

Factbook 2024

Unaudited

KFI - 5 years

ISK million	2024	2023	2022	2021	2020
Profitability					
Return on equity	13.2%	13.6%	14.1%	14.7%	6.5%
Return on assets	1.7%	1.7%	1.8%	2.3%	1.1%
Return on risk exposure amount	2.7%	2.8%	3.0%	3.7%	1.7%
Operating income / Risk exposure amount	7.0%	7.1%	6.7%	7.6%	7.0%
Earnings per share	18.31	10.65	17.40	17.96	7.24
Net interest margin					
Net interest margin on interest bearing assets	3.1%	3.1%	3.1%	2.8%	2.9%
Net interest margin on total assets	2.9%	3.0%	2.9%	2.6%	2.7%
Net interest income on credit risk	5.6%	5.7%	5.4%	4.9%	5.0%
Efficiency					
Cost-to-core income ratio*	47.2%	44.7%	45.0%	51.6%	53.3%
Cost-to-income ratio*	42.6%	40.0%	44.0%	44.4%	48.1%
Cost-to-total assets ratio	1.8%	1.7%	1.8%	2.1%	2.1%
Number of FTE´s at year end	858	822	781	751	776
Asset quality					
Share of stage 3 loans, gross**	2.3%	1.7%	1.2%	1.9%	2.6%
Risk weighted assets / Total assets	61.0%	59.7%	60.2%	62.0%	63.6%
Financial strength					
Equity as % of total assets	12.8%	13.1%	12.8%	14.8%	16.9%
Liquidity					
Liquidity coverage ratio (LCR)	180.6%	191.8%	158.5%	202.8%	188.5%
Loans-to-deposits ratio	143.5%	145.4%	143.6%	142.8%	144.8%
Loans-to-deposits ratio (without covered bonds)	114.5%	116.0%	115.4%	111.8%	117.7%
Deposits from customers as % of total funding	66.1%	65.2%	65.1%	64.4%	64.6%
Covered bonds as % of total funding	19.1%	19.2%	18.4%	20.0%	17.5%
Capital					
CET 1 ratio	18.2%	19.7%	18.8%	19.6%	22.3%
Tier 1 ratio	20.3%	21.2%	20.3%	21.2%	24.1%
Tier 2 ratio	2.4%	2.9%	3.7%	2.6%	2.9%
Capital adequacy ratio	22.6%	24.1%	24.0%	23.8%	27.0%
Leverage ratio	12.2%	12.4%	11.8%	12.6%	15.1%

*Including expenses from insurance operations

** (Gross carrying value of stage 3 loans + gross carrying value of POCI loans in Risk class 4 or lower) / Gross carrying value of loans to customers

Income statement - 5 year summary

ISK million	2024	2023	2022	2021	2020
Interest income	132,259	123,116	83,515	53,958	51,730
Interest expense	(85,957)	(78,431)	(43,314)	(21,895)	(20,572)
Net interest income	46,302	44,685	40,201	32,063	31,158
Fee and commission income	19,171	20,120	18,741	16,706	13,225
Fee and commission expense	(3,811)	(3,731)	(2,292)	(2,033)	(1,583)
Net fee and commission income	15,360	16,389	16,449	14,673	11,642
Insurance revenue	19,669	17,416	15,105	-	-
Insurance service expenses	(17,503)	(17,264)	(14,490)	-	-
Insurance service results	2,166	152	615	-	-
Net insurance income	-	-	-	3,442	3,071
Net financial (loss) income	2,845	1,366	(3,286)	6,220	2,745
Other operating income	(222)	1,589	1,314	1,827	2,126
Other net operating income / loss	2,623	2,955	(1,972)	11,489	7,942
Operating income	66,451	64,181	54,678	58,225	50,742
Operating expenses	(28,328)	(25,701)	(24,329)	-	-
Salaries and related expense	-	-	-	(14,638)	(12,332)
Other operating expenses	-	-	-	(11,237)	(12,109)
Operating expenses	(28,328)	(25,701)	(24,329)	(25,875)	(24,441)
Bank Levy	(1,924)	(1,796)	(1,749)	(1,516)	(1,301)
Net impairment	(1,131)	(1,348)	144	3,169	(5,044)
Earnings before income tax	35,068	35,336	28,744	34,003	19,956
Income tax expense	(8,919)	(9,595)	(9,944)	(6,782)	(3,231)
Net earnings from continuing operations	26,149	25,741	18,800	27,221	16,725
Discontinued operations held for sale, net of income tax	(37)	(4)	6,543	1,394	(4,278)
Net earnings	26,112	25,737	25,343	28,615	12,447
Attributable to					
Shareholders of Arion Bank	26,111	25,718	25,945	28,607	12,476
Non-controlling interest	1	18	13	20	(7)
Net earnings	26,112	25,736	25,958	28,627	12,469

Balance sheet - 5 year summary

ISK million

31.12.2024 31.12.2023 31.12.2022 31.12.2021 31.12.2020

Assets

Cash and balances with Central Bank	124,094	102,095	114,118	69,057	42,136
Loans to credit institutions	25,690	28,835	45,501	30,272	28,235
Loans to customers	1,230,058	1,152,789	1,084,757	936,237	822,941
Financial instruments	206,417	205,706	193,329	225,657	227,251
Investment property	9,387	9,493	7,862	6,560	6,132
Investments in associates	814	789	787	668	891
Intangible assets	7,688	8,051	8,783	9,463	9,689
Tax assets	2	39	135	2	2
Asset and disposal groups held for sale	111	62	61	16,047	16,811
Other assets	14,006	17,813	10,276	16,747	18,618
Total assets	1,618,267	1,525,672	1,465,609	1,310,710	1,172,706

Liabilities

Due to credit institutions and Central Bank	6,618	2,771	11,697	5,000	13,031
Deposits	857,443	792,710	755,361	655,476	568,424
Financial liabilities at fair value	8,394	11,646	20,997	5,877	5,240
Tax liabilities	11,060	11,169	10,303	7,102	4,262
Liabilities associated with disposal groups held for sale	-	-	-	16,935	16,183
Other liabilities	49,950	46,336	39,400	34,914	32,714
Borrowings	433,178	420,460	392,563	356,637	298,947
Subordinated liabilities	44,538	41,279	47,331	35,088	36,060
Total liabilities	1,411,181	1,326,371	1,277,652	1,117,029	974,861

Equity

Share capital and share premium	5,686	10,634	13,372	22,684	51,331
Other reserves	13,949	12,283	10,672	12,838	11,320
Retained earnings	186,947	175,881	163,264	157,486	135,021
Total shareholders equity	206,582	198,798	187,308	193,008	197,672
Non-controlling interest	504	503	649	673	173
Total equity	207,086	199,301	187,957	193,681	197,845
Total liabilities and equity	1,618,267	1,525,672	1,465,609	1,310,710	1,172,706

Net interest income - 5 year summary

ISK million	2024	2023	2022	2021	2020
Interest income					
Cash and balances with Central bank	7,752	5,747	3,334	573	1,435
Loans	116,732	110,735	77,059	49,166	46,992
Securities	7,679	6,572	2,988	4,029	3,138
Other	96	62	134	189	165
Interest income	132,259	123,116	83,515	53,957	51,730
Interest expense					
Deposits	(53,865)	(46,268)	(22,751)	(6,820)	(6,644)
Borrowings	(27,914)	(27,365)	(18,027)	(13,065)	(12,030)
Subordinated liabilities	(4,043)	(4,651)	(2,338)	(1,891)	(1,780)
Other	(135)	(147)	(198)	(118)	(118)
Interest expense	(85,957)	(78,431)	(43,314)	(21,894)	(20,572)
Net interest income	46,302	44,685	40,201	32,063	31,158
Interest bearing assets					
Cash and balances with Central Bank	124,094	102,095	114,118	69,057	42,136
Loans	1,255,748	1,181,624	1,130,258	966,509	851,176
Securities	161,399	159,392	142,064	168,801	192,244
Interest bearing assets	1,541,241	1,443,111	1,386,440	1,204,367	1,085,556
Interest bearing liabilities					
Due to credit institutions and Central Bank	6,618	2,771	11,697	5,000	13,031
Deposits	857,443	792,710	755,361	655,476	568,424
Financial liabilities at fair value	8,394	11,646	20,997	5,877	5,240
Borrowings	433,178	420,460	392,563	356,637	298,947
Subordinated liabilities	44,538	41,279	47,331	35,088	36,060
Interest bearing liabilities	1,350,171	1,268,866	1,227,949	1,058,078	921,702
Interest Gap	191,070	174,245	158,491	146,289	163,854
Net interest margin on interest bearing assets	3.1%	3.1%	3.1%	2.8%	2.9%

Loans to customers - 5 year summary

ISK million

31.12.2024 31.12.2023 31.12.2022 31.12.2021 31.12.2020

Loans to customers

Individuals	639,404	609,144	582,371	526,498	433,336
Corporates	590,654	543,645	502,386	409,739	389,605
Total loans to customers	1,230,058	1,152,789	1,084,757	936,237	822,941

Ratios:

Share of stage 3 loans, gross*	2.3%	1.7%	1.2%	1.9%	2.6%
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Loans to individuals

Overdrafts	14,575	13,840	14,893	14,255	12,875
Credit cards	16,873	15,972	14,304	13,192	12,260
Mortgage loans	571,525	550,269	514,007	463,895	378,554
Other loans	38,925	31,536	40,942	37,044	32,122
Provision on loans	(2,494)	(2,473)	(1,775)	(1,888)	(2,475)
Total loans to individuals	639,404	609,144	582,371	526,498	433,336

Loans to corporates

Overdrafts	42,233	43,013	33,369	18,301	15,471
Credit cards	2,297	2,062	1,838	1,449	1,086
Mortgage loans	74,287	68,840	60,528	41,588	32,175
Loans at fair value	1,751	-	-	-	-
Other loans	476,944	435,808	411,792	354,113	350,455
Provision on loans	(6,858)	(6,078)	(5,141)	(5,712)	(9,582)
Total loans to corporates	590,654	543,645	502,386	409,739	389,605

Loans to corporates specified by sector:

Agriculture and forestry	2.1%	2.1%	2.3%	2.5%	2.1%
Services	0.0%	0.0%	3.8%	4.2%	3.4%
Financial and insurance activities	8.9%	7.6%	8.2%	11.2%	9.2%
Industry, energy and manufacturing	10.4%	10.1%	8.8%	6.8%	8.0%
Information and communication technology	5.2%	4.8%	4.9%	4.1%	5.3%
Public administration, human health and social activities	1.8%	2.6%	2.1%	1.7%	1.7%
Real estate activities	20.0%	21.0%	21.0%	22.0%	0.0%
Construction	14.3%	14.3%	11.0%	9.0%	32.8%
Fishing industry	14.8%	15.2%	18.2%	19.1%	20.9%
Transportation	1.7%	1.6%	2.8%	3.5%	3.3%
Commerce and services	12.7%	12.2%	-	-	-
Accommodation and food service activities	8.1%	8.5%	-	-	-
Wholesale and retail trade	-	-	16.9%	15.9%	13.2%
	100.0%	100.0%	100.0%	100.0%	100.0%

* (Gross carrying value of stage 3 loans + gross carrying value of POCI loans in Risk class 4 or lower) / Gross carrying value of loans to customers

Capital and Risk Weighted Assets

ISK million

31.12.2024 31.12.2023 31.12.2022 31.12.2021 31.12.2020

Capital base:

Total equity	207,086	199,301	187,956	193,681	197,845
Unaudited interim net earnings	-	-	-	-	-
Non-controlling interest not eligible for inclusion in CET 1 capital	(504)	(503)	(649)	(673)	(173)
Common Equity Tier 1 capital before regulatory adjustments	206,582	198,798	187,307	193,008	197,672
Intangible assets	(7,390)	(7,211)	(6,425)	(8,435)	(13,092)
Tax assets	-	-	-	-	-
Foreseeable dividend	(19,000)	(12,877)	(15,980)	(26,773)	(17,990)
Adjustment under IFRS 9 transitional arrangements	427	952	1,142	920	1,890
Other statutory deductions	(571)	(227)	(224)	(437)	(2,519)
Common equity Tier 1 capital	180,048	179,435	165,820	158,283	165,961
Non-controlling interest eligible for inclusion in CET1 capital	112	117	105	133	173
Additional Tier 1 capital	20,004	13,217	13,396	13,225	13,498
Tier 1 capital	200,164	192,769	179,321	171,641	179,632
Tier 2 instruments	24,534	28,062	33,935	21,863	22,562
Tier 2 instruments of financial sector entities (signif. invest.)	(1,306)	(1,247)	(1,155)	(1,056)	(1,007)
General credit risk adjustments	-	-	-	-	-
Tier 2 Capital	23,228	26,815	32,780	20,807	21,555
Total own funds	223,392	219,584	212,101	192,448	201,187

Risk weighted exposure amount (REA)

Credit Risk, loans*	798,562	732,760	707,479	623,395	570,554
Credit Risk, securities and other	59,113	52,032	56,714	69,553	60,813
Counterparty credit risk	5,875	7,442	14,645	7,761	3,462
Market Risk due to currency imbalance	2,947	4,751	1,387	4,691	8,569
Market Risk Other	12,846	11,066	7,493	8,958	13,063
Credit valuation adjustment	2,257	3,680	6,010	2,379	842
Operational Risk	106,011	98,740	89,166	96,085	88,462
Total risk weighted exposure amount	987,611	910,471	882,894	812,822	745,765

Capital ratios*

CET 1 ratio	18.2%	19.7%	18.8%	19.6%	22.3%
Tier 1 ratio	20.3%	21.2%	20.3%	21.2%	24.1%
Capital adequacy ratio	22.6%	24.1%	24.0%	23.8%	27.0%

Leverage ratio

On-balance sheet exposures	1,562,622	1,477,968	1,415,353	1,256,916	1,114,450
Derivative exposures	16,078	15,953	32,118	4,796	9,124
Securities financing transaction exposures	10,358	10,326	10,174	720	512
Off-balance sheet exposures	50,982	46,087	59,723	102,016	65,425
Total exposure	1,640,040	1,550,334	1,517,368	1,364,448	1,189,511
Tier 1 capital	200,164	192,769	179,321	171,641	179,632
Leverage ratio	12.2%	12.4%	11.8%	12.6%	15.1%

Related ratios

Return on REA	2.7%	2.8%	3.0%	3.7%	1.7%
REA/Total assets	61.0%	59.7%	60.2%	61.9%	63.6%

*Capital ratios include interim profit

Quarter summaries



KFI - 9 Quarters

ISK million

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Profitability									
Return on equity	16.3%	16.1%	11.5%	9.1%	12.7%	12.9%	15.5%	13.7%	10.6%
Return on assets	2.1%	2.0%	1.4%	1.2%	1.6%	1.6%	1.9%	1.7%	1.4%
Return on risk exposure amount	3.4%	3.3%	2.3%	1.9%	2.7%	2.7%	3.1%	2.8%	2.3%
Operating income / Risk exposure amount	7.3%	7.3%	7.0%	6.3%	7.2%	6.6%	7.6%	7.3%	7.1%
Net interest margin									
Net interest margin on interest bearing assets	2.9%	3.1%	3.2%	3.1%	3.1%	3.0%	3.2%	3.1%	3.1%
Net interest margin on total assets	2.8%	3.0%	3.1%	2.9%	3.0%	2.9%	3.0%	3.0%	2.9%
Net interest income on credit risk	5.3%	5.6%	5.8%	5.6%	5.7%	5.5%	5.8%	5.6%	5.6%
Efficiency									
Cost-to-core income ratio*	57.5%	37.5%	46.2%	48.4%	54.9%	38.2%	39.4%	46.8%	53.7%
Cost-to-income ratio	48.0%	34.4%	43.1%	45.3%	48.0%	36.0%	34.6%	41.6%	51.0%
Cost-to-total assets ratio	2.1%	1.5%	1.8%	1.7%	2.0%	1.4%	1.6%	1.7%	2.1%
Number of FTE 's at period end	858	851	817	813	822	800	781	789	781
Asset quality									
Share of stage 3 loans, gross**	2.3%	2.4%	2.1%	1.9%	1.7%	1.6%	1.6%	1.4%	1.2%
Risk weighted assets / Total assets	61.0%	60.4%	60.7%	60.7%	59.7%	58.9%	60.1%	60.4%	60.2%

*Including expenses from insurance operations

** $(\text{Gross carrying value of stage 3 loans} + \text{gross carrying value of POCI loans in Risk class 4 or lower}) / \text{Gross carrying value of loans to customers}$

KFI - 9 Quarters

ISK million

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Financial strength									
Equity as % of total assets	12.8%	12.4%	12.3%	12.4%	13.1%	12.5%	12.3%	12.0%	12.8%
Liquidity									
Liquidity coverage ratio (LCR)	180.6%	178.6%	154.4%	143.6%	191.8%	179.1%	162.9%	173.6%	158.5%
Loans-to-deposits ratio	143.5%	143.8%	142.0%	147.0%	145.4%	141.8%	145.2%	143.8%	143.6%
Loans-to-deposits ratio (without covered bonds)	114.5%	114.8%	114.1%	116.5%	116.0%	112.5%	115.4%	114.4%	115.4%
Deposits from customers as % of total funding	66.1%	66.0%	66.8%	64.8%	65.2%	65.7%	64.6%	65.1%	65.1%
Covered bonds as % of total funding	19.1%	19.1%	18.7%	19.8%	19.2%	19.2%	19.3%	19.1%	18.4%
Capital**									
CET 1 ratio	18.2%	18.8%	18.5%	18.8%	19.7%	19.4%	18.9%	18.6%	18.8%
Tier 1 ratio	20.3%	20.8%	20.0%	20.3%	21.2%	20.8%	20.4%	20.1%	20.3%
Tier 2 ratio	2.4%	2.4%	2.8%	2.9%	2.9%	3.6%	3.5%	3.6%	3.7%
Capital adequacy ratio	22.6%	23.5%	22.8%	23.3%	24.0%	24.6%	23.8%	23.9%	24.0%
Leverage ratio	12.2%	12.0%	11.8%	12.0%	12.4%	11.8%	11.7%	11.3%	11.8%

Income statement - 9 quarter summary

ISK million	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Interest income	29,371	33,210	36,040	33,638	32,461	30,426	31,060	29,169	22,033
Interest expense	(18,125)	(21,347)	(24,092)	(22,393)	(21,114)	(19,508)	(19,634)	(18,175)	(11,410)
Net interest income	11,246	11,863	11,948	11,245	11,347	10,918	11,426	10,994	10,623
Fee and commission income	5,157	4,744	4,934	4,336	4,882	4,765	5,187	5,286	5,010
Fee and commission expense	(1,021)	(864)	(955)	(971)	(979)	(917)	(1,000)	(835)	(756)
Net fee and commission income	4,136	3,880	3,979	3,365	3,903	3,848	4,187	4,451	4,254
Insurance revenue	5,027	5,067	4,908	4,667	4,761	4,450	4,207	3,998	3,938
Insurance service expenses	(4,700)	(3,535)	(4,386)	(4,882)	(5,045)	(4,055)	(3,445)	(4,719)	(4,170)
Insurance service results	327	1,532	522	(215)	(284)	395	762	(721)	(232)
Net financial (loss) income	2,193	524	99	29	1,370	(183)	(617)	796	(52)
Other operating income	4	(313)	37	50	(24)	8	1,586	19	52
Other net operating income / loss	2,197	211	136	79	1,346	(175)	969	815	-
Operating income	17,906	17,486	16,585	14,474	16,312	14,986	17,344	15,539	14,645
Operating expenses	(8,601)	(6,021)	(7,152)	(6,554)	(7,830)	(5,392)	(6,009)	(6,470)	(7,474)
Operating expenses	(8,601)	(6,021)	(7,152)	(6,554)	(7,830)	(5,392)	(6,009)	(6,470)	(7,474)
Bank Levy	(488)	(500)	(476)	(460)	(422)	(468)	(457)	(449)	(496)
Net impairment	913	(954)	(775)	(315)	13	(741)	(568)	(52)	411
Earnings before income tax	9,730	10,011	8,182	7,145	8,073	8,385	10,310	8,568	7,086
Income tax expense	(1,430)	(2,114)	(2,671)	(2,704)	(1,808)	(2,274)	(3,226)	(2,287)	(1,755)
Net earnings from continuing operations	8,300	7,897	5,511	4,441	6,265	6,111	7,084	6,281	5,331
Discontinued operations held for sale, net of income tax	(11)	(6)	(11)	(9)	(41)	20	7	10	(366)
Net earnings	8,289	7,891	5,500	4,432	6,224	6,131	7,091	6,291	4,965
Attributable to									
Shareholders of Arion Bank	8,290	7,872	5,505	4,444	6,217	6,136	7,082	6,284	4,959
Non-controlling interest	(1)	19	(5)	(12)	7	(5)	9	7	6
Net earnings	8,289	7,891	5,500	4,432	6,224	6,131	7,091	6,291	4,965

Balance sheet - 9 quarter summary

ISK million

31.12.2024 30.09.2024 30.06.2024 31.03.2024 31.12.2023 30.09.2023 30.06.2023 31.03.2023 31.12.2022

Assets

Cash and balances with Central Bank	124,094	96,323	135,522	102,405	102,095	80,288	76,499	80,272	114,118
Loans to credit institutions	25,690	32,772	32,728	33,782	28,835	51,302	43,428	62,899	45,501
Loans to customers	1,230,058	1,220,424	1,202,616	1,178,700	1,152,789	1,143,473	1,134,621	1,114,128	1,084,757
Financial instruments	206,417	214,307	165,630	195,914	205,706	221,012	225,827	204,996	193,329
Investment property	9,387	9,327	9,633	9,542	9,493	9,461	9,444	7,875	7,862
Investments in associates	814	833	816	797	789	844	842	770	787
Intangible assets	7,688	7,833	7,864	7,885	8,051	8,289	8,486	8,575	8,783
Tax assets	2	2	39	39	39	427	383	332	135
Asset and disposal groups held for sale	111	34	68	64	62	61	61	61	61
Other assets	14,006	23,862	13,873	15,304	17,813	25,512	18,635	20,736	10,276
Total assets	1,618,267	1,605,717	1,568,789	1,544,432	1,525,672	1,540,669	1,518,226	1,500,644	1,465,609

Liabilities

Due to credit institutions and Central Bank	6,618	6,715	5,067	3,205	2,771	13,144	21,702	24,188	11,697
Deposits	857,443	848,434	846,686	802,068	792,710	806,331	781,202	775,023	755,361
Financial liabilities at fair value	8,394	7,095	9,715	10,778	11,646	16,908	18,242	20,692	20,997
Tax liabilities	11,060	12,884	12,166	11,732	11,169	13,499	12,335	10,840	10,303
Other liabilities	49,950	56,620	45,497	50,628	46,336	43,479	46,379	52,554	39,400
Borrowings	433,178	431,105	415,116	433,047	420,460	407,895	405,572	390,734	392,563
Subordinated liabilities	44,538	44,184	42,091	41,558	41,279	46,853	46,478	46,681	47,331
Total liabilities	1,411,181	1,407,037	1,376,338	1,353,017	1,326,372	1,348,109	1,331,910	1,320,712	1,277,652

Equity

Share capital and share premium	5,686	5,686	6,823	11,206	10,633	10,604	10,604	11,406	13,372
Other reserves	13,949	12,463	12,036	12,365	12,283	11,785	11,558	10,826	10,672
Retained earnings	186,947	180,026	173,107	167,353	175,881	169,510	163,489	157,044	163,264
Total shareholders equity	206,582	198,175	191,966	190,924	198,797	191,899	185,651	179,276	187,308
Non-controlling interest	504	505	485	491	503	661	665	656	649
Total equity	207,086	198,680	192,451	191,415	199,300	192,560	186,316	179,932	187,957
Total liabilities and equity	1,618,267	1,605,717	1,568,789	1,544,432	1,525,672	1,540,669	1,518,226	1,500,644	1,465,609

Net interest income - 9 quarter summary

ISK million	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Interest income									
Cash and balances with Central bank	2,019	1,715	2,021	1,997	1,684	1,363	1,306	1,394	1,228
Loans	25,161	29,593	32,264	29,714	28,742	27,042	28,294	26,657	20,107
Securities	2,154	1,851	1,753	1,921	1,987	2,009	1,460	1,116	569
Other	37	51	2	6	48	12	-	2	129
Interest income	29,371	33,210	36,040	33,638	32,461	30,426	31,060	29,169	22,033
Interest expense									
Deposits	(11,989)	(13,540)	(14,631)	(13,705)	(12,926)	(11,950)	(11,490)	(9,902)	(6,865)
Borrowings	(5,145)	(6,864)	(8,300)	(7,605)	(7,069)	(6,466)	(6,877)	(6,953)	(3,809)
Subordinated loans	(961)	(918)	(1,122)	(1,042)	(1,094)	(1,066)	(1,220)	(1,271)	(667)
Other	(30)	(25)	(39)	(41)	(25)	(26)	(47)	(49)	(69)
Interest expense	(18,125)	(21,347)	(24,092)	(22,393)	(21,114)	(19,508)	(19,634)	(18,175)	(11,410)
Net interest income	11,246	11,863	11,948	11,245	11,347	10,918	11,426	10,994	10,623
Interest bearing assets									
Cash and balances with Central Bank	124,094	96,323	135,522	102,405	102,095	80,288	76,499	80,272	114,118
Loans	1,255,748	1,253,196	1,235,344	1,212,482	1,181,624	1,194,775	1,178,049	1,177,027	1,130,258
Securities	161,399	172,045	122,892	142,340	159,392	179,737	183,351	152,487	142,064
Interest bearing assets	1,541,241	1,521,564	1,493,758	1,457,227	1,443,111	1,454,800	1,437,899	1,409,786	1,386,440
Interest bearing liabilities									
Due to credit institutions and Central Bank	6,618	6,715	5,067	3,205	2,771	13,144	21,702	24,188	11,697
Deposits	857,443	848,434	846,686	802,068	792,710	806,331	781,202	775,023	755,361
Financial liabilities at fair value	8,394	7,095	9,715	10,778	11,646	16,908	18,242	20,692	20,997
Borrowings	433,178	431,105	415,116	433,047	420,460	407,895	405,572	390,734	392,563
Subordinated liabilities	44,538	44,184	42,091	41,558	41,279	46,853	46,478	46,681	47,331
Interest bearing liabilities	1,350,171	1,337,533	1,318,675	1,290,656	1,268,866	1,291,131	1,273,196	1,257,318	1,227,949
Interest Gap	191,070	184,031	175,083	166,571	174,245	163,669	164,703	152,468	158,491
Net interest margin on interest bearing assets	2.9%	3.1%	3.2%	3.1%	3.1%	3.0%	3.2%	3.1%	3.1%

Loans to customers - 9 quarter summary

ISK million

31.12.2024 30.09.2024 30.06.2024 31.03.2024 31.12.2023 30.09.2023 30.06.2023 31.03.2023 31.12.2022

Loans to customers

Individuals	639,404	640,939	633,620	617,796	609,144	601,463	592,571	588,989	582,371
Corporates	590,654	579,485	568,996	560,904	543,645	542,010	542,050	525,139	502,386
Total loans to customers	1,230,058	1,220,424	1,202,616	1,178,700	1,152,789	1,143,473	1,134,621	1,114,128	1,084,757

Share of stage 3 loans, gross*	2.3%	2.4%	2.1%	1.9%	1.7%	1.6%	1.6%	1.4%	1.2%
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Loans to individuals

Overdrafts	14,575	14,268	13,590	13,294	13,840	14,059	13,988	14,582	14,893
Credit cards	16,873	17,533	15,890	16,781	15,972	14,179	15,754	14,716	14,304
Mortgage loans	571,525	581,665	576,185	559,986	550,269	541,219	530,958	520,421	514,007
Other loans	38,925	30,088	30,630	30,788	31,536	34,393	34,103	41,194	40,942
Provision on loans	(2,494)	(2,615)	(2,675)	(3,053)	(2,473)	(2,387)	(2,232)	(1,924)	(1,775)
Total loans to individuals	639,404	640,939	633,620	617,796	609,144	601,463	592,571	588,989	582,371

Loans to corporates

Overdrafts	42,233	43,433	47,240	47,702	43,013	39,813	40,673	36,921	33,369
Credit cards	2,297	2,427	2,251	2,138	2,062	2,054	1,927	1,976	1,838
Mortgage loans	74,287	69,758	66,072	66,097	68,840	65,583	66,118	57,081	60,528
Loans at fair value	1,751	1,665	1,562	-	-	-	-	-	-
Other loans	476,944	469,456	458,136	450,954	435,808	440,811	438,718	434,348	411,792
Provision on loans	(6,858)	(7,254)	(6,265)	(5,987)	(6,078)	(6,251)	(5,386)	(5,187)	(5,141)
Total loans to corporates	590,654	579,485	568,996	560,904	543,645	542,010	542,050	525,139	502,386

Loans to corporates specified by sector:

Agriculture and forestry	2.1%	2.2%	2.2%	2.1%	2.1%	2.2%	2.9%	2.2%	2.3%
Services	0.0%	0.0%	4.1%	4.0%	0.0%	3.9%	3.7%	3.6%	3.8%
Financial and insurance activities	8.9%	8.9%	8.5%	7.9%	7.6%	7.7%	8.0%	8.1%	8.2%
Industry, energy and manufacturing	10.4%	10.1%	10.3%	10.3%	10.1%	9.7%	9.6%	9.4%	8.8%
Information and communication technology	5.2%	5.0%	5.3%	5.2%	4.8%	4.9%	5.0%	5.3%	4.9%
Public administration, human health and social activities	1.8%	2.2%	2.2%	2.5%	2.6%	2.4%	2.3%	2.2%	2.1%
Real estate activities	20.0%	21.3%	21.2%	20.2%	21.0%	21.0%	20.7%	19.9%	21.0%
Construction	14.3%	13.9%	13.1%	14.6%	14.3%	13.9%	12.9%	11.8%	11.0%
Fishing industry	14.8%	14.3%	14.9%	14.8%	15.2%	16.6%	15.0%	17.0%	18.2%
Transportation	1.7%	1.6%	1.6%	1.6%	1.6%	1.5%	2.6%	2.7%	2.8%
Commerce and services	12.7%	12.5%	-	-	12.2%	-	-	-	-
Accommodation and food service activities	8.1%	8.2%	-	-	8.5%	-	-	-	-
Wholesale and retail trade	-	-	16.7%	16.8%	-	16.3%	17.4%	17.9%	16.9%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

* (Gross carrying value of stage 3 loans + gross carrying value of POCI loans in Risk class 4 or lower) / Gross carrying value of loans to customers

Capital and Risk Weighted Assets

ISK million

31.12.2024 30.09.2024 30.06.2024 31.03.2024 31.12.2023 30.09.2023 30.06.2023 31.03.2023 31.12.2022

Capital base:

Total equity	207,086	198,680	192,451	191,416	199,301	192,560	186,316	179,932	187,956
Unaudited interim net earnings	-	(7,872)	-	(4,444)	-	(6,135)	-	(6,284)	-
Non-controlling interest not eligible for inclusion in CET1 capital	(504)	(505)	(485)	(491)	(503)	(661)	(665)	(656)	(649)
Common Equity Tier 1 capital before regulatory adjustments	206,582	190,303	191,966	186,481	198,798	185,764	185,651	172,992	187,307
Intangible assets	(7,390)	(7,521)	(7,539)	(7,423)	(7,211)	(7,073)	(6,888)	(6,601)	(6,425)
Foreseeable dividend	(19,000)	(4,974)	(7,933)	(5,000)	(12,877)	(6,683)	(6,683)	(897)	(15,980)
Adjustment under IFRS 9 transitional arrangements	427	518	512	511	952	1,041	766	687	1,142
Other statutory deductions	(571)	(374)	(361)	(4,840)	(30)	(247)	(254)	(234)	(224)
Common equity Tier 1 capital	180,048	177,952	176,645	169,729	179,632	172,802	172,592	165,947	165,820
Non-controlling interest eligible for inclusion in CET1 capital	112	132	121	116	117	115	102	103	105
Additional Tier 1 capital	20,004	19,364	13,659	13,410	13,217	12,932	12,931	12,869	13,396
Tier 1 capital	200,164	197,448	190,425	183,255	192,966	185,849	185,625	178,919	179,321
Tier 2 instruments	24,534	24,820	28,432	28,148	28,062	33,921	33,547	33,812	33,935
Tier 2 instruments of financial sector entities (signif. invest.)	(1,306)	(1,317)	(1,291)	(1,279)	(1,247)	(1,242)	(1,216)	(1,200)	(1,155)
Tier 2 Capital	23,228	23,503	27,141	26,869	26,815	32,679	32,331	32,612	32,780
Total own funds	223,392	220,951	217,566	210,124	219,781	218,528	217,956	211,531	212,101

Risk weighted exposure amount (REA)

Credit Risk, loans	798,562	791,680	775,820	754,354	732,760	737,824	736,432	730,700	707,479
Credit Risk, securities and other	59,113	54,723	51,782	52,996	52,032	55,066	56,425	54,540	56,714
Counterparty credit risk	5,875	7,065	7,588	9,641	7,442	12,567	15,923	16,257	14,645
Market Risk due to currency imbalance	2,947	844	1,389	4,641	4,751	1,907	1,417	2,851	1,387
Market Risk Other	12,846	14,441	13,526	12,975	11,066	7,165	8,628	8,647	7,493
Credit valuation adjustment	2,257	2,470	4,177	3,713	3,680	3,494	3,709	4,931	6,010
Operational Risk	106,011	98,740	98,740	98,740	98,740	89,166	89,166	89,166	89,166
Total risk weighted exposure amount	987,611	969,963	953,022	937,060	910,471	907,189	911,700	907,092	882,894

Capital and Risk Weighted Assets

ISK million

31.12.2024 30.09.2024 30.06.2024 31.03.2024 31.12.2023 30.09.2023 30.06.2023 31.03.2023 31.12.2022

Capital ratios*

CET 1 ratio	18.2%	18.8%	18.5%	18.8%	19.7%	19.4%	18.9%	18.6%	18.8%
Tier 1 ratio	20.3%	20.8%	20.0%	20.3%	21.2%	20.8%	20.4%	20.1%	20.3%
Capital adequacy ratio	22.6%	23.2%	22.8%	23.2%	24.1%	24.4%	23.9%	23.7%	24.0%

Leverage ratio

On-balance sheet exposures	1,562,622	1,554,679	1,530,996	1,496,916	1,477,968	1,490,781	1,475,365	1,457,202	1,415,353
Derivative exposures	16,078	18,741	17,478	20,120	15,953	23,872	28,229	30,411	32,118
Securities financing transaction exposures	10,358	10,430	10,107	10,510	10,326	10,020	28,903	39,705	10,174
Off-balance sheet exposures	50,982	58,955	50,138	43,553	46,087	52,682	56,058	57,645	59,723
Total exposure	1,640,040	1,642,805	1,608,719	1,571,099	1,550,334	1,577,355	1,588,555	1,584,963	1,517,368
Tier 1 capital	200,164	197,449	190,425	183,255	192,966	185,849	185,625	178,919	179,321
Leverage ratio	12.2%	12.0%	11.8%	11.7%	12.4%	11.8%	11.7%	11.3%	11.8%

Related ratios

Return on REA	2.7%	2.5%	2.1%	1.9%	2.8%	2.9%	3.0%	2.8%	3.0%
REA/Total assets	61.0%	60.4%	60.7%	60.7%	59.7%	58.9%	60.1%	60.4%	60.2%

*Capital ratios include interim profit in Q1 and Q3 figures

Operating segments - Quarters summary

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Markets and Stefir:									
Net interest income	352	297	296	312	264	283	237	227	738
Net fee and commission income	1,285	1,294	1,382	1,354	1,213	1,259	1,460	1,562	1,325
Insurance service results	-	-	-	-	-	-	-	-	-
Net financial income (loss)	26	53	(28)	43	55	(11)	11	19	66
Other operating income	2	1	1	-	1	1	2	2	11
Total operating income	1,665	1,645	1,651	1,709	1,533	1,532	1,710	1,810	2,140
Operating expenses	(943)	(587)	(645)	(618)	(930)	(543)	(646)	(595)	(792)
Allocated expenses	(1,161)	(392)	(687)	(654)	(720)	(507)	(536)	(589)	(584)
Bank levy	(10)	(11)	(14)	(11)	(9)	(11)	(13)	(11)	(17)
Net impairment	(24)	7	4	(11)	-	-	(11)	(2)	1
Earnings before income tax	(473)	662	309	415	(126)	471	504	613	748
Total assets	101,204	100,669	98,972	99,522	96,319	100,054	99,343	102,264	87,985
Total liabilities	92,199	91,458	89,720	90,691	87,502	91,737	91,007	93,034	79,038
Allocated equity	9,005	9,211	9,252	8,831	8,817	8,317	8,336	9,230	8,947

Corporate & Investment Bank including insurance:

Net interest income	6,417	6,913	6,604	6,124	5,682	5,271	5,075	4,961	5,694
Net fee and commission income	1,600	1,370	1,323	933	1,208	941	1,245	1,512	1,247
Insurance service results	107	217	(124)	(151)	(246)	46	(151)	(157)	(341)
Net financial income (loss)	335	258	629	126	442	167	(88)	166	(25)
Other operating income (loss)	(4)	2	1	2	(1)	-	3	(9)	2
Total operating income	8,455	8,760	8,433	7,034	7,085	6,425	6,084	6,473	6,577
Operating expenses	(880)	(430)	(457)	(394)	(523)	(352)	(264)	(340)	(596)
Allocated expenses	(2,075)	(728)	(1,480)	(1,255)	(1,239)	(868)	(993)	(1,041)	(1,135)
Bank levy	(181)	(184)	(179)	(150)	(140)	(154)	(146)	(146)	(161)
Net impairment	423	(1,074)	(651)	286	175	(901)	(335)	111	375
Earnings (loss) before income tax	5,742	6,344	5,666	5,521	5,358	4,150	4,346	5,057	5,060
Total assets	602,420	584,421	571,092	564,979	486,908	484,780	486,710	472,235	439,461
Total liabilities	496,912	479,631	470,759	469,859	405,484	405,093	403,378	391,699	364,637
Allocated equity	105,508	104,790	100,333	95,120	81,424	79,687	83,332	80,536	74,824

Operating segments - Quarters summary

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Retail Bank including insurance:									
Net interest income	3,020	3,935	3,853	4,245	4,808	4,868	4,845	4,983	5,571
Net fee and commission income	907	1,010	951	855	1,211	1,266	1,123	1,012	1,280
Insurance service results	128	1,205	551	(107)	(32)	357	906	(513)	179
Net financial income (loss)	1,362	459	49	103	631	(94)	(266)	512	16
Other operating income	18	19	1	7	(6)	18	14	15	52
Total operating income	5,435	6,628	5,405	5,103	6,612	6,415	6,622	6,009	7,098
Operating expenses	(936)	(660)	(808)	(778)	(1,154)	(779)	(925)	(901)	(1,164)
Allocated expenses	(3,042)	(1,167)	(2,219)	(2,110)	(2,491)	(1,798)	(2,048)	(2,245)	(2,535)
Bank levy	(203)	(212)	(200)	(214)	(197)	(212)	(205)	(209)	(233)
Net impairment	531	114	(127)	(589)	(186)	129	(281)	(188)	(106)
Earnings before income tax	1,785	4,703	2,051	1,412	2,584	3,755	3,163	2,466	3,060
Total assets	664,122	671,631	665,330	647,536	701,794	692,160	680,835	674,966	647,788
Total liabilities	607,401	616,114	612,061	594,545	642,302	635,382	619,437	614,219	589,226
Allocated equity	56,721	55,517	53,269	52,991	59,492	56,778	61,398	60,747	58,562
Treasury and Market making:									
Net interest income	1,495	756	1,227	610	624	549	1,334	887	(1,212)
Net fee and commission income	180	154	213	125	186	221	203	161	179
Net insurance income	-	-	-	-	-	-	-	-	-
Net financial income (loss)	470	(258)	(549)	(243)	291	(200)	(405)	223	(158)
Other operating income	-	-	-	-	3	(10)	11	2	1
Total operating income (loss)	2,145	652	891	492	1,104	560	1,143	1,273	(1,190)
Operating expenses	(272)	(181)	(235)	(229)	(227)	(150)	(159)	(221)	(152)
Allocated expenses	(532)	(191)	(398)	(342)	(342)	(270)	(294)	(346)	(373)
Bank levy	(94)	(93)	(83)	(85)	(86)	(91)	(93)	(83)	(96)
Net impairment	(17)	(2)	(1)	-	-	2	1	3	-
Earnings (loss) before income tax	1,230	185	174	(164)	449	51	598	626	(1,811)
Total assets	550,360	549,764	520,064	560,085	555,321	584,518	574,141	601,762	534,231
Total liabilities	523,796	528,148	498,349	534,657	514,881	546,407	551,071	581,182	500,807
Allocated equity	26,564	21,616	21,715	25,428	40,440	38,111	23,070	20,580	33,424

Operating segments - Quarters summary

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Subsidiaries excluding Stefnir and Vördur:									
Net interest income (expense)	(20)	(59)	(55)	(60)	(44)	(74)	(68)	(65)	(58)
Net fee and commission income (expense)	86	83	72	51	(24)	49	46	98	(45)
Net insurance income	-	-	-	-	-	-	-	-	-
Net financial income (loss)	3	20	-	-	(50)	(38)	147	(124)	207
Other operating income	(13)	(340)	26	18	52	2	1,565	8	9
Total operating income (loss)	56	(296)	43	9	(66)	(61)	1,690	(83)	113
Operating expenses	(112)	(107)	(122)	(68)	(105)	(86)	(90)	(116)	(81)
Allocated expenses	(31)	(30)	(31)	(31)	(50)	(3)	6	(20)	-
Bank levy	-	-	-	-	-	-	-	-	-
Net impairment	-	-	-	-	20	27	60	21	412
Earnings (loss) before income tax	(87)	(433)	(110)	(90)	(201)	(123)	1,666	(198)	444
Total assets	19,332	16,961	16,971	17,893	17,733	18,486	18,901	17,039	32,423
Total liabilities	10,044	9,415	9,090	8,847	8,605	8,819	8,721	8,200	21,893
Allocated equity	9,288	7,546	7,881	9,046	9,128	9,667	10,180	8,839	10,530
Supporting units and eliminations:									
Net interest income (loss)	(18)	21	23	14	13	21	4	-	(27)
Net fee and commission income (expense)	78	(31)	38	47	109	112	108	108	87
Net insurance income (expense)	92	110	95	43	(6)	(8)	7	(51)	(1)
Net financial income (loss)	(3)	(8)	(2)	-	1	(7)	(15)	(1)	(105)
Other operating income (loss)	1	5	8	23	(73)	(3)	(10)	2	(14)
Total operating income (loss)	150	97	162	127	44	115	94	58	(60)
Operating expenses	(5,458)	(4,056)	(4,885)	(4,467)	(4,891)	(3,482)	(3,930)	(4,292)	(4,689)
Allocated expenses	6,841	2,508	4,815	4,392	4,842	3,446	3,865	4,241	4,627
Bank levy	-	-	-	-	10	-	-	-	11
Net impairment	-	1	-	(1)	4	2	(2)	3	(271)
Earnings (loss) before income tax	1,533	(1,450)	92	51	9	81	27	10	(382)
Total assets	(319,171)	(317,729)	(303,640)	(345,583)	(332,403)	(339,329)	(341,704)	(367,622)	(314,002)
Total liabilities	(319,171)	(317,729)	(303,641)	(345,583)	(332,403)	(339,329)	(341,704)	(367,622)	(314,002)
Allocated equity	-	-	-	-	-	-	-	-	-

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