



# Íslandsbanki Factbook

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### **9 Quarters review**

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## Investor relations

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### IR contact

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Investor relations web-site  
<https://www.islandsbanki.is/english/investor-relations/>

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#### Investor call in English at 09:30 (GMT).

On 14 February 2019 at 09:30 (GMT), the Bank will hold an investor call. The call will begin with a short presentation on the Icelandic economy, followed by a review of the Bank's financial results. The call will be in English. Please register by sending an e-mail to: [ir@islandsbanki.is](mailto:ir@islandsbanki.is). Dial-in details and presentations will be sent out to registered participants prior to the call.

#### Market participants meeting in Icelandic at 10:30 (GMT).

A meeting with market participants in Icelandic will take place on 14 February 2019 at 10:30 (GMT). The presentation will take place at the Íslandsbanki headquarters, Hagasmári 3, 9 floor, 201 Kópavogur. Please register for the presentation by sending an e-mail to: [ir@islandsbanki.is](mailto:ir@islandsbanki.is).

#### Further information

All materials relating to the Bank's financial results, together with information on the financial calendar and investor relations, can be found here: <https://www.islandsbanki.is/english/investor-relations/>

#### Financial calendar

The Bank plans to publish its annual and interim statements on the following dates:

- Annual report and results for 2018 — 13 February 2019
- Annual General Meeting — 21 March 2019
- Q1/2019 results — 8 May 2019
- Q2/2019 results — 31 July 2019
- Q3/2019 results — 30 October 2019

Please note that these dates are subject to change.

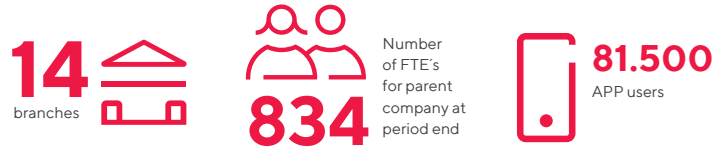
# Íslandsbanki Factsheet 2018



## Our profile

- A leader in financial services in Iceland, Íslandsbanki is a universal bank with total assets of ISK 1,130bn and a 25%-50% market share across all domestic business segments.
- Building on over 140 years of servicing key industries, Íslandsbanki has developed specific expertise in tourism, seafood and energy related industries.
- Driven by the vision to be #1 for service, Íslandsbanki's relationship banking business model is propelled by three business divisions that manage and build relationships with the Bank's customers.
- Íslandsbanki has developed a wide range of online services such as the Íslandsbanki, and Kass apps, enabling customers to do their banking whenever and wherever. At the same time, the Bank continues to operate the most efficient branch network in Iceland through its strategically located 14 branches.
- In 2018, Íslandsbanki led the Icelandic Customer Satisfactory Index for banks for the sixth consecutive year and in July 2018, Euromoney selected Íslandsbanki as the best bank in Iceland.
- Íslandsbanki has a BBB+/A-2 rating from S&P Global Ratings.

## Our Bank



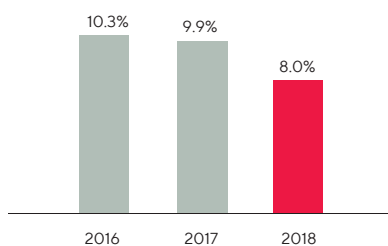
## Market Share\*



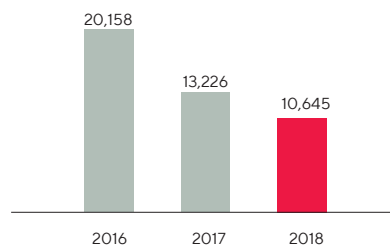
## Credit Ratings



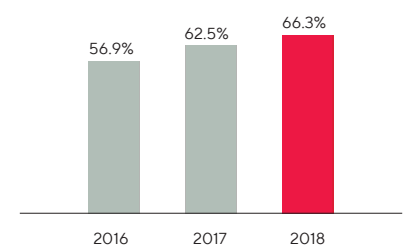
## ROE reg. operations CET1 16%\*\*



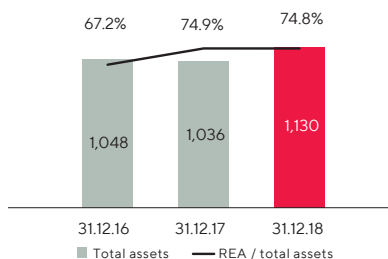
## Profit after tax (ISKm)



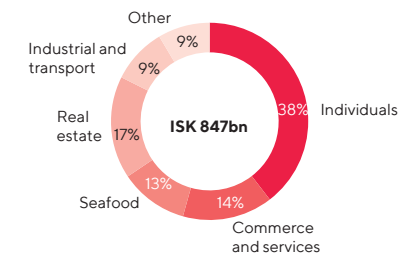
## Cost / income ratio



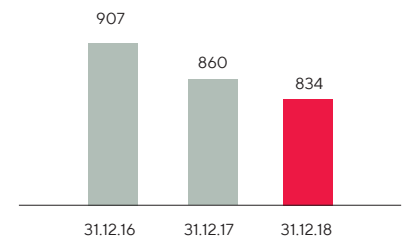
## REA / total assets (ISKbn)



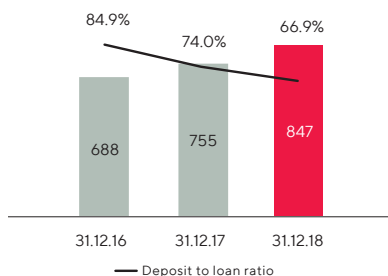
## Loans to customers (Sector split as of 31.12.18)



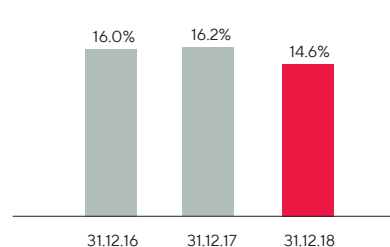
## Number of FTE's for Parent Company (Excluding seasonal employees)



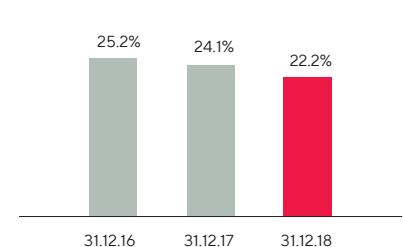
## Loans to customers (ISKbn)



## Leverage ratio



## Total capital ratio



For more information please contact:  
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The information above has not been reviewed or audited by the Bank's auditor.  
\*Based on Gallup survey regarding primary bank.  
\*\*Earnings on regular income now includes profit from discontinued operations. The Bank has introduced a new long term minimum capital target of 16% (CET1 16%), resulting in adjustments to its ROE on regular operations from previous levels (CET1 15%).

## Key performance indicators - 5 years

ISK million	2018	2017	2016	2015	2014
<b>Profitability</b>					
Return on equity (after tax)	6.1%	7.5%	10.2%	10.8%	12.8%
ROE 16% CET1 (regular operations)	8.0%	9.9%	10.3%	11.9%	11.4%
Earnings per share	1.01	1.10	1.40	1.87	2.17
Core income / total operating income*	0.98	0.99	0.86	0.92	0.91
<b>Net interest margin</b>					
Net interest margin on total assets	2.9%	2.9%	3.1%	2.9%	3.0%
<b>Efficiency</b>					
Cost-to-income ratio**	66.3%	62.5%	56.9%	56.2%	57.7%
Number of FTE´s at period end - Consolidated***	1,074	1,042	1,075	1,184	1,206
Number of FTE´s at period end - Parent co.***	834	860	910	919	945
Number of branches at period end	14	14	15	17	18
<b>Assets</b>					
Loans to customers	846,599	755,175	687,840	665,711	634,799
LTV on mortgages to individuals	61.0%	63.3%	67.2%	69.2%	74.0%
Risk exposure amount / Total assets	74.8%	74.9%	67.2%	66.9%	76.3%
<b>Financial strength</b>					
Equity as % of total assets	15.6%	17.5%	17.1%	19.3%	20.4%
<b>Liquidity</b>					
Liquidity coverage ratio (LCR)	172%	142%	200%	143%	130%
Liquidity coverage ratio (LCR) - Foreign currencies	544%	155%	347%	467%	617%
Net stable funding ratio (NSFR) - All currencies	114%	117%	123%	120%	112%
Net stable funding ratio (NSFR) - Foreign currencies	149%	122%	144%	141%	126%
Term deposits % of total deposits	27.1%	29.4%	35.0%	39.0%	34.0%
Deposit-to-loan ratio	66.9%	74.0%	84.9%	88.3%	82.9%
Customer deposits-to-loans to customers ratio	68.4%	75.1%	86.4%	89.1%	83.4%
<b>Capital</b>					
CET1 ratio	20.3%	22.6%	24.9%	28.3%	26.5%
Tier 2 ratio	1.9%	1.5%	0.3%	1.8%	3.1%
Capital adequacy ratio	22.2%	24.1%	25.2%	30.1%	29.6%
Leverage ratio	14.6%	16.2%	16.0%	18.1%	19.5%
Risk exposure amount	845,949	775,492	704,177	699,693	695,102

\* Core income is defined as net interest income plus net fee & commission income

\*\* Cost income ratio excludes bank tax, and expenditure deemed as one-off

\*\*\* Numbers exclude seasonal employees

## Income statement - 5 year summary

ISK million

	2018	2017	2016	2015	2014
Interest income	61,675	56,767	60,503	53,414	50,816
Interest expense	(29,738)	(26,768)	(28,701)	(25,404)	(23,711)
Net interest income	31,937	29,999	31,802	28,010	27,105
Fee and commission income	19,853	20,855	21,818	20,737	17,984
Fee and commission expense	(7,626)	(7,105)	(8,095)	(7,567)	(6,501)
Net fee and commission income	12,227	13,750	13,723	13,170	11,483
Net financial (expense) income	(962)	(715)	6,096	3,881	1,568
Net foreign exchange gain (loss)	1	527	443	(1,490)	165
Other operating income	1,784	628	652	1,102	2,122
Other net operating income	823	440	7,191	3,493	3,855
<b>Total operating income</b>	<b>44,987</b>	<b>44,189</b>	<b>52,716</b>	<b>44,673</b>	<b>42,443</b>
Administrative expenses	(27,650)	(26,968)	(27,121)	(23,760)	(22,901)
Contribution to the Depositors' and Investors' Guarantee Fund	(1,173)	(1,083)	(1,063)	(1,067)	(1,055)
Bank tax	(3,281)	(2,892)	(2,843)	(2,878)	(2,444)
<b>Total operating expenses</b>	<b>(32,104)</b>	<b>(30,943)</b>	<b>(31,027)</b>	<b>(27,705)</b>	<b>(26,400)</b>
Profit before net impairment on financial assets	12,883	13,246	21,689	16,968	16,043
Net impairment on financial assets	1,584	1,556	735	8,135	8,810
<b>Profit before tax</b>	<b>14,467</b>	<b>14,802</b>	<b>22,424</b>	<b>25,103</b>	<b>24,853</b>
Income tax expense	(4,734)	(4,151)	(5,205)	(5,851)	(6,239)
<b>Profit for the year from continuing operations</b>	<b>9,733</b>	<b>10,651</b>	<b>17,219</b>	<b>19,252</b>	<b>18,614</b>
Profit from discontinued operations, net of income tax	912	2,575	2,939	1,326	4,136
<b>Profit for the year</b>	<b>10,645</b>	<b>13,226</b>	<b>20,158</b>	<b>20,578</b>	<b>22,750</b>
Basic earnings per share from profit for the year	1.01	1.10	1.40	1.87	1.76

## Balance sheet - 5 year summary

ISK million	2018	2017	2016	2015	2014
Cash and balances with Central Bank	135,056	189,045	275,453	216,760	103,389
Bonds and debt instruments	69,415	27,090	31,256	78,606	87,347
Shares and equity instruments	13,074	10,177	10,626	18,320	10,531
Derivatives	4,550	2,896	1,953	1,981	1,810
Loans to credit institutions	41,577	26,617	17,645	35,534	35,072
Loans to customers	846,599	755,175	687,840	665,711	634,799
Investments in associates	682	704	450	716	570
Property and equipment	5,271	7,128	6,211	7,344	7,402
Intangible assets	5,002	4,231	2,672	1,331	619
Other assets	7,947	9,993	7,064	6,674	8,140
Non-current assets and disposal groups held for sale	1,230	2,766	6,384	12,792	21,649
<b>Total Assets</b>	<b>1,130,403</b>	<b>1,035,822</b>	<b>1,047,554</b>	<b>1,045,769</b>	<b>911,328</b>
Deposits from Central Bank and credit institutions	15,619	11,189	4,922	25,631	25,796
Deposits from customers	578,959	567,029	594,187	593,245	529,447
Derivative instruments and short positions	5,521	5,492	4,798	6,981	3,963
Debt issued and other borrowed funds	300,976	217,748	212,468	150,308	96,889
Subordinated loans	16,216	9,505	-	19,517	21,306
Tax liabilities	7,150	7,787	8,473	8,358	8,388
Other liabilities	29,643	35,947	43,456	36,677	37,262
Non-current liabilities and disposal groups held for sale	6	80	325	2,825	2,790
<b>Total Liabilities</b>	<b>954,090</b>	<b>854,777</b>	<b>868,629</b>	<b>843,542</b>	<b>725,841</b>
Share capital	10,000	10,000	10,000	10,000	10,000
Share premium	55,000	55,000	55,000	55,000	55,000
Reserves	6,499	6,179	4,139	6,002	2,535
Retained earnings	102,496	107,387	105,563	127,288	116,288
Total equity attributable to the equity holders of Íslandsbanki hf.	173,995	178,566	174,702	198,290	183,823
Non-controlling interests	2,318	2,479	4,223	3,937	1,664
<b>Total Equity</b>	<b>176,313</b>	<b>181,045</b>	<b>178,925</b>	<b>202,227</b>	<b>185,487</b>
<b>Total Liabilities and Equity</b>	<b>1,130,403</b>	<b>1,035,822</b>	<b>1,047,554</b>	<b>1,045,769</b>	<b>911,328</b>

## Net interest income - 5 year summary

ISK million

	2018	2017	2016	2015	2014
<b>Interest income:</b>					
Cash and balances with Central Bank	7,279	10,541	11,507	7,394	6,671
Loans at amortised cost	52,462	45,162	47,084	43,303	40,331
Financial assets mandatorily at fair value through profit or loss	1,825	-	-	-	-
Financial assets designated at fair value through profit or loss	-	50	1,672	1,558	1,672
Financial assets held for trading	-	879	99	980	1,957
Other assets	109	135	141	179	185
<b>Total interest income</b>	<b>61,675</b>	<b>56,767</b>	<b>60,503</b>	<b>53,414</b>	<b>50,816</b>
<b>Interest expense:</b>					
Deposits from credit institutions and Central Bank	(409)	(170)	(275)	(517)	(479)
Deposits from customers	(16,539)	(17,461)	(20,382)	(18,240)	(16,919)
Debt issued and other borrowed funds at fair value through profit and loss	(963)	-	-	-	-
Debt issued and other borrowed funds at amortised cost	(9,035)	(8,107)	(7,384)	(5,427)	(4,750)
Subordinated loans	(198)	(14)	(627)	(1,015)	(911)
Other financial liabilities	(2,565)	(995)	(7)	(147)	(295)
Other interest expense	(29)	(21)	(26)	(58)	(357)
<b>Total interest expense</b>	<b>(29,738)</b>	<b>(26,768)</b>	<b>(28,701)</b>	<b>(25,404)</b>	<b>(23,711)</b>
<b>Net interest income</b>	<b>31,937</b>	<b>29,999</b>	<b>31,802</b>	<b>28,010</b>	<b>27,105</b>
Interest spread (as the ratio of net interest income to the average carrying amount of total assets)	2.9%	2.9%	3.1%	2.9%	3.0%
<b>Interest bearing:</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Assets</b>					
Balances with Central Bank	135,056	189,045	275,453	216,760	103,389
Bonds and debt instruments	1,785	2,373	2,808	34,163	33,074
Loans to credit institutions	41,578	26,617	17,645	35,534	35,072
Loans to customers	846,599	756,902	689,888	665,710	637,650
<b>Total assets</b>	<b>1,025,018</b>	<b>974,937</b>	<b>985,794</b>	<b>952,167</b>	<b>809,185</b>
Off-balance sheet items	276,293	137,978	120,654	119,243	97,455
Effect of derivatives held for hedging	40,084	62,463	55,932	-	-
<b>Liabilities</b>					
Short positions	-	-	-	-	-
Deposits from CB and credit institutions	15,619	11,189	4,922	25,631	25,796
Deposits from customers	578,959	567,029	594,187	593,245	529,447
Debt issued and other borrowed funds	300,975	217,749	212,468	150,308	96,889
Subordinated loans	16,216	9,505	-	19,517	21,306
<b>Total liabilities</b>	<b>911,769</b>	<b>805,472</b>	<b>811,577</b>	<b>788,701</b>	<b>673,438</b>
Off-balance sheet items	274,391	138,165	120,081	131,357	106,555
Effect of derivatives held for hedging	39,995	62,537	56,002	-	-
<b>Net interest gap</b>	<b>115,240</b>	<b>169,204</b>	<b>174,720</b>	<b>151,352</b>	<b>126,647</b>



## Net fee & commission income - 5 year summary

ISK million	2018	2017	2016	2015	2014
<b>Fee and commission income:</b>					
Asset management	2,116	1,964	1,757	1,778	1,683
Investment banking and brokerage	2,303	2,280	1,987	2,132	1,833
Payment processing	12,065	13,094	14,705	13,664	11,627
Loans and guarantees	1,467	1,427	1,449	1,498	1,267
Other fees and commissions income	1,902	2,090	1,920	1,665	1,574
Total fees and commission income	19,853	20,855	21,818	20,737	17,984
<b>Commission expenses:</b>					
Interbank charges	-	-	-	-	(157)
Brokerage	(300)	(128)	(109)	(121)	(128)
Clearing and settlement	(7,302)	(6,956)	(7,963)	(7,415)	(6,179)
Other commission expenses	(24)	(21)	(23)	(31)	(37)
Total commission expenses	(7,626)	(7,105)	(8,095)	(7,567)	(6,501)
<b>Net fee and commission income</b>	<b>12,227</b>	<b>13,750</b>	<b>13,723</b>	<b>13,170</b>	<b>11,483</b>

## Loans to customers - 5 year summary

ISK million	2018	2017	2016	2015	2014
Individuals	319,390	299,350	286,177	272,610	262,848
Commerce and services	124,242	112,144	97,943	89,781	79,658
Construction	29,095	24,797	27,878	23,013	18,751
Energy	6,858	7,109	7,216	3,737	7,315
Financial services	1,704	26	85	105	121
Industrial and transportation	79,824	69,961	63,090	60,726	61,878
Investment companies	23,799	19,726	14,402	19,362	13,911
Public sector and non-profit organisations	12,087	11,871	12,835	13,878	12,216
Real estate	142,885	127,067	100,020	99,094	99,540
Seafood	106,715	84,853	80,243	85,872	81,412
<b>Loans to customers before collective impairment allowance</b>	<b>846,599</b>	<b>756,904</b>	<b>689,889</b>	<b>668,178</b>	<b>637,650</b>
Collective impairment allowance	-	(1,729)	(2,049)	(2,467)	(2,851)
<b>Loans to customers</b>	<b>846,599</b>	<b>755,175</b>	<b>687,840</b>	<b>665,711</b>	<b>634,799</b>

### Loans to customers - by product

Overdrafts	48,581	45,650	45,383	38,654	37,228
Credit cards	18,242	18,800	19,188	18,166	17,690
Mortgages	249,296	225,765	211,233	197,307	186,583
Capital leases	45,116	40,765	40,415	39,161	36,231
Other loans	485,364	425,924	373,670	374,891	359,918
<b>Loans to customers before collective impairment allowance</b>	<b>846,599</b>	<b>756,904</b>	<b>689,889</b>	<b>668,178</b>	<b>637,650</b>
Collective impairment allowance	-	(1,729)	(2,049)	(2,467)	(2,851)
<b>Loans to customers</b>	<b>846,599</b>	<b>755,175</b>	<b>687,840</b>	<b>665,711</b>	<b>634,799</b>

## Capital and risk exposure amount - 5 year summary

ISK million	2018	2017	2016	2015	2014
Ordinary share capital	10,000	10,000	10,000	10,000	10,000
Share premium	55,000	55,000	55,000	55,000	55,000
Other reserves	6,499	6,179	4,139	6,002	2,535
Retained earnings	102,496	107,387	105,563	127,288	116,288
Non-controlling interests	2,318	2,479	4,223	3,937	1,664
Fair value changes due to own credit standing	376	-	-	-	-
Tax assets	(215)	(4)	(4)	-	(521)
Intangible assets	(5,002)	(4,231)	(2,672)	(1,331)	(619)
Other regulatory adjustments	-	(1,285)	(924)	(2,779)	-
<b>Total CET1 capital</b>	<b>171,472</b>	<b>175,525</b>	<b>175,325</b>	<b>198,117</b>	<b>184,347</b>
Tier 2 capital					
Qualifying subordinated liabilities	16,216	9,505	-	19,517	21,306
Adjustment to eligible capital liabilities	-	-	-	(3,903)	-
Other regulatory adjustments	-	-	-	(2,779)	-
General credit risk adjustments	-	1,729	2,049	-	-
<b>Total capital base</b>	<b>187,688</b>	<b>186,759</b>	<b>177,374</b>	<b>210,952</b>	<b>205,653</b>
Risk exposure amount					
- due to credit risk	750,801	682,525	615,465	606,591	583,375
- due to market risk:	7,622	8,102	7,243	16,607	33,326
Market risk, trading book	6,649	6,709	6,418	9,931	6,594
Currency risk FX	973	1,393	825	6,676	26,732
- due to credit valuation adjustment	2,385	1,534	-	-	-
- due to operational risk	85,141	83,331	81,469	76,495	78,401
<b>Total risk exposure amount</b>	<b>845,949</b>	<b>775,492</b>	<b>704,177</b>	<b>699,693</b>	<b>695,102</b>
<b>Capital ratios</b>					
CET1 ratio	20.3%	22.6%	24.9%	28.3%	26.5%
Tier 2 ratio	1.9%	1.5%	0.3%	1.8%	3.1%
Capital adequacy ratio	22.2%	24.1%	25.2%	30.1%	29.6%
Leverage ratio	14.6%	16.2%	16.0%	18.1%	19.5%

Key performance indicators - 9 quarters ISK million	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
<b>Profitability</b>									
Return on equity	3.2%	4.7%	11.6%	4.8%	7.0%	4.7%	11.3%	7.0%	9.4%
ROE 16% CET1 (regular operations)*	5.3%	8.1%	11.1%	8.0%	10.3%	7.9%	11.4%	10.0%	11.2%
Earnings per share	0.15	0.21	0.51	0.15	0.40	0.19	0.33	0.27	0.46
<b>Net interest margin</b>									
Net interest margin on total assets	3.0%	3.0%	2.8%	2.9%	2.8%	2.8%	3.0%	2.9%	3.1%
<b>Efficiency</b>									
Cost-to-income ratio*	68.5%	62.1%	65.0%	69.8%	69.2%	62.7%	58.3%	60.1%	59.8%
Number of FTE's at period end - Consolidated***	1,074	1,075	1,013	1,027	1,042	1,066	1,071	1,070	1,072
Number of FTE's at period end - Parent co.***	834	835	841	855	860	881	874	898	907
<b>Asset quality</b>									
Loans to customers	846,599	835,582	799,938	776,149	755,175	741,380	721,820	703,447	687,840
LTV on mortgages to individuals	61.0%	61.4%	60.8%	63.2%	63.3%	62.0%	60.8%	69.0%	67.2%
Risk exposure amount / Total assets	74.8%	73.6%	73.7%	73.1%	74.9%	71.2%	70.3%	71.0%	67.2%
<b>Financial strength</b>									
Equity as % of total assets	15.6%	15.0%	15.5%	15.3%	17.5%	16.5%	16.8%	16.6%	17.1%
<b>Liquidity</b>									
Liquidity coverage ratio (LCR)	172.0%	164.0%	154.0%	158.0%	142.0%	183.0%	171.0%	181.0%	187.0%
Liquidity coverage ratio (LCR) - Foreign currencies	544.0%	270.0%	218.0%	359.0%	155.0%	239.0%	303.0%	400.0%	331.0%
Net stable funding ratio (NSFR) - All currencies	114.0%	117.0%	117.0%	116.0%	117.0%	115.0%	119.0%	121.0%	123.0%
Net stable funding ratio (NSFR) - Foreign currencies	149.0%	159.0%	147.0%	140.0%	122.0%	119.0%	138.0%	142.0%	144.0%
Term deposits % of total deposits	27.1%	26.0%	27.6%	26.9%	29.4%	34.0%	35.0%	39.0%	35.0%
Deposit-to-loan ratio	66.9%	69.2%	69.1%	71.5%	74.0%	76.9%	78.0%	78.4%	84.9%
Customer deposits-to-loans to customers ratio	68.4%	72.8%	72.3%	74.1%	75.1%	79.2%	79.3%	80.7%	86.4%
<b>Capital</b>									
CET 1 ratio	20.3%	19.9%	20.5%	20.3%	22.6%	22.5%	23.3%	22.8%	24.9%
Tier 2 ratio	1.9%	1.8%	1.1%	1.1%	1.5%	0.2%	0.2%	0.3%	0.3%
Capital adequacy ratio	22.2%	21.7%	21.6%	21.4%	24.1%	22.7%	23.5%	23.1%	25.2%
Leverage ratio	14.6%	14.0%	14.5%	14.3%	16.2%	15.3%	15.7%	15.5%	16.0%
Risk exposure amount	845,949	855,152	819,349	795,923	775,492	767,536	736,310	730,120	704,177

\* Cost income ratio excludes bank tax, and expenditure deemed as one-off.

\*\* Excludes one-off costs

\*\*\* Numbers exclude seasonal employees

**Income statement - 9 quarter summary**  
ISK million

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Net interest income	8,294	8,301	7,602	7,740	7,338	7,450	7,814	7,397	8,149
Net fee and commission income	3,478	2,939	3,032	2,778	3,632	3,305	3,543	3,270	3,831
Net financial (expense) income	(637)	(420)	378	(283)	260	(1,084)	97	12	37
Net foreign exchange (loss) gain	76	(8)	(57)	(10)	81	76	169	201	77
Other operating income	120	64	1,587	13	122	291	55	160	(17)
Other net operating income	(441)	(364)	1,908	(280)	463	(717)	321	373	97
<b>Total operating income</b>	<b>11,331</b>	<b>10,876</b>	<b>12,542</b>	<b>10,238</b>	<b>11,433</b>	<b>10,038</b>	<b>11,678</b>	<b>11,040</b>	<b>12,077</b>
Administrative expenses	(7,465)	(6,463)	(6,872)	(6,850)	(7,655)	(6,047)	(6,848)	(6,418)	(7,392)
Contribution to the Depositors' and Investors' Guarantee Fund	(299)	(295)	(287)	(292)	(288)	(280)	(262)	(253)	(252)
Bank tax	(740)	(944)	(812)	(785)	(614)	(806)	(752)	(720)	(691)
<b>Total operating expenses</b>	<b>(8,504)</b>	<b>(7,702)</b>	<b>(7,971)</b>	<b>(7,927)</b>	<b>(8,557)</b>	<b>(7,133)</b>	<b>(7,862)</b>	<b>(7,391)</b>	<b>(8,335)</b>
<b>Profit before net impairment on financial assets</b>	<b>2,827</b>	<b>3,174</b>	<b>4,571</b>	<b>2,311</b>	<b>2,876</b>	<b>2,905</b>	<b>3,816</b>	<b>3,649</b>	<b>3,742</b>
Net impairment on financial assets	(297)	(53)	1,846	88	969	147	200	240	484
<b>Profit before tax</b>	<b>2,530</b>	<b>3,121</b>	<b>6,417</b>	<b>2,399</b>	<b>3,845</b>	<b>3,052</b>	<b>4,016</b>	<b>3,889</b>	<b>4,226</b>
Income tax expense	(1,118)	(1,136)	(1,465)	(1,015)	(816)	(1,072)	(1,133)	(1,130)	(1,353)
<b>Profit for the period from continuing operations</b>	<b>1,412</b>	<b>1,985</b>	<b>4,952</b>	<b>1,384</b>	<b>3,029</b>	<b>1,980</b>	<b>2,883</b>	<b>2,759</b>	<b>2,873</b>
Profit (loss) for the period from discontinued operations	(8)	126	81	713	83	93	2,114	285	1,730
<b>Profit for the period</b>	<b>1,404</b>	<b>2,111</b>	<b>5,033</b>	<b>2,097</b>	<b>3,112</b>	<b>2,073</b>	<b>4,997</b>	<b>3,044</b>	<b>4,603</b>

**Balance sheet - 9 quarter summary**  
ISK million

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Cash and balances with Central Bank	135,056	156,251	166,194	177,029	189,045	214,254	227,189	210,437	275,453
Bonds and debt instruments	69,415	63,324	48,603	49,140	27,090	42,871	33,301	35,678	31,256
Shares and equity instruments	13,074	13,995	13,581	10,208	10,177	11,420	11,936	12,128	10,626
Derivatives	4,550	3,479	3,209	4,673	2,896	3,266	3,942	2,322	1,953
Loans to credit institutions	41,577	67,047	59,858	47,220	26,617	37,874	23,983	35,142	17,645
Loans to customers	846,599	835,582	799,938	776,149	755,175	741,380	721,820	703,447	687,840
Investments in associates	682	533	614	672	704	669	705	705	450
Property and equipment	5,271	5,079	5,058	7,025	7,128	7,189	6,663	6,376	6,211
Intangible assets	5,002	4,910	4,774	4,412	4,231	4,077	3,644	3,024	2,672
Other assets	7,947	11,205	8,512	10,732	9,993	11,201	10,103	14,298	7,064
Non-current assets and disposal groups held for sale	1,230	1,234	1,401	1,048	2,766	3,422	3,935	5,251	6,384
<b>Total Assets</b>	<b>1,130,403</b>	<b>1,162,639</b>	<b>1,111,742</b>	<b>1,088,308</b>	<b>1,035,822</b>	<b>1,077,623</b>	<b>1,047,221</b>	<b>1,028,808</b>	<b>1,047,554</b>
Deposits from Central Bank and credit institutions	15,619	15,530	15,391	13,563	11,189	12,684	9,362	11,253	4,922
Deposits from customers	578,959	608,646	578,414	575,196	567,029	586,922	572,407	567,486	594,187
Derivative instruments and short positions	5,521	5,585	7,075	8,104	5,492	5,167	7,344	5,041	4,798
Debt issued and other borrowed funds	300,976	297,318	288,360	269,255	217,748	240,259	227,274	223,327	212,468
Subordinated loans	16,216	15,531	8,872	8,838	9,505	-	-	-	-
Tax liabilities	7,150	10,311	8,925	7,908	7,787	13,143	11,581	10,062	8,473
Other liabilities	29,643	35,014	32,447	39,028	35,947	41,513	43,209	40,606	43,456
Non-current liabilities and disposal groups held for sale	6	74	76	79	80	116	116	268	325
<b>Total Liabilities</b>	<b>954,090</b>	<b>988,009</b>	<b>939,560</b>	<b>921,971</b>	<b>854,777</b>	<b>899,804</b>	<b>871,293</b>	<b>858,043</b>	<b>868,629</b>
Share capital	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Share premium	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Reserves	6,499	5,891	5,598	4,991	6,179	6,174	5,712	4,928	4,139
Retained earnings	102,496	101,280	99,159	93,930	107,387	104,144	102,436	97,859	105,563
Total equity attributable to the equity holders of Íslandsbanki hf.	173,995	172,171	169,757	163,921	178,566	175,318	173,148	167,787	174,702
Non-controlling interests	2,318	2,459	2,425	2,416	2,479	2,501	2,780	2,978	4,223
<b>Total Equity</b>	<b>176,313</b>	<b>174,630</b>	<b>172,182</b>	<b>166,337</b>	<b>181,045</b>	<b>177,819</b>	<b>175,928</b>	<b>170,765</b>	<b>178,925</b>
<b>Total Liabilities and Equity</b>	<b>1,130,403</b>	<b>1,162,639</b>	<b>1,111,742</b>	<b>1,088,308</b>	<b>1,035,822</b>	<b>1,077,623</b>	<b>1,047,221</b>	<b>1,028,808</b>	<b>1,047,554</b>

**Net interest income - 9 quarter summary**  
ISK million

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
<b>Interest income:</b>									
Cash and balances with Central Bank	1,603	1,629	1,886	2,161	2,285	2,543	2,724	2,989	3,024
Loans at amortised cost	14,521	13,565	12,023	12,353	11,455	10,710	12,183	10,814	11,475
Financial assets mandatorily at fair value through profit or loss	498	500	396	431	-	-	-	-	-
Financial assets designated at fair value through profit or loss	-	-	-	-	11	6	13	20	353
Financial assets held for trading	-	-	-	-	956	117	(186)	-	(74)
Other assets	9	13	37	50	35	30	33	29	46
Total interest income	16,631	15,707	14,342	14,995	14,742	13,406	14,767	13,852	14,824
<b>Interest expense:</b>									
Deposits from credit institutions and Central Bank	(106)	(97)	(109)	(97)	(52)	(37)	(64)	(17)	31
Deposits from customers	(4,389)	(4,192)	(3,863)	(4,095)	(3,921)	(4,035)	(4,797)	(4,708)	(4,893)
Debt issued and other borrowed funds at fair value through profit and loss	(250)	(133)	(292)	(288)	-	-	-	-	-
Debt issued and other borrowed funds at amortised cost	(2,676)	(2,399)	(1,910)	(2,050)	(2,417)	(1,881)	(2,084)	(1,725)	(1,830)
Subordinated loans	(109)	(18)	(37)	(34)	(14)	-	-	-	-
Other financial liabilities	(800)	(561)	(517)	(687)	(995)	-	-	-	-
Other interest expense	(7)	(6)	(12)	(4)	(5)	(3)	(8)	(5)	17
Total interest expense	(8,337)	(7,406)	(6,740)	(7,255)	(7,404)	(5,956)	(6,953)	(6,455)	(6,675)
<b>Net interest income</b>	<b>8,294</b>	<b>8,301</b>	<b>7,602</b>	<b>7,740</b>	<b>7,338</b>	<b>7,450</b>	<b>7,814</b>	<b>7,397</b>	<b>8,149</b>
<b>Interest bearing:</b>									
<b>Assets</b>									
Balances with Central Bank	135,056	156,251	166,194	177,029	189,045	214,254	227,189	210,437	275,453
Bonds and debt instruments	1,785	1,874	2,264	2,216	2,373	2,377	2,439	2,547	2,808
Loans to credit institutions	41,577	67,047	59,858	47,220	26,617	37,874	23,983	35,142	17,645
Loans to customers	846,599	835,582	799,938	776,149	756,902	743,123	723,707	705,420	689,888
<b>Total assets</b>	<b>1,025,017</b>	<b>1,060,754</b>	<b>1,028,254</b>	<b>1,002,614</b>	<b>974,937</b>	<b>997,628</b>	<b>977,318</b>	<b>953,546</b>	<b>985,794</b>
Off-balance sheet items	276,293	229,211	228,102	216,466	137,978	154,909	136,232	115,883	120,654
Effect of derivatives held for hedging	40,084	38,690	37,190	36,471	62,463	62,263	58,763	60,278	55,932
<b>Liabilities</b>									
Deposits from CB and credit institutions	15,619	15,530	15,391	13,563	11,189	12,684	9,362	11,253	4,922
Deposits from customers	578,959	608,646	578,414	575,196	567,029	586,921	572,407	567,486	594,187
Debt issued and other borrowed funds	300,976	297,318	288,360	269,255	217,749	240,260	227,274	223,327	212,468
Subordinated loans	16,216	15,531	8,872	8,838	9,505	-	-	-	-
<b>Total liabilities</b>	<b>911,770</b>	<b>937,025</b>	<b>891,037</b>	<b>866,852</b>	<b>805,472</b>	<b>839,865</b>	<b>809,043</b>	<b>802,066</b>	<b>811,577</b>
Off-balance sheet items	274,391	228,512	229,573	219,464	138,165	155,170	135,947	115,610	120,081
Effect of derivatives held for hedging	39,995	38,634	37,164	36,473	62,537	62,288	58,927	60,397	56,002
<b>Net interest gap</b>	<b>115,240</b>	<b>124,484</b>	<b>135,772</b>	<b>132,762</b>	<b>169,204</b>	<b>157,477</b>	<b>168,396</b>	<b>151,634</b>	<b>174,720</b>

<b>Net fee and commission - 9 quarter summary</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>
<b>ISK million</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2016</b>
<b>Fee and commission income:</b>									
Asset management	587	498	556	475	526	436	529	473	460
Investment Banking and brokerage	621	634	552	496	637	566	646	431	495
Payment processing	3,243	3,186	3,082	2,554	3,040	3,296	3,342	3,416	3,650
Loans and guarantees	336	362	429	340	339	359	377	352	340
Other fee and commission income	786	364	344	408	670	460	503	457	739
Total fee and commission income	5,573	5,044	4,963	4,273	5,212	5,117	5,397	5,129	5,684
<b>Commission expenses:</b>									
Brokerage	(91)	(79)	(62)	(68)	(31)	(33)	(31)	(33)	6
Clearing and settlement	(1,988)	(2,025)	(1,865)	(1,424)	(1,544)	(1,773)	(1,815)	(1,824)	(1,854)
Other commission expenses	(16)	(1)	(4)	(3)	(5)	(6)	(8)	(2)	(5)
Total commission expenses	(2,095)	(2,105)	(1,931)	(1,495)	(1,580)	(1,812)	(1,854)	(1,859)	(1,853)
<b>Net fee and commission income</b>	<b>3,478</b>	<b>2,939</b>	<b>3,032</b>	<b>2,778</b>	<b>3,632</b>	<b>3,305</b>	<b>3,543</b>	<b>3,270</b>	<b>3,831</b>



**Loans to customers - 9 quarter summary**  
ISK million

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Individuals	319,390	314,491	306,376	299,201	299,350	294,508	290,584	287,303	286,177
Commerce and services	124,242	123,624	126,211	118,378	112,144	114,304	107,153	104,233	97,943
Construction	29,095	30,913	29,079	26,856	24,797	27,641	27,797	26,740	27,878
Energy	6,858	7,407	6,933	7,006	7,109	7,142	7,152	7,168	7,216
Financial services	1,704	220	179	175	26	29	42	37	85
Industrial and transportation	79,824	84,849	74,703	74,372	69,961	68,568	68,413	65,100	63,090
Investment companies	23,799	19,532	16,900	20,627	19,726	14,642	17,221	14,377	14,402
Public sector and non-profit organisations	12,087	11,819	14,208	14,731	11,871	12,104	12,604	12,929	12,835
Real estate	142,885	136,787	134,156	130,993	127,067	118,292	112,687	105,430	100,020
Seafood	106,715	105,940	91,193	83,810	84,853	85,894	80,054	82,103	80,243
<b>Loans to customers before collective impairment allowance</b>	<b>846,599</b>	<b>835,582</b>	<b>799,938</b>	<b>776,149</b>	<b>756,904</b>	<b>743,124</b>	<b>723,707</b>	<b>705,420</b>	<b>689,889</b>
Collective impairment allowance	-	-	-	-	(1,729)	(1,744)	(1,887)	(1,973)	(2,049)
<b>Loans to customers</b>	<b>846,599</b>	<b>835,582</b>	<b>799,938</b>	<b>776,149</b>	<b>755,175</b>	<b>741,380</b>	<b>721,820</b>	<b>703,447</b>	<b>687,840</b>

**Loans to customers - by product**

Overdrafts	48,581	48,239	49,417	53,431	45,650	43,978	42,907	45,540	45,383
Credit cards	18,242	17,764	17,710	16,467	18,800	17,423	18,441	17,547	19,188
Mortgages	249,296	243,024	236,158	229,985	225,765	221,743	218,478	214,949	211,233
Capital leases	45,116	42,114	44,474	41,889	40,765	41,249	43,642	41,749	40,415
Other loans	485,364	484,441	452,179	434,377	425,924	418,731	400,239	385,635	373,670
<b>Loans to customers before collective impairment allowance</b>	<b>846,599</b>	<b>835,582</b>	<b>799,938</b>	<b>776,149</b>	<b>756,904</b>	<b>743,124</b>	<b>723,707</b>	<b>705,420</b>	<b>689,889</b>
Collective impairment allowance	-	-	-	-	(1,729)	(1,744)	(1,887)	(1,973)	(2,049)
<b>Loans to customers</b>	<b>846,599</b>	<b>835,582</b>	<b>799,938</b>	<b>776,149</b>	<b>755,175</b>	<b>741,380</b>	<b>721,820</b>	<b>703,447</b>	<b>687,840</b>

<b>Capital and risk exposure amount</b> <b>ISK million</b>	<b>Q4</b> <b>2018</b>	<b>Q3</b> <b>2018</b>	<b>Q2</b> <b>2018</b>	<b>Q1</b> <b>2018</b>	<b>Q4</b> <b>2017</b>	<b>Q3</b> <b>2017</b>	<b>Q2</b> <b>2017</b>	<b>Q1</b> <b>2017</b>	<b>Q4</b> <b>2016</b>
Ordinary share capital	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Share premium	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Other reserves	6,499	5,891	5,598	4,991	6,179	6,174	5,712	4,928	4,139
Retained earnings	102,496	101,280	99,159	93,930	107,387	104,144	102,436	97,859	105,563
Non-controlling interests	2,318	2,459	2,425	2,416	2,479	2,501	2,780	2,978	4,223
Fair value changes due to own credit standing	376	674	730	1,277	-	-	-	-	-
Tax assets	(215)	(235)	(374)	(454)	(4)	(5)	(4)	(4)	(4)
Intangible assets	(5,002)	(4,910)	(4,774)	(4,412)	(4,231)	(4,077)	(3,644)	(3,024)	(2,672)
Other regulatory adjustments	-	-	-	(1,338)	(1,285)	(1,255)	(1,014)	(1,130)	(924)
<b>Total Tier 1 capital</b>	<b>171,472</b>	<b>170,159</b>	<b>167,764</b>	<b>161,410</b>	<b>175,525</b>	<b>172,482</b>	<b>171,266</b>	<b>166,607</b>	<b>175,325</b>
Tier 2 capital									
Qualifying subordinated liabilities	16,216	15,531	-	8,838	9,505	-	-	-	-
Adjustment to eligible capital liabilities	-	-	-	-	-	-	-	-	-
Other regulatory adjustments	-	-	8,872	-	-	-	-	-	-
General credit risk adjustments	-	-	-	-	1,729	1,744	1,887	1,973	2,049
<b>Total regulatory capital</b>	<b>187,688</b>	<b>185,690</b>	<b>176,636</b>	<b>170,248</b>	<b>186,759</b>	<b>174,226</b>	<b>173,153</b>	<b>168,580</b>	<b>177,374</b>
Risk exposure amount									
- due to credit risk	750,801	758,774	724,177	701,035	682,525	673,998	645,188	634,648	615,465
- due to market risk:	7,622	10,428	10,055	9,887	8,102	12,069	9,653	14,003	7,243
Market risk, trading book	6,649	7,099	6,251	6,939	6,709	9,724	7,212	7,338	6,418
Currency risk FX	973	1,393	3,804	2,948	1,393	577	668	1,013	825
- due to credit valuation adjustment	2,385	2,619	1,786	1,670	1,534	1,768	1,773	5,652	-
- due to operational risk	85,141	83,331	83,331	83,331	83,331	81,469	81,469	81,469	81,469
<b>Total risk exposure amount</b>	<b>845,949</b>	<b>855,152</b>	<b>819,349</b>	<b>795,923</b>	<b>775,492</b>	<b>767,536</b>	<b>736,310</b>	<b>730,120</b>	<b>704,177</b>
<b>Capital ratios</b>									
CET1 ratio	20.3%	19.9%	20.5%	20.3%	22.6%	22.5%	23.3%	22.8%	24.9%
Tier 2 ratio	1.9%	1.8%	1.1%	1.1%	1.5%	0.2%	0.3%	0.3%	0.3%
Capital adequacy ratio	22.2%	21.7%	21.6%	21.4%	24.1%	22.7%	23.5%	23.1%	25.2%

## Macroeconomics - summary

	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
<b>YoY change, %</b>							
GDP growth	2.6	6.6	5.9	2.0	3.4	4.8	6.2
Total investment	-6.4	7.2	7.3	3.4	17.7	9.9	5.1
Business investment	-10.7	5.3	4.1	2.1	11.7	7.5	-2.2
Residential investment	-3.2	18.7	29.6	-7.9	45.3	19.1	37.5
Personal consumption	5.4	4.8	5.9	6.6	8.1	9.8	7.3
Unemployment rate, % of workforce	2.2	3.6	2.9	2.7	2.1	3.4	2.9
Current account, % of GDP	10.3	-0.6	0.7	0.6	9.3	1.9	0.9
International investment position, % of GDP	13.3	7.6	6.6	4.5	3.3	-1.2	1.4
Gross general govt. debt, % of GDP				42.3		52.8	
Household debt, gross, % of GDP	74.5	74.6		77.1	76.9	77.0	
Corporate debt, gross, % of GDP	85.8	85.8		86.3	85.7	84.2	
<b>YoY change, %</b>							
Inflation	2.7	2.3	2.5	1.8	1.7	1.7	1.8
Residential real estate price index	2.7	5.3	10.8	15.1	22.6	19.8	16.3
Wages	6.1	6.5	7.2	7.1	7.3	6.2	6.4
Real wages	3.4	4.5	4.8	5.1	5.5	4.9	4.4
ISK index, average	164.3	160.9	161.2	161.7	163.2	154.7	161.8
Central bank policy rate (1W)	4.3	4.3	4.3	4.3	4.5	4.5	5.0
Long-term nominal yield	5.4	5.4	5.0	4.9	5.0	4.8	5.1
Long-term real yield	1.8	1.8	1.9	1.9	2	2.4	2.64

## Other - 5 years

ISK million	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	2016
<hr/>								
<b>Currencies (average)</b>								
USD	120.41	108.22	103.47	101.11	106.53	105.65	104.94	120.67
GBP	154.82	141.02	140.68	140.72	137.45	138.26	134.10	163.80
EUR	120.93	125.84	123.27	124.33	120.54	124.09	115.33	133.59
DKK	18.41	16.88	16.55	16.70	16.20	16.68	15.51	17.94
SEK	13.31	12.09	11.93	12.47	12.52	12.99	11.91	14.13
CHF	120.93	110.04	105.03	106.74	108.43	109.72	106.45	122.50

# Financial targets

Medium and long term strategies structured around achieving key financial targets

	Target	2018	2017	2016	Guidance
<b>ROE regular operations<sup>1</sup></b>	8-10%	✓ 8.0%	✓ 9.9%	✓ 10.3%	<ul style="list-style-type: none"> <li>Based on risk free rate + 4.6% which is considered to be CBI current account rate, currently at 4.25% (average in 2017 = 4.4%)</li> <li>As the Bank retains substantive liquid assets, interest rate levels in Iceland can have a substantial impact on ROE</li> <li>The bank tax, excluded from target returns, will have an impact on profitability if kept at current high levels</li> <li>ROE target will be challenging to reach in the near term in a slowing economy and before a full realisation of the Bank's planned efficiency gains</li> </ul>
<b>Cost/ Income ratio<sup>2</sup></b>	<55%	66.3%	62.5%	56.9%	<ul style="list-style-type: none"> <li>This is a medium to long term target, C/I ratio can be expected to be higher than target in the near term</li> <li>Headcount and non-headcount related cost control programmes in place</li> <li>Lower C/I on parent company basis than on a consolidated basis</li> </ul>
<b>CET1</b>	>16% LT	✓ 20.3%	✓ 22.6%	✓ 24.9%	<ul style="list-style-type: none"> <li>Current SREP requirement of 18.8% plus management buffer means currently a target 14.8-16.3% CET1 ratio</li> </ul>
<b>Total capital ratio</b>	> 19.3 – 20.8%	✓ 22.2%	✓ 24.1%	✓ 25.2%	<ul style="list-style-type: none"> <li>Based on the regulatory SREP requirement with a 50 – 200 bp management buffer</li> <li>Current SREP requirement is 18.8%</li> <li>Short term target removed in Q317 due to less uncertainty regarding lifting of capital controls and IFRS9 implementation</li> </ul>
<b>Dividend payout ratio</b>	40-50%	✓ 50%	✓ 100%	✓ 50%	<ul style="list-style-type: none"> <li>Dividend pay-out ability will be impacted if the bank tax will be kept at current high levels</li> <li>The BoD agreed to pay out ISK 5.3 billion in dividend for the 2018 financial year which is in line with the Bank's dividend payout target</li> </ul>

1. Return from regular operations on normalized CET1 of 16%, adjusted for risk free interest on excess capital. Earnings from regular operations is defined as earnings excluding one off items. As the future level of bank tax is unclear, it is regarded as a one-off item in these calculations

2. Calculated as (Administrative expenses + Contribution to the Depositors' and Investors' Guarantee Fund – One off items) / (Total operating income – one-off items)

# Íslandsbanki credit ratings

Ratings affirmed from both Fitch and S&P in late 2017 and mid-2018

## S&P BBB+/A-2 Stable Outlook

Press Release 17 July 2018

In July, S&P Global Ratings **affirmed** Íslandsbanki's ratings of **BBB+/A-2** with a **stable outlook** along with three other Icelandic financial institutions. S&P had in October 2017 upgraded the Bank to this rating

In its press release, S&P notes that the rating actions take into account their view that **economic growth in Iceland continues to support the banking sector, resulting in business growth and low default rates**. This is balanced by their expectation of more challenging competitive and funding dynamics

S&P also comments that the stable outlook on Íslandsbanki reflects our expectation that the **bank's RAC ratio will remain sustainably above 15%**, even while the bank prepares for an eventual sale or IPO over the next two years, and it optimises its capital base by paying extraordinary dividends and issuing capital instruments

Íslandsbanki		<div>S&amp;P Global Ratings BBB+/A-2 Stable outlook</div>
	S&P	
Long-term	BBB+	
Short-term	A-2	
Outlook	Stable	
Rating action	Jul 18	

## FITCH

Press Release 30 January 2019

Íslandsbanki informed that following expiration and by agreement of parties, **the credit rating service contract** between Fitch Ratings and Íslandsbanki **was to terminate**.

The decision by Íslandsbanki was driven primarily from a **cost perspective** and the Bank will **continue to work closely with S&P** and is committed to comply with its obligations to provide the relevant information in an open and transparent way, in support of the rating agency's actions in relation to the Bank.

Previously, in November 2018, Fitch had **affirmed** Íslandsbanki's ratings of **BBB/F3 with a stable outlook**

Icelandic sovereign			
	S&P	FITCH	MOODY'S
Long-term	A	A	A3
Short-term	A-1	F1	-
Outlook	Stable	Stable	Positive
Rating action	Jun 18	Jun 18	Jul 18

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