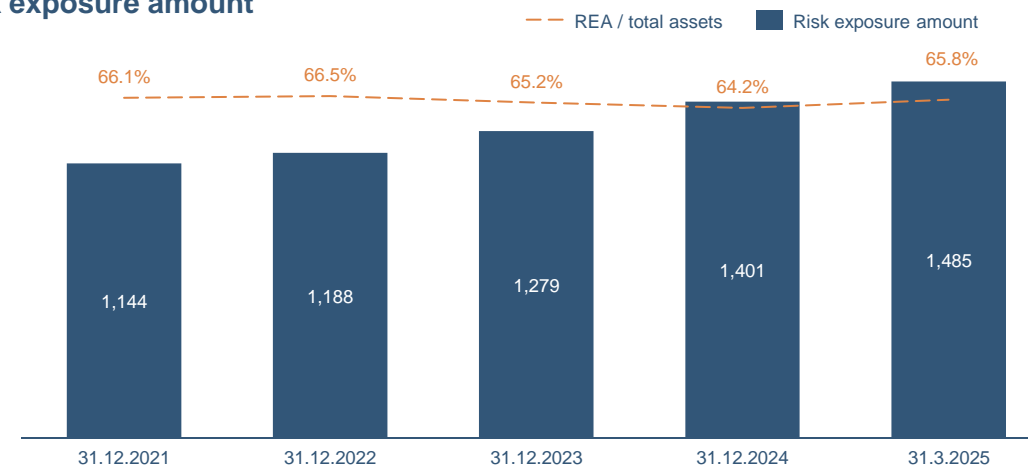
	CET1	Tier 1	Total
Pillar I	4.5%	6.0%	8.0%
Pillar II-R	1.4%	1.9%	2.5%
Minimum requirement under Pillar I and Pillar II-R	5.9%	7.9%	10.5%
Systemic risk buffer	1.9%	1.9%	1.9%
Capital buffer for systematically important institutions	3.0%	3.0%	3.0%
Countercyclical capital buffer	2.5%	2.5%	2.5%
Capital conservation buffer	2.5%	2.5%	2.5%
Combined buffer requirements under Pillar II-G	9.9%	9.9%	9.9%
Total capital requirement	15.8%	17.8%	20.4%
Total capital ratio	20.1%	21.0%	23.6%

- The Group basis calculation of Pillar 1 capital requirements for lending and market risk on the standardised approach. The basic indicator approach is used to calculate operational risk. The Bank applies the dynamic approach in terms of the IFRS 9 transitional arrangements.
- The consolidated position according to CRR refers to the Landsbankinn accounting group, excluding subsidiaries in insurance activities.
- On 28 June 2024, the Financial Supervisory Authority of the Central Bank announced an additional capital requirement under Pillar II-R, a change from 2.8% to 2.5% of Landsbankinn's risk exposure amount (REA).
- The Bank is currently preparing to implement Regulation (EU) No. 2024/1623 (CRR III), which introduces changes to the calculation of risk-weighted exposure amounts, particularly in relation to credit risk. The implementation is expected to result in a reduction in the Bank's risk-weighted exposure amount.

Regulatory total capital requirement as a ratio of REA

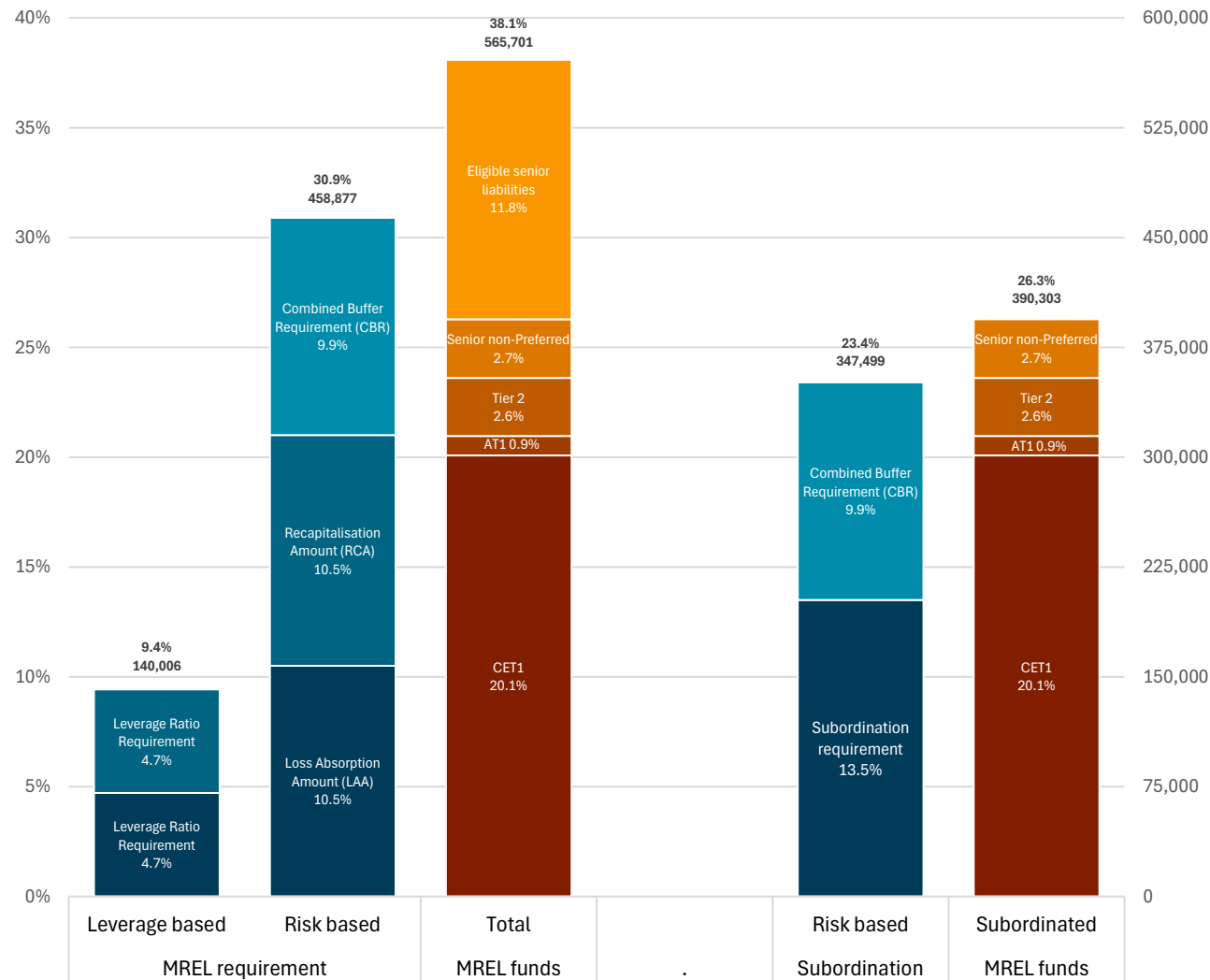


Risk exposure amount



Minimum requirement for own funds and eligible liabilities (MREL)

Landsbankinn's MREL funds are well above requirements



The most recent MREL decision of the Resolution Authority of the Central Bank of Iceland (RA of the CBI) is from October 2024 and, according to law, is the higher of either:

- **Risk-based:**
2 x (Pillar I + Pillar II-R) + Combined buffer requirements (CBR)
- **Leverage-based:**
2 x Minimum leverage ratio requirement (3.0% of total exposure amount)

The RA has introduced a 13.5% MREL subordination requirement, in addition to the CBR, which must be fulfilled as of 4 October 2027. At the end of March 2025, Landsbankinn's MREL requirement is 30.9% of RWEA, or the equivalent of ISK 458.9 billion.

- Landsbankinn's MREL funding totals ISK 565.7 billion at the end of March 2025, or 38.1% of RWEA.
- The MREL subordination requirement for Landsbankinn is 23.4% of RWEA, or the equivalent of ISK 347.5 billion at the end of March 2025.
- The Bank's MREL subordinated funding amounts to a total of ISK 390.3 billion at the end of March 2025, or the equivalent of 26.3% of RWEA.

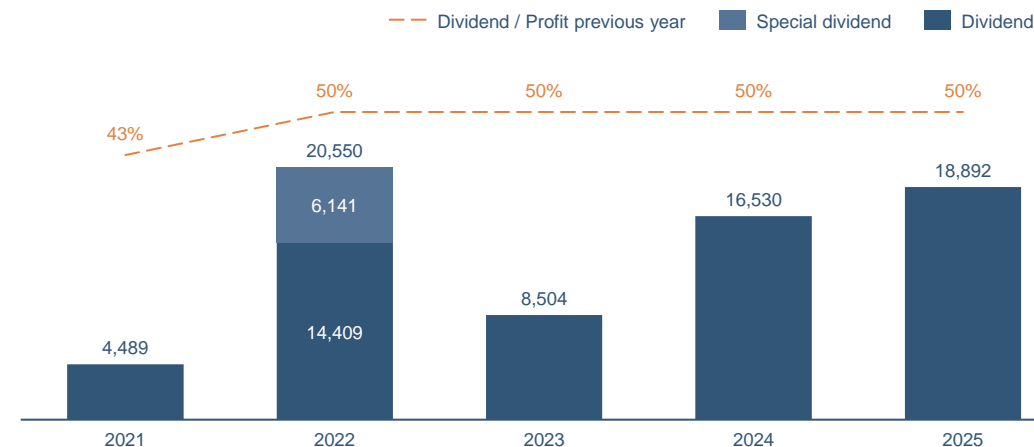
- The EU's Bank Recovery and Resolution Directive (BRRD) was transposed into Icelandic law in 2020.
- The minimum requirements for own funds and eligible liabilities (MREL) is part of BRRD.
 - The RA of the CBI determines the MREL requirement for Landsbankinn as a systematically important domestic institution (O-SII).

Dividends

The Bank's dividend policy is to pay around 50% of last year's profit

Dividend 2025

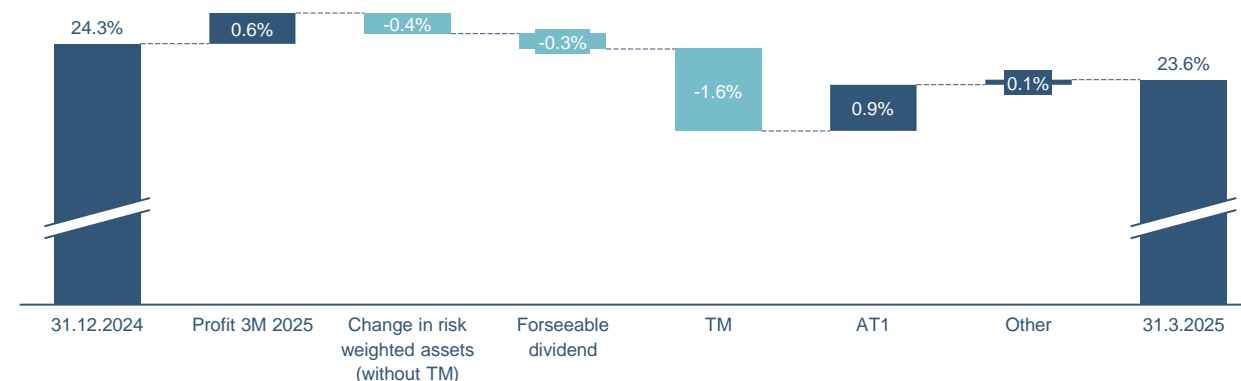
- The 2025 AGM of Landsbankinn, held on 19 March 2025, approved the motion of the Board of Directors to pay shareholders a dividend of ISK 0.80 per share for the fiscal year 2024. It was further approved that the dividend be paid in two equal instalments, each of ISK 0.40 per share. The former instalment was paid on 26 March 2025 and the latter will be paid on 17 September 2025. The total dividend amounts to ISK 18,892 million.



Landsbankinn's dividend policy

- Landsbankinn aims to pay regular dividends to shareholders amounting in general to around 50% of the previous year's profit. To achieve Landsbankinn's target capital ratio, the aim is also to make special dividend payments to optimise the Bank's capital structure.
- In determining the amount of dividend payments, the Bank's continued strong financial position shall be ensured. Regard shall be had for risk in the Bank's internal and external environment, growth prospects and the maintenance of a long-term, robust equity and liquidity position, as well as compliance with regulatory requirements of financial standing at any given time.

Capital ratio, changes in 3M 2025



Total Capital	340.9	7.9	(4.0)	(9.1)	13.2	1.1	350,0
TREA	1,401.0		26.2	57.8			1,485



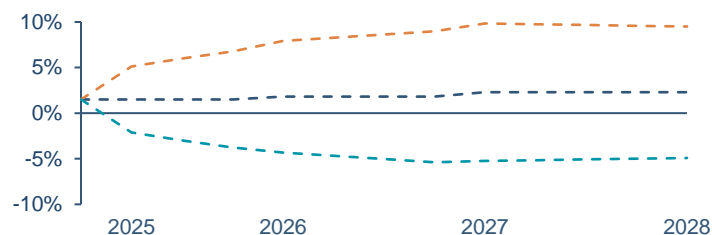


Appendix

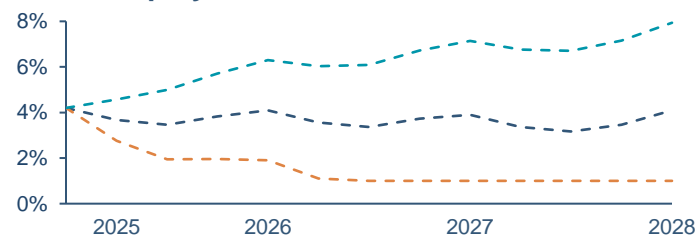
Economic scenarios for expected credit loss

- Landsbankinn Economic Research prepares scenarios to support forecasts for important economic variables.
- These scenarios show key economic variables used to calculate expected credit loss (ECL) for stages 1 and 2.
- The forecasts show averages for the 12-month outlook and to the medium-term forecast horizon.
- In calculating ECL, the optimistic scenario is given 15% weight, the baseline 70% weight and the pessimistic scenario 15% weight (2024: 15%-70%-15%).

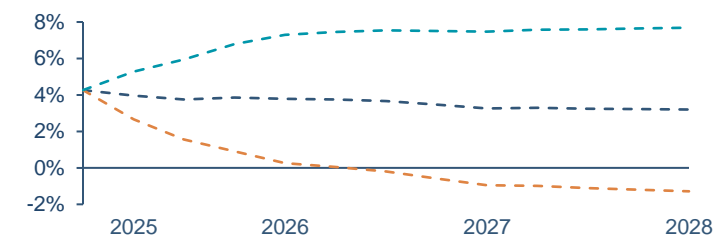
Economic growth



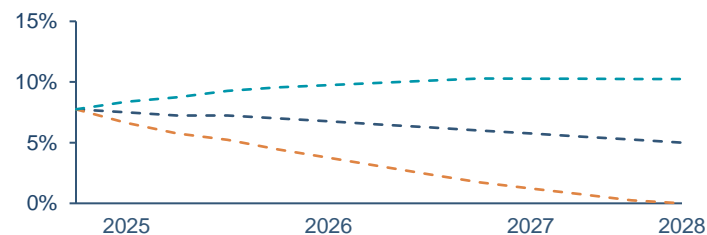
Unemployment



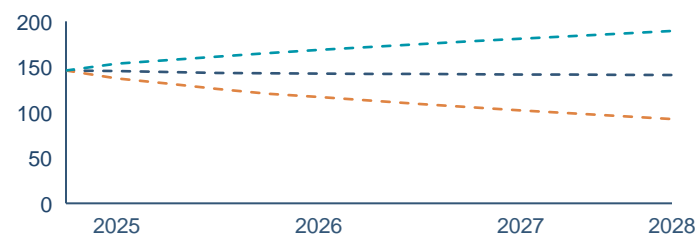
Inflation



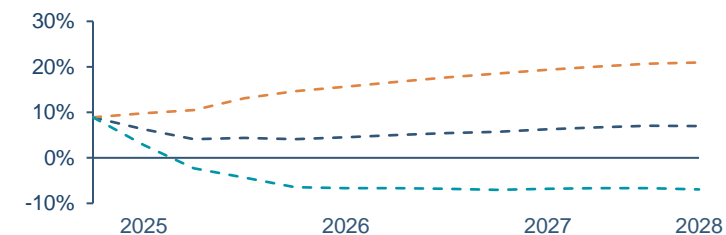
CBI's key rate (seven-day term deposits)



EUR / ISK



Housing price (YoY change)



Key financial ratios

	3M 2025	2024	2023	2022	2021	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Profit after taxes	7,940	37,508	33,167	16,997	28,919	10,600	10,787	8,965	7,156
Return on equity after taxes	10.0%	12.1%	11.6%	6.3%	10.8%	13.3%	14.0%	11.7%	9.3%
Return on assets	1.4%	1.8%	1.7%	1.0%	1.7%	1.9%	2.0%	1.7%	1.4%
Total assets	2,257,092	2,181,759	1,960,776	1,787,024	1,729,798	2,181,759	2,185,796	2,075,463	2,032,436
Net interest income	14,800	57,197	57,559	46,464	38,953	13,107	14,955	14,752	14,383
Interest spread as a ratio of average total assets	2.7%	2.7%	3.0%	2.7%	2.3%	2.4%	2.8%	2.9%	2.9%
Loans / deposits ratio	145.7%	147.1%	155.5%	159.6%	154.1%	147.1%	146.5%	151.4%	151.1%
Cost-income ratio	38.7%	32.4%	33.7%	46.8%	43.2%	32.8%	30.7%	32.5%	33.6%
Operating expenses as a ratio of average total assets	1.4%	1.3%	1.4%	1.4%	1.4%	1.3%	1.1%	1.3%	1.4%
Total equity	313,698	324,649	303,754	279,091	282,645	324,649	314,049	303,262	310,828
Total capital ratio	23.6%	24.3%	23.6%	24.7%	26.6%	24.3%	24.1%	24.4%	24.9%
Sum of MREL funds	38.1%	38.2%	37.9%	40.4%		38.2%		36.4%	39.6%
Liquidity coverage ratio total LCR	221%	164%	181%	134%	179%	164%	263%	177%	272%
Liquidity LCR EUR (LCR FX until 31.12.2022)	1197%	951%	1499%	351%	556%	951%	666%	447%	950%
Liquidity LCR ISK	106%	133%	129%	99%	120%	133%	134%	159%	156%
Net stable funding ratio NSFR total	123%	124%	123%	117%	121%	124%	121%	122%	123%
Net stable funding ratio FX (NSFR)	161%	143%	145%	132%	142%	143%	136%	138%	150%
Full-time eqv.positions	926	822	817	813	816	822	813	824	826



Operations

	3M 2025	2024	2023	2022	2021
Net interest income	14,800	57,197	57,559	46,464	38,953
Net fee & commission income	3,004	11,405	11,153	10,623	9,483
Insurance service result	270				
Net impairment changes	-331	-2,772	-3,120	2,473	7,037
Other net operating income	1,417	13,873	8,256	-6,307	6,857
Total operating income	19,160	79,703	73,848	53,253	62,330
Salaries and related expenses	4,465	16,534	15,866	14,474	14,759
Other operating expenses	3,068	10,202	10,092	9,289	9,105
Tax on liabilities to fin. institutions	671	2,597	2,290	2,097	2,013
Total operating expenses	8,204	29,333	28,248	25,860	25,877
Profit before tax	10,956	50,370	45,600	27,393	36,453
Income tax	3,016	12,862	12,433	10,396	7,534
Profit for the period	7,940	37,508	33,167	16,997	28,919

	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Net interest income	13,107	14,955	14,752	14,383
Net fee & commission income	3,337	2,690	2,642	2,736
Insurance service result				
Net impairment changes	-754	1,442	-746	-2,714
Other net operating income	5,411	2,129	3,178	3,156
Total operating income	21,100	21,216	19,826	17,561
Salaries and related expenses	4,529	3,582	4,190	4,233
Other operating expenses	2,633	2,493	2,491	2,585
Tax on liabilities to fin. institutions	642	719	636	600
Total operating expenses	7,804	6,793	7,317	7,419
Profit before tax	13,296	14,423	12,509	10,142
Income tax	2,696	3,636	3,544	2,986
Profit for the period	10,600	10,787	8,965	7,156

Balance sheet

	31.3.2025	31.12.2024	Change		31.12.2023	31.12.2022	31.12.2021
Cash and balances with CB	98,284	129,981	-31,697	-24%	75,350	42,216	82,425
Bonds and debt instruments	178,732	139,104	39,628	28%	148,182	125,265	150,435
Equities and equity instruments	37,964	32,644	5,320	16%	19,012	19,106	33,347
Loans and advances to financial institutions	71,952	39,346	32,606	83%	54,101	28,621	47,231
Loans and advances to customers	1,813,168	1,807,437	5,731	0%	1,630,894	1,544,360	1,387,463
Other assets	56,992	33,247	23,745	71%	33,237	27,456	28,897
Total assets	2,257,092	2,181,759	75,333	3%	1,960,776	1,787,024	1,729,798
Due to financial institutions and CB	19,069	11,989	7,080	59%	29,968	6,634	10,425
Deposits from customers	1,244,229	1,228,444	15,785	1%	1,048,537	967,863	900,098
Borrowing	543,628	529,150	14,478	3%	513,687	476,864	486,042
Other liabilities	84,036	47,538	36,498	77%	44,654	34,819	29,803
Subordinated liabilities	52,432	39,989	12,443	31%	20,176	21,753	20,785
Equity	313,698	324,649	-10,951	-3%	303,754	279,091	282,645
Total liabilities and equity	2,257,092	2,181,759	75,333	3%	1,960,776	1,787,024	1,729,798



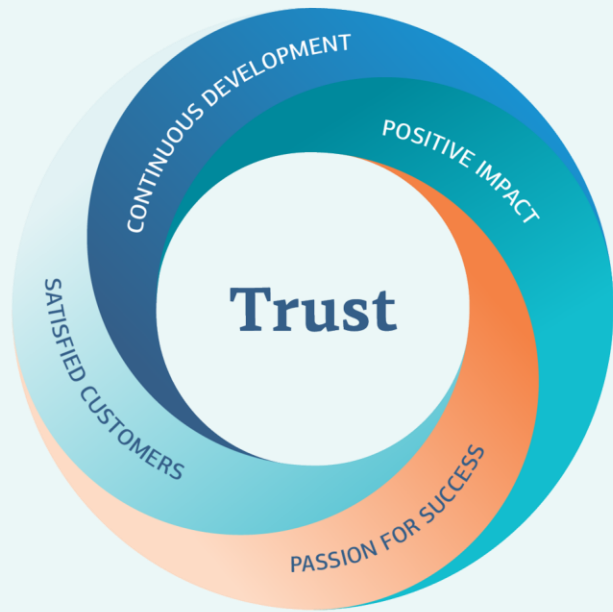
Operating segments

1.1. – 31.3.2025	Personal Banking	Corporate Banking	Asset Management & Capital Markets	Treasury and Market Making	TM tryggingar	Other divisions	Reconciliation	Total
Net interest income	5,247	6,862	79	2,374	34	142	62	14,800
Net fee and commission income	788	574	1,554	47	-	90	-49	3,004
Insurance service result	-	-	-	-	270	-	-	270
Net impairment changes	-127	-200	-	-1	-3	-	-	-331
Net other operating income (expense)	-1	-382	-198	2,256	-534	277	-1	1,417
Total operating income (expense)	5,907	6,854	1,435	4,676	-233	509	12	19,160
Operating expenses	-1,852	-928	-651	-226	-65	-3,860	49	-7,533
Tax on liabilities of financial institutions	-275	-147	-4	-243	-	-2	-	-671
Allocated expenses	-1,331	-974	-375	-498	-	3,178	-	0
Profit (loss) before tax	2,449	4,805	405	3,709	-298	-175	61	10,956
Income tax	-692	-1,250	-299	-765	-49	39		-3,016
Profit (loss) for the period	1,757	3,555	106	2,944	-347	-136	61	7,940
Total assets	936,232	865,303	15,472	787,613	57,633	21,743	-426,904	2,257,092
Total liabilities	867,683	721,510	11,483	726,033	25,807	17,782	-426,904	1,943,394
Allocated capital	68,549	143,793	3,989	61,580	31,826	3,961	0	313,698



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