



Financial results of Landsbankinn for the first nine months of 2025

News Release, 23 October 2025



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- Landsbankinn's after-tax profit in the first nine months of 2025 amounted to ISK 29.5 billion, ISK 11.1 billion thereof in the third quarter.
- Return on equity (ROE) was 12.2%, compared with 11.7% for the same period the previous year.
- The net interest margin as a ratio of average total asset position was 2.9%.
- Net interest income amounted to ISK 49.4 billion and net fee and commission income was ISK 9.2 billion.
- TM's performance in the period 28 February to 30 September 2025 from insurance contracts was ISK 1.5 billion, thereof ISK 528 million in the third quarter. The combined ratio of TM is 92.3% in the first nine months of 2025.
- The cost-income ratio was 33.2%, compared with 32.3% for the same period of 2024.
- The total capital ratio was 24.0% at the end of the period. The Financial Supervisory Authority (FSA) of the Central Bank of Iceland sets the total capital requirement at 20.4%.
- Landsbankinn paid the latter instalment of the year's dividends to shareholders on 17 September 2025. The first payment was made on 26 March 2025. The total dividend paid in 2025 amounts to ISK 18,891 million.
- Young customers (ages 18-24) who trade in Landsbréf funds grew by 45% from the same period last year. Young customers who entrust the Bank with their supplementary pension savings grew by 31%.
- Towards the end of July, Landsbankinn accepted the offer of Landsbyggð ehf. for the Bank's buildings at Austurstræti 11 and Hafnarstræti 10, 12 and 14. The sale price of the buildings was ISK 2.85 billion.

Lilja Björk Einarsdóttir, CEO of Landsbankinn:

“Performance in the first nine months of the year is good and builds on the performance of all the Bank’s segments. Performance of insurances was also solid and the alignment of TM with the Bank’s operations to leverage the strengths of both companies. It is particularly encouraging to see that young people are increasingly choosing to invest for the future with Landsbankinn. The cost-income ratio for the first nine months of the year was 33%, one of the lowest on record. Following a ruling by the Supreme Court of Iceland, we have made a precautionary entry in the amount of ISK 2.4 billion against housing mortgages loans to consumers in the Bank’s credit portfolio.

Loan growth was moderate and entirely on the corporate side. We do not anticipate much lending growth in the near future and are experiencing slower economic activity, as is addressed in the new economic forecast from Landsbankinn Economic Research that was published yesterday. There was a contraction in housing mortgage loans due to more borrowers choosing inflation-indexed loans from pension funds. We will endeavour to offer housing mortgages on competitive terms both to first-time buyers and other customers. Following the ruling of the Supreme Court of Iceland in the case against Íslandsbanki, we are now reviewing the terms on variable interest rates on new housing mortgage loans - this work is nearing completion. Landsbankinn is the largest lender in the housing loan market and we have focused on resolving this issue speedily to reduce uncertainty as much as is possible under the circumstances.

A significant milestone was reached in the Bank’s history in July, when Landsbankinn sold Austurstræti 11 and three connected buildings on Hafnarstræti. In recent years, we have reduced the Bank’s square meter footprint by some 40%. We continue to place strong emphasis on sound operations and continuous improvement, always striving to see things from our customers’ perspective - an approach that results in satisfied customers and long-term relationships. That is at the core of how we think about running the Bank.”

Key figures from the income statement and balance sheet for Q3 2025

Income statement:

- After-tax profit in Q3 of 2025 was ISK 11.1 billion, compared with ISK 10.8 billion for the same period of 2024.
- Return on equity (ROE) was 13.5% in Q3 2025, compared with 14.0% for the same period the previous year.
- Net interest income amounted to ISK 16.9 billion, compared with ISK 15.0 billion in Q3 2024.
- Net fee & commission income was ISK 3.0 billion, compared with ISK 2.7 billion in Q3 2024.
- Impairment on loans and receivables amounted to ISK 3.0 billion in Q3 2025 and includes an ISK 2.4 billion precautionary entry against uncertainty about court rulings. Loans in arrears remain low.
- Performance of TM insurance contracts was ISK 528 million in the Q3 2025. The combined ratio of TM in the period was 90.6%.

Balance sheet:

- Lending increased by 2.7% from the beginning of the year, or by ISK 49.5 billion. Lending to retail customers contracted by ISK 0.3 billion. Lending to corporates grew by ISK 49.9 billion but the total increase is ISK 61.1 billion, having regard for an ISK 11.6 billion exchange rate impact.
- Deposits grew by 1.9% from the beginning of the year, or by ISK 23.1 billion. Deposits on savings accounts in the app have grown by 18% since the beginning of the year.
- The Bank closely monitors and manages its liquidity risk, both overall, and in both FX and ISK. The Bank's liquidity coverage ratio (LCR) was 229% at the end of Q3 2025, compared with 164% at the end of the year 2024.

KPIs of the Group

OPERATIONS	9M 2025	9M 2024	Change	Change%	Q3 2025	Q3 2024	Change	Change%
Amounts are in ISK million								
Profit for the period	29,455	26,908	2,547	9.5%	11,133	10,787	346	3.2%
Net interest income	49,369	44,090	5,279	12.0%	16,907	14,955	1,952	13.1%
Net fee and commission income	9,184	8,068	1,116	13.8%	2,979	2,690	289	10.7%
Performance from insurance contracts	1,747		1,747		708		708	
Net other operating income (expenses)	3,520	6,445	(2,925)	(45.4%)	1,392	3,571	(2,179)	(61.0%)
Total operating income	63,820	58,603	5,217	8.9%	21,986	21,216	770	3.6%
Salaries and related expenses	(13,034)	(12,005)	(1,029)	8.6%	(3,869)	(3,582)	(287)	8.0%
Other operating expenses	(8,370)	(7,569)	(801)	10.6%	(2,533)	(2,492)	(41)	1.6%
Total operating expenses	(23,432)	(21,529)	(1,903)	8.8%	(7,060)	(6,793)	(267)	3.9%
BALANCE SHEET	30.9.2025	31.3.2024	Change	Change%				
Total assets	2,297,601	2,181,759	115,842	5.3%				
Loans and advances to customers	1,856,955	1,807,437	49,518	2.7%				
Deposits from customers	1,251,582	1,228,444	23,138	1.9%				
Equity	335,213	324,649	10,564	3.3%				
KEY FIGURES AND RATIOS	9M 2025	9M 2024	Q3 2025	Q3 2024				
Return on equity after taxes	12.2%	11.7%	13.5%	14.0%				
Interest spread as ratio of average total assets	2.9%	2.9%	2.9%	2.8%				
Operating expenses as a ratio of average total assets	1.3%	1.3%	1.1%	1.1%				
Cost/income ratio*	33.2%	32.3%	28.5%	30.7%				
	30.9.2025	30.6.2025	31.12.2024	31.12.2023	31.12.2022			
Total capital ratio	24.0%	24.0%	24.3%	23.6%	24.7%			
Sum of MREL funds	39.2%	38.3%	38.2%	37.9%	40.4%			
Sum of MREL Subordinated funds	26.7%	26.5%	25.5%	23.6%				
Net stable funding ratio FX (NSFR)	173%	168%	143%	145%	132%			
Liquidity coverage ratio total (LCR)	229%	234%	164%	181%	134%			
LCR EUR (was LCR FX up to and including 2022)	1236%	661%	951%	1499%	351%			
Problem loans	0.9%	0.8%	1.1%	1.0%	1.0%			
Average number of full-time positions	911	925	811	849	843			
Full-time equivalent positions	948	927	822	817	813			

*Cost/income ratio = Total operating expenses / (Net operating revenue – value change of lending)

Landsbankinn's financial calendar

- Annual results 2025 29 January 2026
- Annual General Meeting 18 March 2026
- Q1 2026 30 April 2026
- Q2 2026 23 July 2026
- Q3 2026 22 October 2026
- 2026 results 28 January 2027