



Factbook

30 June 2024

Unaudited

KFI - 5 years

ISK million

H1 2024 H1 2023 H1 2022 H1 2021 H1 2020

Profitability

Return on equity	10.2%	14.5%	17.5%	14.3%	2.9%
Return on assets	1.3%	1.8%	2.3%	2.3%	0.5%
Return on risk exposure amount	2.1%	3.0%	3.7%	3.7%	0.8%
Operating income / Risk exposure amount	6.7%	7.3%	6.6%	7.5%	6.4%
Earnings per share	6.92	10.65	-	8.47	1.59

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	3.0%	3.0%	2.9%	2.6%	2.6%
Net interest income on credit risk	5.7%	5.7%	5.3%	4.8%	5.0%

Efficiency

Cost-to-core income ratio*	47.2%	43.0%	44.4%	52.2%	56.9%
Cost-to-income ratio*	44.1%	37.9%	42.9%	44.2%	54.7%
Cost-to-total assets ratio	1.8%	1.7%	1.7%	2.1%	2.2%
Number of FTE's at year end	817	781	746	741	783

Asset quality

Share of stage 3 loans, gross**	2.1%	1.6%	1.4%	2.8%	3.4%
Risk weighted assets / Total assets	60.7%	60.1%	62.3%	61.3%	60.6%

Financial strength

Equity as % of total assets	12.3%	12.3%	13.2%	15.9%	16.0%
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Liquidity

Liquidity coverage ratio (LCR)	154.4%	162.9%	163.2%	215.1%	206.3%
Loans-to-deposits ratio	142.0%	145.2%	139.0%	139.6%	140.3%
Loans-to-deposits ratio (without covered bonds)	114.1%	115.4%	107.8%	112.0%	113.0%
Deposits from customers as % of total funding	66.8%	64.6%	66.4%	66.2%	63.3%
Covered bonds as % of total funding	18.7%	19.3%	20.8%	18.3%	17.3%

Capital

CET 1 ratio	18.5%	18.9%	19.7%	22.7%	22.9%
Tier 1 ratio	20.0%	20.4%	20.9%	24.4%	25.0%
Tier 2 ratio	2.8%	3.5%	2.6%	2.8%	3.0%
Capital adequacy ratio	22.8%	23.9%	23.5%	27.2%	28.1%
Leverage ratio	11.9%	11.7%	12.7%	14.6%	14.9%

*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

	H1 2024	H1 2023	H1 2022	H1 2021	H1 2020
Interest income	69,678	60,229	38,036	25,924	25,879
Interest expense	(46,485)	(37,809)	(18,815)	(10,566)	(10,769)
Net interest income	23,193	22,420	19,221	15,358	15,110
Fee and commission income	9,270	10,473	8,958	7,825	6,578
Fee and commission expense	(1,926)	(1,835)	(820)	(986)	(814)
Net fee and commission income	7,344	8,638	8,138	6,839	5,764
Insurance revenue	9,575	8,205	7,428	-	-
Insurance service expenses	(9,268)	(8,164)	(7,068)	-	-
Insurance service results	307	41	360	-	-
Net insurance income	-	-	-	1,585	1,262
Net financial (loss) income	128	179	(1,758)	3,703	691
Other operating income	87	1,605	1,164	616	241
Other net operating income / loss	215	1,784	(594)	5,904	2,194
Operating income	31,059	32,883	26,765	28,101	23,068
Operating expenses	(13,706)	(12,479)	(11,633)	-	-
Salaries and related expense	-	-	-	(6,846)	(6,707)
Other operating expenses	-	-	-	(5,574)	(5,895)
Operating expenses	(13,706)	(12,479)	(11,633)	(12,420)	(12,602)
Bank Levy	(936)	(906)	(809)	(685)	(655)
Net impairment	(1,090)	(620)	(309)	1,892	(3,778)
Earnings before income tax	15,327	18,878	14,014	16,888	6,033
Income tax expense	(5,375)	(5,513)	(5,304)	(3,274)	(2,328)
Net earnings from continuing operations	9,952	13,365	8,710	13,614	3,705
Discontinued operations held for sale, net of income tax	(20)	17	6,915	241	(934)
Net earnings	9,932	13,382	15,625	13,855	2,771
Attributable to					
Shareholders of Arion Bank	9,949	13,366	15,972	13,848	2,751
Non-controlling interest	(17)	16	13	20	(9)
Net earnings	9,932	13,382	15,985	13,868	2,742

Balance sheet - 5 year summary

ISK million

30.06.2024 31.12.2023 31.12.2022 31.12.2021 31.12.2020

Assets

Cash and balances with Central Bank	135,522	102,095	114,118	69,057	42,136
Loans to credit institutions	32,728	28,835	45,501	30,272	28,235
Loans to customers	1,202,616	1,152,789	1,084,757	936,237	822,941
Financial instruments	165,630	205,706	193,329	225,657	227,251
Investment property	9,633	9,493	7,862	6,560	6,132
Investments in associates	816	789	787	668	891
Intangible assets	7,864	8,051	8,783	9,463	9,689
Tax assets	39	39	135	2	2
Asset and disposal groups held for sale	68	62	61	16,047	16,811
Other assets	13,873	17,813	10,276	16,747	18,618
Total assets	1,568,789	1,525,672	1,465,609	1,310,710	1,172,706

Liabilities

Due to credit institutions and Central Bank	5,067	2,771	11,697	5,000	13,031
Deposits	846,686	792,710	755,361	655,476	568,424
Financial liabilities at fair value	9,715	11,646	20,997	5,877	5,240
Tax liabilities	12,166	11,169	10,303	7,102	4,262
Liabilities associated with disposal groups held for sale	-	-	-	16,935	16,183
Other liabilities	45,497	46,336	39,400	34,914	32,714
Borrowings	415,116	420,460	392,563	356,637	298,947
Subordinated liabilities	42,091	41,279	47,331	35,088	36,060
Total liabilities	1,376,338	1,326,371	1,277,652	1,117,029	974,861

Equity

Share capital and share premium	6,823	10,634	13,372	22,684	51,331
Other reserves	12,036	12,283	10,672	12,838	11,320
Retained earnings	173,107	175,881	163,264	157,486	135,021
Total shareholders equity	191,966	198,798	187,308	193,008	197,672
Non-controlling interest	485	503	649	673	173
Total equity	192,451	199,301	187,957	193,681	197,845
Total liabilities and equity	1,568,789	1,525,672	1,465,609	1,310,710	1,172,706

Net interest income - 5 year summary

ISK million

H1 2024 H1 2023 H1 2022 H1 2021 H1 2020

Interest income

Cash and balances with Central bank	4,018	2,700	1,113	209	1,077
Loans	61,978	54,951	35,464	23,733	23,616
Securities	3,674	2,576	1,452	1,893	1,088
Other	8	2	7	89	98
Interest income	69,678	60,229	38,036	25,924	25,879

Interest expense

Deposits	(28,336)	(21,392)	(8,728)	(3,112)	(3,980)
Borrowings	(15,905)	(13,830)	(8,949)	(6,458)	(5,911)
Subordinated liabilities	(2,164)	(2,491)	(1,047)	(938)	(814)
Other	(80)	(96)	(91)	(58)	(64)
Interest expense	(46,485)	(37,809)	(18,815)	(10,566)	(10,769)

Net interest income

Net interest income	23,193	22,420	19,221	15,358	15,110
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Interest bearing assets

Cash and balances with Central Bank	135,522	76,499	78,011	69,609	103,432
Loans	1,235,344	1,178,049	1,050,861	879,689	813,499
Securities	122,892	183,351	143,174	167,644	167,517
Interest bearing assets	1,493,758	1,437,899	1,272,046	1,116,942	1,084,448

Interest bearing liabilities

Due to credit institutions and Central Bank	5,067	21,702	4,604	7,754	7,661
Deposits	846,686	781,202	726,948	604,382	555,855
Financial liabilities at fair value	9,715	18,242	14,353	5,447	3,118
Borrowings	415,116	405,572	363,375	301,388	314,952
Subordinated liabilities	42,091	46,478	33,392	34,543	36,494
Interest bearing liabilities	1,318,675	1,273,196	1,142,672	953,514	918,080

Interest Gap

Interest Gap	175,083	164,703	129,374	163,428	166,368
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Net interest margin on interest bearing assets	3.1%	3.1%	3.1%	2.8%	2.9%
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Loans to customers - 5 year summary

ISK million

30.06.2024 31.12.2023 31.12.2022 31.12.2021 31.12.2020

Loans to customers

Individuals	633,620	609,144	582,371	526,498	433,336
Corporates	568,996	543,645	502,386	409,739	389,605
Total loans to customers	1,202,616	1,152,789	1,084,757	936,237	822,941

Ratios:

Share of stage 3 loans, gross*	2.1%	1.7%	1.2%	1.9%	2.6%
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Loans to individuals

Overdrafts	13,590	13,840	14,893	14,255	12,875
Credit cards	15,890	15,972	14,304	13,192	12,260
Mortgage loans	576,185	550,269	514,007	463,895	378,554
Other loans	30,630	31,536	40,942	37,044	32,122
Provision on loans	(2,675)	(2,473)	(1,775)	(1,888)	(2,475)
Total loans to individuals	633,620	609,144	582,371	526,498	433,336

Loans to corporates

Overdrafts	47,240	43,013	33,369	18,301	15,471
Credit cards	2,251	2,062	1,838	1,449	1,086
Mortgage loans	66,072	68,840	60,528	41,588	32,175
Loans at fair value	1,562	-	-	-	-
Other loans	458,136	435,808	411,792	354,113	350,455
Provision on loans	(6,265)	(6,078)	(5,141)	(5,712)	(9,582)
Total loans to corporates	568,996	543,645	502,386	409,739	389,605

Loans to corporates specified by sector:

Agriculture and forestry	2.2%	2.1%	2.3%	2.5%	2.1%
Services	4.1%	4.1%	3.8%	4.2%	3.4%
Financial and insurance activities	8.5%	7.6%	8.2%	11.2%	9.2%
Industry, energy and manufacturing	10.3%	10.1%	8.8%	6.8%	8.0%
Information and communication technology	5.3%	4.8%	4.9%	4.1%	5.3%
Public administration, human health and social activities	2.2%	2.6%	2.1%	1.7%	1.7%
Real estate activities and construction	34.3%	35.3%	31.9%	31.1%	32.8%
Fishing industry	14.9%	15.2%	18.2%	19.1%	20.9%
Transportation	1.6%	1.6%	2.8%	3.5%	3.3%
Wholesale and retail trade	16.7%	16.6%	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

30.06.2024 31.12.2023 31.12.2022 31.12.2021 31.12.2020

Capital base:

Total equity	192,451	199,301	187,956	193,681	197,845
Unaudited interim net earnings	-	-	-	-	-
Non-controlling interest not eligible for inclusion in CET 1 capital	(485)	(503)	(649)	(673)	(173)
Common Equity Tier 1 capital before regulatory adjustments	191,966	198,798	187,307	193,008	197,672
Intangible assets	(7,539)	(7,211)	(6,425)	(8,435)	(13,092)
Tax assets	-	-	-	-	-
Foreseeable dividend	(7,933)	(12,877)	(15,980)	(26,773)	(17,990)
Adjustment under IFRS 9 transitional arrangements	512	952	1,142	920	1,890
Other statutory deductions	(361)	(227)	(224)	(437)	(2,519)
Common equity Tier 1 capital	176,645	179,435	165,820	158,283	165,961
Non-controlling interest eligible for inclusion in CET1 capital	121	117	105	133	173
Additional Tier 1 capital	13,659	13,217	13,396	13,225	13,498
Tier 1 capital	190,425	192,769	179,321	171,641	179,632
Tier 2 instruments	28,432	28,062	33,935	21,863	22,562
Tier 2 instruments of financial sector entities (signif. invest.)	(1,291)	(1,247)	(1,155)	(1,056)	(1,007)
General credit risk adjustments	-	-	-	-	-
Tier 2 Capital	27,141	26,815	32,780	20,807	21,555
Total own funds	217,566	219,584	212,101	192,448	201,187

Risk weighted exposure amount (REA)

Credit Risk, loans*	775,820	732,760	707,479	623,395	570,554
Credit Risk, securities and other	51,782	52,032	56,714	69,553	60,813
Counterparty credit risk	7,588	7,442	14,645	7,761	3,462
Market Risk due to currency imbalance	1,389	4,751	1,387	4,691	8,569
Market Risk Other	13,526	11,066	7,493	8,958	13,063
Credit valuation adjustment	4,177	3,680	6,010	2,379	842
Operational Risk	98,740	98,740	89,166	96,085	88,462
Total risk weighted exposure amount	953,022	910,471	882,894	812,822	745,765

Capital ratios*

CET 1 ratio	18.5%	19.7%	18.8%	19.6%	22.3%
Tier 1 ratio	20.0%	21.2%	20.3%	21.2%	24.1%
Capital adequacy ratio	22.8%	24.1%	24.0%	23.8%	27.0%

Leverage ratio

On-balance sheet exposures	1,530,996	1,477,968	1,415,353	1,256,916	1,114,450
Derivative exposures	17,478	15,953	32,118	4,796	9,124
Securities financing transaction exposures	10,107	10,326	10,174	720	512
Off-balance sheet exposures	50,138	46,087	59,723	102,016	65,425
Total exposure	1,608,719	1,550,334	1,517,368	1,364,448	1,189,511
Tier 1 capital	190,425	192,769	179,321	171,641	179,632
Leverage ratio	11.8%	12.4%	11.8%	12.6%	15.1%

Related ratios

Return on REA	2.1%	2.8%	3.0%	3.7%	1.7%
REA/Total assets	60.7%	59.7%	60.2%	61.9%	63.6%

*Capital ratios include interim profit

Quarter summaries



KFI - 9 Quarters

ISK million	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Profitability									
Return on equity	11.5%	9.1%	12.7%	12.9%	15.5%	13.7%	10.6%	10.9%	22.6%
Return on assets	1.4%	1.2%	1.6%	1.6%	1.9%	1.7%	1.4%	1.4%	2.9%
Return on risk exposure amount	2.3%	1.9%	2.7%	2.7%	3.1%	2.8%	2.3%	2.3%	4.5%
Operating income / Risk exposure amount	7.0%	6.3%	7.2%	6.6%	7.6%	7.3%	7.1%	6.4%	6.1%
Net interest margin									
Net interest margin on interest bearing assets	3.2%	3.1%	3.1%	3.0%	3.2%	3.1%	3.1%	3.2%	3.1%
Net interest margin on total assets	3.1%	2.9%	3.0%	2.9%	3.0%	3.0%	2.9%	3.0%	2.9%
Net interest income on credit risk	5.8%	5.6%	5.7%	5.5%	5.8%	5.6%	5.6%	5.5%	5.3%
Efficiency									
Cost-to-core income ratio*	46.2%	48.4%	54.9%	38.2%	39.4%	46.8%	53.7%	37.5%	42.0%
Cost-to-income ratio	43.1%	45.3%	48.0%	36.0%	34.6%	41.6%	51.0%	38.6%	46.2%
Cost-to-total assets ratio	1.8%	1.7%	2.0%	1.4%	1.6%	1.7%	2.1%	1.5%	1.8%
Number of FTE's at period end	817	813	822	800	781	789	781	777	746
Asset quality									
Share of stage 3 loans, gross**	2.1%	1.9%	1.7%	1.6%	1.6%	1.4%	1.2%	1.4%	1.4%
Risk weighted assets / Total assets	60.7%	60.7%	59.7%	58.9%	60.1%	60.4%	60.2%	61.0%	62.3%

*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

KFI - 9 Quarters

ISK million	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Financial strength									
Equity as % of total assets	12.3%	12.4%	13.1%	12.5%	12.3%	12.0%	12.8%	13.1%	13.2%
Liquidity									
Liquidity coverage ratio (LCR)	154.4%	143.6%	191.8%	179.1%	162.9%	173.6%	158.5%	189.3%	163.2%
Loans-to-deposits ratio	142.0%	147.0%	145.4%	141.8%	145.2%	143.8%	143.6%	141.2%	139.0%
Loans-to-deposits ratio (without covered bonds)	114.1%	116.5%	116.0%	112.5%	115.4%	114.4%	115.4%	113.1%	107.8%
Deposits from customers as % of total funding	66.8%	64.8%	65.2%	65.7%	64.6%	65.1%	65.1%	66.0%	66.4%
Covered bonds as % of total funding	18.7%	19.8%	19.2%	19.2%	19.3%	19.1%	18.4%	18.6%	20.8%
Capital**									
CET 1 ratio	18.5%	18.8%	19.7%	19.4%	18.9%	18.6%	18.8%	19.3%	19.7%
Tier 1 ratio	20.0%	20.3%	21.2%	20.8%	20.4%	20.1%	20.3%	20.5%	20.9%
Tier 2 ratio	2.8%	2.9%	2.9%	3.6%	3.5%	3.6%	3.7%	2.5%	-
Capital adequacy ratio	22.8%	23.3%	24.0%	24.6%	23.8%	23.9%	24.0%	23.3%	23.2%
Leverage ratio	11.9%	12.0%	12.4%	11.8%	11.7%	11.3%	11.8%	12.0%	12.7%

Income statement - 9 quarter summary

ISK million	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Interest income	36,040	33,638	32,461	30,426	31,060	29,169	22,033	23,446	20,610
Interest expense	(24,092)	(22,393)	(21,114)	(19,508)	(19,634)	(18,175)	(11,410)	(13,089)	(10,865)
Net interest income	11,948	11,245	11,347	10,918	11,426	10,994	10,623	10,357	9,745
Fee and commission income	4,934	4,336	4,882	4,765	5,187	5,286	5,010	4,773	4,972
Fee and commission expense	(955)	(971)	(979)	(917)	(1,000)	(835)	(756)	(716)	(390)
Net fee and commission income	3,979	3,365	3,903	3,848	4,187	4,451	4,254	4,057	4,582
Insurance revenue	4,908	4,667	4,761	4,450	4,207	3,998	3,938	3,739	3,736
Insurance service expenses	(4,386)	(4,882)	(5,045)	(4,055)	(3,445)	(4,719)	(4,170)	(3,252)	(2,812)
Insurance service results	522	(215)	(284)	395	762	(721)	(232)	487	924
Net financial (loss) income	99	29	1,370	(183)	(617)	796	(52)	(1,476)	(2,878)
Other operating income	37	50	(24)	8	1,586	19	52	98	732
Other net operating income / loss	136	79	1,346	(175)	969	815	-	(1,378)	(2,146)
Operating income	16,585	14,474	16,312	14,986	17,344	15,539	14,645	13,523	13,105
Operating expenses	(7,152)	(6,554)	(7,830)	(5,392)	(6,009)	(6,470)	(7,474)	(5,222)	(6,056)
Operating expenses	(7,152)	(6,554)	(7,830)	(5,392)	(6,009)	(6,470)	(7,474)	(5,222)	(6,056)
Bank Levy	(476)	(460)	(422)	(468)	(457)	(449)	(496)	(444)	(416)
Net impairment	(775)	(315)	13	(741)	(568)	(52)	411	42	186
Earnings before income tax	8,182	7,145	8,073	8,385	10,310	8,568	7,086	7,899	6,819
Income tax expense	(2,671)	(2,704)	(1,808)	(2,274)	(3,226)	(2,287)	(1,755)	(2,885)	(3,588)
Net earnings from continuing operations	5,511	4,441	6,265	6,111	7,084	6,281	5,331	5,014	3,231
Discontinued operations held for sale, net of income tax	(11)	(9)	(41)	20	7	10	(366)	(6)	6,819
Net earnings	5,500	4,432	6,224	6,131	7,091	6,291	4,965	5,008	10,050
Attributable to									
Shareholders of Arion Bank	5,505	4,444	6,217	6,136	7,082	6,284	4,959	5,014	10,043
Non-controlling interest	(5)	(12)	7	(5)	9	7	6	(6)	7
Net earnings	5,500	4,432	6,224	6,131	7,091	6,291	4,965	5,008	10,050

Balance sheet - 9 quarter summary

ISK million

30.06.2024 31.03.2024 31.12.2023 30.09.2023 30.06.2023 31.03.2023 31.12.2022 30.09.2022 30.06.2022

Assets

Cash and balances with Central Bank	135,522	102,405	102,095	80,288	76,499	80,272	114,118	68,149	78,011
Loans to credit institutions	32,728	33,782	28,835	51,302	43,428	62,899	45,501	52,643	40,195
Loans to customers	1,202,616	1,178,700	1,152,789	1,143,473	1,134,621	1,114,128	1,084,757	1,045,152	1,010,666
Financial instruments	165,630	195,914	205,706	221,012	225,827	204,996	193,329	223,142	203,740
Investment property	9,633	9,542	9,493	9,461	9,444	7,875	7,862	6,617	6,615
Investments in associates	816	797	789	844	842	770	787	785	724
Intangible assets	7,864	7,885	8,051	8,289	8,486	8,575	8,783	8,816	9,038
Tax assets	39	39	39	427	383	332	135	2,886	1,247
Asset and disposal groups held for sale	68	64	62	61	61	61	61	2,152	2,126
Other assets	13,873	15,304	17,813	25,512	18,635	20,736	10,276	13,700	26,870
Total assets	1,568,789	1,544,432	1,525,672	1,540,669	1,518,226	1,500,644	1,465,609	1,424,042	1,379,232

Liabilities

Due to credit institutions and Central Bank	5,067	3,205	2,771	13,144	21,702	24,188	11,697	5,099	4,604
Deposits	846,686	802,068	792,710	806,331	781,202	775,023	755,361	739,969	726,948
Financial liabilities at fair value	9,715	10,778	11,646	16,908	18,242	20,692	20,997	21,800	14,353
Tax liabilities	12,166	11,732	11,169	13,499	12,335	10,840	10,303	15,596	11,733
Other liabilities	45,497	50,628	46,336	43,479	46,379	52,554	39,400	44,797	42,551
Borrowings	415,116	433,047	420,460	407,895	405,572	390,734	392,563	376,540	363,375
Subordinated liabilities	42,091	41,558	41,279	46,853	46,478	46,681	47,331	34,089	33,392
Total liabilities	1,376,338	1,353,017	1,326,372	1,348,109	1,331,910	1,320,712	1,277,652	1,237,890	1,196,956

Equity

Share capital and share premium	6,823	11,206	10,633	10,604	10,604	11,406	13,372	16,764	18,953
Other reserves	12,036	12,365	12,283	11,785	11,558	10,826	10,672	9,675	9,523
Retained earnings	173,107	167,353	175,881	169,510	163,489	157,044	163,264	159,033	153,114
Total shareholders equity	191,966	190,924	198,797	191,899	185,651	179,276	187,308	185,472	181,590
Non-controlling interest	485	491	503	661	665	656	649	680	686
Total equity	192,451	191,415	199,300	192,560	186,316	179,932	187,957	186,152	182,276
Total liabilities and equity	1,568,789	1,544,432	1,525,672	1,540,669	1,518,226	1,500,644	1,465,609	1,424,042	1,379,232

Net interest income - 9 quarter summary

ISK million

Q2 2024 Q1 2024 Q4 2023 Q3 2023 Q2 2023 Q1 2023 Q4 2022 Q3 2022 Q2 2022

Interest income

Cash and balances with Central bank	2,021	1,997	1,684	1,363	1,306	1,394	1,228	993	721
Loans	32,264	29,714	28,742	27,042	28,294	26,657	20,107	21,488	19,442
Securities	1,753	1,921	1,987	2,009	1,460	1,116	569	967	446
Other	2	6	48	12	-	2	129	(2)	1
Interest income	36,040	33,638	32,461	30,426	31,060	29,169	22,033	23,446	20,610

Interest expense

Deposits	(14,631)	(13,705)	(12,926)	(11,950)	(11,490)	(9,902)	(6,865)	(7,158)	(5,250)
Borrowings	(8,300)	(7,605)	(7,069)	(6,466)	(6,877)	(6,953)	(3,809)	(5,269)	(5,002)
Subordinated loans	(1,122)	(1,042)	(1,094)	(1,066)	(1,220)	(1,271)	(667)	(624)	(565)
Other	(39)	(41)	(25)	(26)	(47)	(49)	(69)	(38)	(48)
Interest expense	(24,092)	(22,393)	(21,114)	(19,508)	(19,634)	(18,175)	(11,410)	(13,089)	(10,865)

Net interest income

Net interest income	11,948	11,245	11,347	10,918	11,426	10,994	10,623	10,357	9,745
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Interest bearing assets

Cash and balances with Central Bank	135,522	102,405	102,095	80,288	76,499	80,272	114,118	68,149	78,011
Loans	1,235,344	1,212,482	1,181,624	1,194,775	1,178,049	1,177,027	1,130,258	1,097,795	1,050,861
Securities	122,892	142,340	159,392	179,737	183,351	152,487	142,064	164,915	143,174
Interest bearing assets	1,493,758	1,457,227	1,443,111	1,454,800	1,437,899	1,409,786	1,386,440	1,330,859	1,272,046

Interest bearing liabilities

Due to credit institutions and Central Bank	5,067	3,205	2,771	13,144	21,702	24,188	11,697	5,099	4,604
Deposits	846,686	802,068	792,710	806,331	781,202	775,023	755,361	739,969	726,948
Financial liabilities at fair value	9,715	10,778	11,646	16,908	18,242	20,692	20,997	21,800	14,353
Borrowings	415,116	433,047	420,460	407,895	405,572	390,734	392,563	376,540	363,375
Subordinated liabilities	42,091	41,558	41,279	46,853	46,478	46,681	47,331	34,089	33,392
Interest bearing liabilities	1,318,675	1,290,656	1,268,866	1,291,131	1,273,196	1,257,318	1,227,949	1,177,497	1,142,672

Interest Gap

Interest Gap	175,083	166,571	174,245	163,669	164,703	152,468	158,491	153,362	129,374
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Net interest margin on interest bearing assets

3.2%	3.1%	3.1%	3.0%	3.2%	3.1%	3.1%	3.2%	3.1%
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All amounts are in ISK millions

Loans to customers - 9 quarter summary

ISK million

30.06.2024 31.03.2024 31.12.2023 30.09.2023 30.06.2023 31.03.2023 31.12.2022 30.09.2022 30.06.2022

Loans to customers

Individuals	633,620	617,796	609,144	601,463	592,571	588,989	582,371	571,487	549,524
Corporates	568,996	560,904	543,645	542,010	542,050	525,139	502,386	473,665	461,142
Total loans to customers	1,202,616	1,178,700	1,152,789	1,143,473	1,134,621	1,114,128	1,084,757	1,045,152	1,010,666

Share of stage 3 loans, gross*

2.1% 1.9% 1.7% 1.6% 1.6% 1.4% 1.2% 1.4% 1.4%

Loans to individuals

Overdrafts	13,590	13,294	13,840	14,059	13,988	14,582	14,893	15,008	14,803
Credit cards	15,890	16,781	15,972	14,179	15,754	14,716	14,304	14,605	14,582
Mortgage loans	576,185	559,986	550,269	541,219	530,958	520,421	514,007	502,537	482,196
Other loans	30,630	30,788	31,536	34,393	34,103	41,194	40,942	41,200	39,745
Provision on loans	(2,675)	(3,053)	(2,473)	(2,387)	(2,232)	(1,924)	(1,775)	(1,863)	(1,802)
Total loans to individuals	633,620	617,796	609,144	601,463	592,571	588,989	582,371	571,487	549,524

Loans to corporates

Overdrafts	47,240	47,702	43,013	39,813	40,673	36,921	33,369	28,933	26,675
Credit cards	2,251	2,138	2,062	2,054	1,927	1,976	1,838	1,835	1,750
Mortgage loans	66,072	66,097	68,840	65,583	66,118	57,081	60,528	60,573	54,991
Loans at fair value	1,562	-	-	-	-	-	-	-	-
Other loans	458,136	450,954	435,808	440,811	438,718	434,348	411,792	388,476	383,678
Provision on loans	(6,265)	(5,987)	(6,078)	(6,251)	(5,386)	(5,187)	(5,141)	(6,152)	(5,952)
Total loans to corporates	568,996	560,904	543,645	542,010	542,050	525,139	502,386	473,665	461,142

Loans to corporates specified by sector:

Agriculture and forestry	2.2%	2.1%	2.1%	2.2%	2.9%	2.2%	2.3%	2.5%	2.5%
Services	4.1%	4.0%	4.1%	3.9%	3.7%	3.6%	3.8%	4.1%	4.4%
Financial and insurance activities	8.5%	7.9%	7.6%	7.7%	8.0%	8.1%	8.2%	9.4%	9.8%
Industry, energy and manufacturing	10.3%	10.3%	10.1%	9.7%	9.6%	9.4%	8.8%	8.6%	8.1%
Information and communication technology	5.3%	5.2%	4.8%	4.9%	5.0%	5.3%	4.9%	4.9%	3.9%
Public administration, human health and social activities	2.2%	2.5%	2.6%	2.4%	2.3%	2.2%	2.1%	1.8%	1.6%
Real estate activities and construction	34.3%	34.8%	35.3%	34.8%	33.5%	31.6%	31.9%	32.0%	33.1%
Fishing industry	14.9%	14.8%	15.2%	16.6%	15.0%	17.0%	18.2%	17.9%	18.0%
Transportation	1.6%	1.6%	1.6%	1.5%	2.6%	2.7%	2.8%	3.2%	3.2%
Wholesale and retail trade	16.7%	16.8%	16.6%	16.3%	17.4%	17.9%	16.9%	15.5%	15.4%
	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

30.06.2024 31.03.2024 31.12.2023 30.09.2023 30.06.2023 31.03.2023 31.12.2022 30.09.2022 30.06.2022

Capital base:

Total equity	192,451	191,416	199,301	192,560	186,316	179,932	187,956	186,153	182,277
Unaudited interim net earnings	-	(4,444)	-	(6,135)	-	(6,284)	-	(4,863)	-
Non-controlling interest not eligible for inclusion in CET1 capital	(485)	(491)	(503)	(661)	(665)	(656)	(649)	(680)	(686)
Common Equity Tier 1 capital before regulatory adjustments	191,966	186,481	198,798	185,764	185,651	172,992	187,307	180,610	181,591
Intangible assets	(7,539)	(7,423)	(7,211)	(7,073)	(6,888)	(6,601)	(6,425)	(6,055)	(6,011)
Tax assets	-	-	-	-	-	-	-	-	-
Foreseeable dividend	(7,933)	(5,000)	(12,877)	(6,683)	(6,683)	(897)	(15,980)	(10,570)	(7,759)
Adjustment under IFRS 9 transitional arrangements	512	511	952	1,041	766	687	1,142	1,018	890
Other statutory deductions	(361)	(4,840)	(30)	(247)	(254)	(234)	(224)	(254)	(227)
Common equity Tier 1 capital	176,645	169,729	179,632	172,802	172,592	165,947	165,820	164,749	168,484
Non-controlling interest eligible for inclusion in CET1 capital	121	116	117	115	102	103	105	87	91
Additional Tier 1 capital	13,659	13,410	13,217	12,932	12,931	12,869	13,396	13,297	12,714
Tier 1 capital	190,425	183,255	192,966	185,849	185,625	178,919	179,321	178,133	181,289
Tier 2 instruments	28,432	28,148	28,062	33,921	33,547	33,812	33,935	20,792	20,678
Tier 2 instruments of financial sector entities (signif. invest.)	(1,291)	(1,279)	(1,247)	(1,242)	(1,216)	(1,200)	(1,155)	(1,154)	(1,111)
Tier 2 Capital	27,141	26,869	26,815	32,679	32,331	32,612	32,780	19,638	19,567
Total own funds	217,566	210,124	219,781	218,528	217,956	211,531	212,101	197,771	200,856

Risk weighted exposure amount (REA)

Credit Risk, loans	775,820	754,354	732,760	737,824	736,432	730,700	707,479	693,037	664,294
Credit Risk, securities and other	51,782	52,996	52,032	55,066	56,425	54,540	56,714	64,164	78,607
Counterparty credit risk	7,588	9,641	7,442	12,567	15,923	16,257	14,645	11,946	9,371
Market Risk due to currency imbalance	1,389	4,641	4,751	1,907	1,417	2,851	1,387	1,778	4,262
Market Risk Other	13,526	12,975	11,066	7,165	8,628	8,647	7,493	10,315	15,678
Credit valuation adjustment	4,177	3,713	3,680	3,494	3,709	4,931	6,010	2,830	1,708
Operational Risk	98,740	98,740	98,740	89,166	89,166	89,166	89,166	84,670	84,670
Total risk weighted exposure amount	953,022	937,060	910,471	907,189	911,700	907,092	882,894	868,740	858,590

Capital and Risk Weighted Assets

ISK million

30.06.2024 31.03.2024 31.12.2023 30.09.2023 30.06.2023 31.03.2023 31.12.2022 30.09.2022 30.06.2022

Capital ratios*

CET 1 ratio	18.5%	18.8%	19.7%	19.4%	18.9%	18.6%	18.8%	19.3%	19.7%
Tier 1 ratio	20.0%	20.3%	21.2%	20.8%	20.4%	20.1%	20.3%	20.5%	20.9%
Capital adequacy ratio	22.8%	23.2%	24.1%	24.4%	23.9%	23.7%	24.0%	23.1%	23.5%

Leverage ratio

On-balance sheet exposures	1,530,996	1,496,916	1,477,968	1,490,781	1,475,365	1,457,202	1,415,353	1,380,093	1,340,969
Derivative exposures	17,478	20,120	15,953	23,872	28,229	30,411	32,118	25,837	18,745
Securities financing transaction exposures	10,107	10,510	10,326	10,020	28,903	39,705	10,174	10,943	10,549
Off-balance sheet exposures	50,138	43,553	46,087	52,682	56,058	57,645	59,723	63,019	68,435
Total exposure	1,608,719	1,571,099	1,550,334	1,577,355	1,588,555	1,584,963	1,517,368	1,479,892	1,438,698
Tier 1 capital	190,425	183,255	192,966	185,849	185,625	178,919	179,321	178,133	181,289
Leverage ratio	11.8%	11.7%	12.4%	11.8%	11.7%	11.3%	11.8%	12.0%	12.6%

Related ratios

Return on REA	2.1%	1.9%	2.8%	2.9%	3.0%	2.8%	3.0%	3.2%	3.7%
REA/Total assets	60.7%	60.7%	59.7%	58.9%	60.1%	60.4%	60.2%	61.0%	62.1%

*Capital ratios include interim profit in Q1 and Q3 figures

Operating segments - Quarters summary

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Markets and Stefnir:									
Net interest income	296	312	264	283	237	227	738	1,103	715
Net fee and commission income	1,382	1,354	1,213	1,259	1,460	1,562	1,325	1,434	1,488
Insurance service results	-	-	-	-	-	-	-	-	-
Net financial income (loss)	(28)	43	55	(11)	11	19	66	(8)	(67)
Other operating income	1	-	1	1	2	2	11	-	-
Total operating income	1,651	1,709	1,533	1,532	1,710	1,810	2,140	2,529	2,136
Operating expenses	(645)	(618)	(930)	(543)	(646)	(595)	(792)	(433)	(544)
Allocated expenses	(687)	(654)	(720)	(507)	(536)	(589)	(584)	(442)	(492)
Bank levy	(14)	(11)	(9)	(11)	(13)	(11)	(17)	(16)	(18)
Net impairment	4	(11)	-	-	(11)	(2)	1	(1)	1
Earnings before income tax	309	415	(126)	471	504	613	748	1,637	1,083
Total assets	98,972	99,522	96,319	100,054	99,343	102,264	87,985	91,257	88,234
Total liabilities	89,720	90,691	87,502	91,737	91,007	93,034	79,038	83,002	80,791
Allocated equity	9,252	8,831	8,817	8,317	8,336	9,230	8,947	8,255	7,443
Corporate & Investment Bank including insurance:									
Net interest income	6,604	6,124	5,682	5,271	5,075	4,961	5,694	5,543	4,443
Net fee and commission income	1,323	933	1,208	941	1,245	1,512	1,247	882	2,162
Insurance service results	(124)	(151)	(246)	46	(151)	(157)	(341)	(167)	94
Net financial income (loss)	629	126	442	167	(88)	166	(25)	(162)	(115)
Other operating income (loss)	1	2	(1)	-	3	(9)	2	(2)	114
Total operating income	8,433	7,034	7,085	6,425	6,084	6,473	6,577	6,094	6,698
Operating expenses	(457)	(394)	(523)	(352)	(264)	(340)	(596)	(288)	(424)
Allocated expenses	(1,480)	(1,255)	(1,239)	(868)	(993)	(1,041)	(1,135)	(824)	(1,002)
Bank levy	(179)	(150)	(140)	(154)	(146)	(146)	(161)	(143)	(133)
Net impairment	(651)	286	175	(901)	(335)	111	375	(221)	810
Earnings (loss) before income tax	5,666	5,521	5,358	4,150	4,346	5,057	5,060	4,618	5,949
Total assets	571,092	564,979	486,908	484,780	486,710	472,235	439,461	427,885	410,271
Total liabilities	470,759	469,859	405,484	405,093	403,378	391,699	364,637	354,447	342,611
Allocated equity	100,333	95,120	81,424	79,687	83,332	80,536	74,824	73,437	67,660

Operating segments - Quarters summary

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Retail Bank including insurance:									
Net interest income	3,853	4,245	4,808	4,868	4,845	4,983	5,571	5,085	4,511
Net fee and commission income	951	855	1,211	1,266	1,123	1,012	1,280	1,452	1,095
Insurance service results	551	(107)	(32)	357	906	(513)	179	656	966
Net financial income (loss)	49	103	631	(94)	(266)	512	16	(511)	(647)
Other operating income	1	7	(6)	18	14	15	52	29	12
Total operating income	5,405	5,103	6,612	6,415	6,622	6,009	7,098	6,711	5,937
Operating expenses	(808)	(778)	(1,154)	(779)	(925)	(901)	(1,164)	(852)	(722)
Allocated expenses	(2,219)	(2,110)	(2,491)	(1,798)	(2,048)	(2,245)	(2,535)	(1,763)	(1,883)
Bank levy	(200)	(214)	(197)	(212)	(205)	(209)	(233)	(205)	(194)
Net impairment	(127)	(589)	(186)	129	(281)	(188)	(106)	104	265
Earnings before income tax	2,051	1,412	2,584	3,755	3,163	2,466	3,060	3,995	3,403
Total assets	665,330	647,536	701,794	692,160	680,835	674,966	647,788	625,240	608,236
Total liabilities	612,061	594,545	642,302	635,382	619,437	614,219	589,226	567,556	551,047
Allocated equity	53,269	52,991	59,492	56,778	61,398	60,747	58,562	57,685	57,189
Treasury and Market making:									
Net interest income	1,227	610	624	549	1,334	887	(1,212)	(1,312)	65
Net fee and commission income	213	125	186	221	203	161	179	185	214
Net insurance income	-	-	-	-	-	-	-	-	-
Net financial income (loss)	(549)	(243)	291	(200)	(405)	223	(158)	(861)	(2,411)
Other operating income	-	-	3	(10)	11	2	1	-	2
Total operating income (loss)	891	492	1,104	560	1,143	1,273	(1,190)	(1,988)	(2,130)
Operating expenses	(235)	(229)	(227)	(150)	(159)	(221)	(152)	(196)	(146)
Allocated expenses	(398)	(342)	(342)	(270)	(294)	(346)	(373)	(270)	(330)
Bank levy	(83)	(85)	(86)	(91)	(93)	(83)	(96)	(80)	(71)
Net impairment	(1)	-	-	2	1	3	-	1	1
Earnings (loss) before income tax	174	(164)	449	51	598	626	(1,811)	(2,533)	(2,676)
Total assets	520,064	560,085	555,321	584,518	574,141	601,762	534,231	487,621	498,298
Total liabilities	498,349	534,657	514,881	546,407	551,071	581,182	500,807	453,937	476,122
Allocated equity	21,715	25,428	40,440	38,111	23,070	20,580	33,424	33,684	22,176

Operating segments - Quarters summary

Q2 2024 Q1 2024 Q4 2023 Q3 2023 Q2 2023 Q1 2023 Q4 2022 Q3 2022 Q2 2022

Subsidiaries excluding Stefnir and Vördur:

Net interest income (expense)	(55)	(60)	(44)	(74)	(68)	(65)	(58)	(14)	4
Net fee and commission income (expense)	72	51	(24)	49	46	98	(45)	(608)	37
Net insurance income	-	-	-	-	-	-	-	(2)	-
Net financial income (loss)	-	-	(50)	(38)	147	(124)	207	(66)	525
Other operating income	26	18	52	2	1,565	8	9	10	28
Total operating income (loss)	43	9	(66)	(61)	1,690	(83)	113	(680)	594
Operating expenses	(122)	(68)	(105)	(86)	(90)	(116)	(81)	(90)	(75)
Allocated expenses	(31)	(31)	(50)	(3)	6	(20)	-	(29)	(1)
Bank levy	-	-	-	-	-	-	-	-	-
Net impairment	-	-	20	27	60	21	412	(39)	-
Earnings (loss) before income tax	(110)	(90)	(201)	(123)	1,666	(198)	444	(838)	518
Total assets	16,971	17,893	17,733	18,486	18,901	17,039	32,423	31,630	37,015
Total liabilities	9,090	8,847	8,605	8,819	8,721	8,200	21,893	21,380	18,470
Allocated equity	7,881	9,046	9,128	9,667	10,180	8,839	10,530	10,250	18,545

Supporting units and eliminations:

Net interest income (loss)	23	14	13	21	4	-	(27)	(48)	11
Net fee and commission income (expense)	38	47	109	112	108	108	87	712	(519)
Net insurance income (expense)	95	43	(6)	(8)	7	(51)	(1)	-	(4)
Net financial income (loss)	(2)	-	1	(7)	(15)	(1)	(105)	132	(168)
Other operating income (loss)	8	23	(73)	(3)	(10)	2	(14)	61	575
Total operating income (loss)	162	127	44	115	94	58	(60)	857	(105)
Operating expenses	(4,885)	(4,467)	(4,891)	(3,482)	(3,930)	(4,292)	(4,689)	(3,363)	(4,039)
Allocated expenses	4,815	4,392	4,842	3,446	3,865	4,241	4,627	3,328	3,708
Bank levy	-	-	10	-	-	-	11	-	-
Net impairment	-	(1)	4	2	(2)	3	(271)	198	(891)
Earnings (loss) before income tax	92	51	9	81	27	10	(382)	1,020	(1,327)
Total assets	(303,640)	(345,583)	(332,403)	(339,329)	(341,704)	(367,622)	(314,002)	(280,272)	(301,039)
Total liabilities	(303,641)	(345,583)	(332,403)	(339,329)	(341,704)	(367,622)	(314,002)	(280,272)	(301,039)
Allocated equity	-								

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