

Factbook

30 September 2024

KFI - 5 years

ISK million

9M 2024 9M 2023 9M 2022 9M 2021 9M 2020

Profitability

Return on equity	12.2%	13.9%	15.2%	15.2%	4.7%
Return on assets	1.5%	1.7%	2.0%	2.4%	0.8%
Return on risk exposure amount	2.5%	2.9%	3.2%	3.9%	1.2%
Operating income / Risk exposure amount	6.9%	7.1%	6.5%	7.6%	6.7%
Earnings per share	12.45	10.65	-	13.68	3.90

Net interest margin

Net interest margin on interest bearing assets	3.1%	3.1%	3.1%	2.7%	2.9%
Net interest margin on total assets	3.0%	3.0%	2.9%	2.5%	2.6%
Net interest income on credit risk	5.7%	5.6%	5.4%	4.8%	5.0%

Efficiency

Cost-to-core income ratio*	43.8%	41.4%	42.0%	49.4%	52.6%
Cost-to-income ratio*	40.6%	37.3%	41.5%	41.9%	49.5%
Cost-to-total assets ratio	1.7%	1.6%	1.6%	2.0%	2.0%
Number of FTE's at year end	851	800	777	763	783

Asset quality

Share of stage 3 loans, gross**	2.4%	1.6%	1.4%	2.6%	3.2%
Risk weighted assets / Total assets	60.4%	58.9%	61.0%	58.0%	58.9%

Financial strength

Equity as % of total assets	12.4%	12.5%	13.1%	14.5%	15.6%
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Liquidity

Liquidity coverage ratio (LCR)	178.6%	179.1%	189.3%	221.0%	212.6%
Loans-to-deposits ratio	143.8%	141.8%	141.2%	139.9%	134.0%
Loans-to-deposits ratio (without covered bonds)	114.8%	112.5%	113.1%	106.6%	108.6%
Deposits from customers as % of total funding	66.0%	65.7%	66.0%	61.3%	65.3%
Covered bonds as % of total funding	19.1%	19.2%	18.6%	20.3%	16.6%

Capital

CET 1 ratio	18.8%	19.4%	19.3%	20.3%	22.5%
Tier 1 ratio	20.8%	20.8%	20.5%	22.1%	24.5%
Tier 2 ratio	2.4%	3.6%	2.5%	3.2%	3.1%
Capital adequacy ratio	23.2%	24.4%	23.1%	25.4%	27.6%
Leverage ratio	12.0%	11.8%	12.0%	12.4%	14.3%

*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

Income statement - 5 year summary

ISK million	9M 2024	9M 2023	9M 2022	9M 2021	9M 2020
Interest income	102,888	90,655	61,482	38,734	39,024
Interest expense	(67,832)	(57,317)	(31,904)	(15,439)	(15,925)
Net interest income	35,056	33,338	29,578	23,295	23,099
Fee and commission income	14,014	15,238	13,731	12,044	9,695
Fee and commission expense	(2,790)	(2,752)	(1,536)	(1,450)	(1,169)
Net fee and commission income	11,224	12,486	12,195	10,594	8,526
Insurance revenue	14,642	12,655	11,167	-	-
Insurance service expenses	(12,803)	(12,219)	(10,320)	-	-
Insurance service results	1,839	436	847	-	-
Net insurance income	-	-	-	2,577	2,305
Net financial (loss) income	652	(4)	(3,234)	5,069	1,383
Other operating income	(226)	1,613	1,262	1,456	716
Other net operating income / loss	426	1,609	(1,972)	9,102	4,404
Operating income	48,545	47,869	40,648	42,991	36,029
Operating expenses	(19,727)	(17,871)	(16,855)	-	-
Salaries and related expense	-	-	-	(9,745)	(9,211)
Other operating expenses	-	-	-	(8,263)	(8,623)
Operating expenses	(19,727)	(17,871)	(16,855)	(18,008)	(17,834)
Bank Levy	(1,436)	(1,374)	(1,253)	(1,171)	(1,038)
Net impairment	(2,044)	(1,361)	(267)	2,610	(5,118)
Earnings before income tax	25,338	27,263	22,273	26,422	12,039
Income tax expense	(7,489)	(7,787)	(8,189)	(5,194)	(3,424)
Net earnings from continuing operations	17,849	19,476	14,084	21,228	8,615
Discontinued operations held for sale, net of income tax	(26)	37	6,909	865	(1,929)
Net earnings	17,823	19,513	20,993	22,093	6,686
Attributable to					
Shareholders of Arion Bank	17,815	19,511	20,986	22,086	6,666
Non-controlling interest	8	2	7	7	20
Net earnings	17,823	19,513	20,993	22,093	6,686

Balance sheet - 5 year summary

ISK million 30.09.2024 31.12.2023 31.12.2022 31.12.2021 31.12.2020

Assets

Cash and balances with Central Bank	96,323	102,095	114,118	69,057	42,136
Loans to credit institutions	32,772	28,835	45,501	30,272	28,235
Loans to customers	1,220,424	1,152,789	1,084,757	936,237	822,941
Financial instruments	214,307	205,706	193,329	225,657	227,251
Investment property	9,327	9,493	7,862	6,560	6,132
Investments in associates	833	789	787	668	891
Intangible assets	7,833	8,051	8,783	9,463	9,689
Tax assets	2	39	135	2	2
Asset and disposal groups held for sale	34	62	61	16,047	16,811
Other assets	23,862	17,813	10,276	16,747	18,618
Total assets	1,605,717	1,525,672	1,465,609	1,310,710	1,172,706

Liabilities

Due to credit institutions and Central Bank	6,715	2,771	11,697	5,000	13,031
Deposits	848,434	792,710	755,361	655,476	568,424
Financial liabilities at fair value	7,095	11,646	20,997	5,877	5,240
Tax liabilities	12,884	11,169	10,303	7,102	4,262
Liabilities associated with disposal groups held for sale	-	-	-	16,935	16,183
Other liabilities	56,620	46,336	39,400	34,914	32,714
Borrowings	431,105	420,460	392,563	356,637	298,947
Subordinated liabilities	44,184	41,279	47,331	35,088	36,060
Total liabilities	1,407,037	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	12,463	12,283	10,672	12,838	11,320
Retained earnings	180,026	175,881	163,264	157,486	135,021
Total shareholders equity	198,175	198,798	187,308	193,008	197,672
Non-controlling interest	505	503	649	673	173
Total equity	198,680	199,301	187,957	193,681	197,845
Total liabilities and equity	1,605,717	1,525,672	1,465,609	1,310,710	1,172,706

Net interest income - 5 year summary

ISK million	9M 2024	9M 2023	9M 2022	9M 2021	9M 2020
Interest income					
Cash and balances with Central bank	5,733	4,063	2,106	385	1,304
Loans	91,571	81,993	56,952	35,237	35,509
Securities	5,525	4,585	2,419	2,971	2,065
Other	59	14	5	141	146
Interest income	102,888	90,655	61,482	38,734	39,024
Interest expense					
Deposits	(41,876)	(33,342)	(15,886)	(4,498)	(5,435)
Borrowings	(22,769)	(20,296)	(14,218)	(9,461)	(9,092)
Subordinated liabilities	(3,082)	(3,557)	(1,671)	(1,393)	(1,305)
Other	(105)	(122)	(129)	(87)	(93)
Interest expense	(67,832)	(57,317)	(31,904)	(15,439)	(15,925)
Net interest income	35,056	33,338	29,578	23,295	23,099
Interest bearing assets					
Cash and balances with Central Bank	96,323	80,288	68,149	70,136	87,517
Loans	1,253,196	1,194,775	1,097,795	927,316	847,350
Securities	172,045	179,737	164,915	195,017	202,783
Interest bearing assets	1,521,564	1,454,800	1,330,859	1,192,469	1,137,650
Interest bearing liabilities					
Due to credit institutions and Central Bank	6,715	13,144	5,099	8,484	10,802
Deposits	848,434	806,331	739,969	641,306	602,842
Financial liabilities at fair value	7,095	16,908	21,800	5,675	3,983
Borrowings	431,105	407,895	376,540	397,031	308,913
Subordinated liabilities	44,184	46,853	34,089	35,477	36,867
Interest bearing liabilities	1,337,533	1,291,131	1,177,497	1,087,973	963,407
Interest Gap	184,031	163,669	153,362	104,496	174,243
Net interest margin on interest bearing assets	3.1%	3.1%	3.1%	2.7%	2.9%

Loans to customers - 5 year summary

ISK million

30.09.2024 31.12.2023 31.12.2022 31.12.2021 31.12.2020

Loans to customers

Individuals	640,939	609,144	582,371	526,498	433,336
Corporates	579,485	543,645	502,386	409,739	389,605
Total loans to customers	1,220,424	1,152,789	1,084,757	936,237	822,941

Ratios:

Share of stage 3 loans, gross*	2.4%	1.7%	1.2%	1.9%	2.6%
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Loans to individuals

Overdrafts	14,268	13,840	14,893	14,255	12,875
Credit cards	17,533	15,972	14,304	13,192	12,260
Mortgage loans	581,665	550,269	514,007	463,895	378,554
Other loans	30,088	31,536	40,942	37,044	32,122
Provision on loans	(2,615)	(2,473)	(1,775)	(1,888)	(2,475)
Total loans to individuals	640,939	609,144	582,371	526,498	433,336

Loans to corporates

Overdrafts	43,433	43,013	33,369	18,301	15,471
Credit cards	2,427	2,062	1,838	1,449	1,086
Mortgage loans	69,758	68,840	60,528	41,588	32,175
Loans at fair value	1,665	-	-	-	-
Other loans	469,456	435,808	411,792	354,113	350,455
Provision on loans	(7,254)	(6,078)	(5,141)	(5,712)	(9,582)
Total loans to corporates	579,485	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	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	10.1%	10.1%	8.8%	6.8%	8.0%
Information and communication technology	5.0%	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	35.2%	35.3%	31.9%	31.1%	32.8%
Fishing industry	14.3%	15.2%	18.2%	19.1%	20.9%
Transportation	1.6%	1.6%	2.8%	3.5%	3.3%
Commerce and services	12.5%	12.2%			
Accommodation and food service activities	8.2%	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

30.09.2024 31.12.2023 31.12.2022 31.12.2021 31.12.2020

Capital base:

Total equity	198,680	199,301	187,956	193,681	197,845
Unaudited interim net earnings	(7,872)	-	-	-	-
Non-controlling interest not eligible for inclusion in CET 1 capital	(505)	(503)	(649)	(673)	(173)
Common Equity Tier 1 capital before regulatory adjustments	190,303	198,798	187,307	193,008	197,672
Intangible assets	(7,521)	(7,211)	(6,425)	(8,435)	(13,092)
Tax assets	-	-	-	-	-
Foreseeable dividend	(4,974)	(12,877)	(15,980)	(26,773)	(17,990)
Adjustment under IFRS 9 transitional arrangements	518	952	1,142	920	1,890
Other statutory deductions	(374)	(227)	(224)	(437)	(2,519)
Common equity Tier 1 capital	177,952	179,435	165,820	158,283	165,961
Non-controlling interest eligible for inclusion in CET1 capital	132	117	105	133	173
Additional Tier 1 capital	19,364	13,217	13,396	13,225	13,498
Tier 1 capital	197,448	192,769	179,321	171,641	179,632
Tier 2 instruments	24,820	28,062	33,935	21,863	22,562
Tier 2 instruments of financial sector entities (signif. invest.)	(1,317)	(1,247)	(1,155)	(1,056)	(1,007)
General credit risk adjustments	-	-	-	-	-
Tier 2 Capital	23,503	26,815	32,780	20,807	21,555
Total own funds	220,951	219,584	212,101	192,448	201,187

Risk weighted exposure amount (REA)

Credit Risk, loans*	791,680	732,760	707,479	623,395	570,554
Credit Risk, securities and other	54,723	52,032	56,714	69,553	60,813
Counterparty credit risk	7,065	7,442	14,645	7,761	3,462
Market Risk due to currency imbalance	844	4,751	1,387	4,691	8,569
Market Risk Other	14,441	11,066	7,493	8,958	13,063
Credit valuation adjustment	2,470	3,680	6,010	2,379	842
Operational Risk	98,740	98,740	89,166	96,085	88,462
Total risk weighted exposure amount	969,963	910,471	882,894	812,822	745,765

Capital ratios*

CET 1 ratio	18.8%	19.7%	18.8%	19.6%	22.3%
Tier 1 ratio	20.8%	21.2%	20.3%	21.2%	24.1%
Capital adequacy ratio	23.2%	24.1%	24.0%	23.8%	27.0%

Leverage ratio

On-balance sheet exposures	1,554,679	1,477,968	1,415,353	1,256,916	1,114,450
Derivative exposures	18,741	15,953	32,118	4,796	9,124
Securities financing transaction exposures	10,430	10,326	10,174	720	512
Off-balance sheet exposures	58,955	46,087	59,723	102,016	65,425
Total exposure	1,642,805	1,550,334	1,517,368	1,364,448	1,189,511
Tier 1 capital	197,449	192,769	179,321	171,641	179,632
Leverage ratio	12.0%	12.4%	11.8%	12.6%	15.1%

Related ratios

Return on REA	2.5%	2.8%	3.0%	3.7%	1.7%
REA/Total assets	60.4%	59.7%	60.2%	61.9%	63.6%

*Capital ratios include interim profit

Quarter summaries



KFI - 9 Quarters

ISK million	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Profitability									
Return on equity	16.1%	11.5%	9.1%	12.7%	12.9%	15.5%	13.7%	10.6%	10.9%
Return on assets	2.0%	1.4%	1.2%	1.6%	1.6%	1.9%	1.7%	1.4%	1.4%
Return on risk exposure amount	3.3%	2.3%	1.9%	2.7%	2.7%	3.1%	2.8%	2.3%	2.3%
Operating income / Risk exposure amount	7.3%	7.0%	6.3%	7.2%	6.6%	7.6%	7.3%	7.1%	6.4%
Net interest margin									
Net interest margin on interest bearing assets	3.1%	3.2%	3.1%	3.1%	3.0%	3.2%	3.1%	3.1%	3.2%
Net interest margin on total assets	3.0%	3.1%	2.9%	3.0%	2.9%	3.0%	3.0%	2.9%	3.0%
Net interest income on credit risk	5.6%	5.8%	5.6%	5.7%	5.5%	5.8%	5.6%	5.6%	5.5%
Efficiency									
Cost-to-core income ratio*	37.5%	46.2%	48.4%	54.9%	38.2%	39.4%	46.8%	53.7%	37.5%
Cost-to-income ratio	34.4%	43.1%	45.3%	48.0%	36.0%	34.6%	41.6%	51.0%	38.6%
Cost-to-total assets ratio	1.5%	1.8%	1.7%	2.0%	1.4%	1.6%	1.7%	2.1%	1.5%
Number of FTE's at period end	851	817	813	822	800	781	789	781	777
Asset quality									
Share of stage 3 loans, gross**	2.4%	2.1%	1.9%	1.7%	1.6%	1.6%	1.4%	1.2%	1.4%
Risk weighted assets / Total assets	60.4%	60.7%	60.7%	59.7%	58.9%	60.1%	60.4%	60.2%	61.0%

*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	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Financial strength									
Equity as % of total assets	12.4%	12.3%	12.4%	13.1%	12.5%	12.3%	12.0%	12.8%	13.1%
Liquidity									
Liquidity coverage ratio (LCR)	178.6%	154.4%	143.6%	191.8%	179.1%	162.9%	173.6%	158.5%	189.3%
Loans-to-deposits ratio	143.8%	142.0%	147.0%	145.4%	141.8%	145.2%	143.8%	143.6%	141.2%
Loans-to-deposits ratio (without covered bonds)	114.8%	114.1%	116.5%	116.0%	112.5%	115.4%	114.4%	115.4%	113.1%
Deposits from customers as % of total funding	66.0%	66.8%	64.8%	65.2%	65.7%	64.6%	65.1%	65.1%	66.0%
Covered bonds as % of total funding	19.1%	18.7%	19.8%	19.2%	19.2%	19.3%	19.1%	18.4%	18.6%
Capital**									
CET 1 ratio	18.8%	18.5%	18.8%	19.7%	19.4%	18.9%	18.6%	18.8%	19.3%
Tier 1 ratio	20.8%	20.0%	20.3%	21.2%	20.8%	20.4%	20.1%	20.3%	20.5%
Tier 2 ratio	2.4%	2.8%	2.9%	2.9%	3.6%	3.5%	3.6%	3.7%	2.5%
Capital adequacy ratio	23.5%	22.8%	23.3%	24.0%	24.6%	23.8%	23.9%	24.0%	23.3%
Leverage ratio	12.0%	11.8%	12.0%	12.4%	11.8%	11.7%	11.3%	11.8%	12.0%

Income statement - 9 quarter summary

ISK million	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Interest income	33,210	36,040	33,638	32,461	30,426	31,060	29,169	22,033	23,446
Interest expense	(21,347)	(24,092)	(22,393)	(21,114)	(19,508)	(19,634)	(18,175)	(11,410)	(13,089)
Net interest income	11,863	11,948	11,245	11,347	10,918	11,426	10,994	10,623	10,357
Fee and commission income	4,744	4,934	4,336	4,882	4,765	5,187	5,286	5,010	4,773
Fee and commission expense	(864)	(955)	(971)	(979)	(917)	(1,000)	(835)	(756)	(716)
Net fee and commission income	3,880	3,979	3,365	3,903	3,848	4,187	4,451	4,254	4,057
Insurance revenue	5,067	4,908	4,667	4,761	4,450	4,207	3,998	3,938	3,739
Insurance service expenses	(3,535)	(4,386)	(4,882)	(5,045)	(4,055)	(3,445)	(4,719)	(4,170)	(3,252)
Insurance service results	1,532	522	(215)	(284)	395	762	(721)	(232)	487
Net financial (loss) income	524	99	29	1,370	(183)	(617)	796	(52)	(1,476)
Other operating income	(313)	37	50	(24)	8	1,586	19	52	98
Other net operating income / loss	211	136	79	1,346	(175)	969	815	-	(1,378)
Operating income	17,486	16,585	14,474	16,312	14,986	17,344	15,539	14,645	13,523
Operating expenses	(6,021)	(7,152)	(6,554)	(7,830)	(5,392)	(6,009)	(6,470)	(7,474)	(5,222)
Operating expenses	(6,021)	(7,152)	(6,554)	(7,830)	(5,392)	(6,009)	(6,470)	(7,474)	(5,222)
Bank Levy	(500)	(476)	(460)	(422)	(468)	(457)	(449)	(496)	(444)
Net impairment	(954)	(775)	(315)	13	(741)	(568)	(52)	411	42
Earnings before income tax	10,011	8,182	7,145	8,073	8,385	10,310	8,568	7,086	7,899
Income tax expense	(2,114)	(2,671)	(2,704)	(1,808)	(2,274)	(3,226)	(2,287)	(1,755)	(2,885)
Net earnings from continuing operations	7,897	5,511	4,441	6,265	6,111	7,084	6,281	5,331	5,014
Discontinued operations held for sale, net of income tax	(6)	(11)	(9)	(41)	20	7	10	(366)	(6)
Net earnings	7,891	5,500	4,432	6,224	6,131	7,091	6,291	4,965	5,008
Attributable to									
Shareholders of Arion Bank	7,871	5,505	4,444	6,217	6,136	7,082	6,284	4,959	5,014
Non-controlling interest	20	(5)	(12)	7	(5)	9	7	6	(6)
Net earnings	7,891	5,500	4,432	6,224	6,131	7,091	6,291	4,965	5,008

Balance sheet - 9 quarter summary

ISK million	30.09.2024	30.06.2024	31.03.2024	31.12.2023	30.09.2023	30.06.2023	31.03.2023	31.12.2022	30.09.2022
Assets									
Cash and balances with Central Bank	96,323	135,522	102,405	102,095	80,288	76,499	80,272	114,118	68,149
Loans to credit institutions	32,772	32,728	33,782	28,835	51,302	43,428	62,899	45,501	52,643
Loans to customers	1,220,424	1,202,616	1,178,700	1,152,789	1,143,473	1,134,621	1,114,128	1,084,757	1,045,152
Financial instruments	214,307	165,630	195,914	205,706	221,012	225,827	204,996	193,329	223,142
Investment property	9,327	9,633	9,542	9,493	9,461	9,444	7,875	7,862	6,617
Investments in associates	833	816	797	789	844	842	770	787	785
Intangible assets	7,833	7,864	7,885	8,051	8,289	8,486	8,575	8,783	8,816
Tax assets	2	39	39	39	427	383	332	135	2,886
Asset and disposal groups held for sale	34	68	64	62	61	61	61	61	2,152
Other assets	23,862	13,873	15,304	17,813	25,512	18,635	20,736	10,276	13,700
Total assets	1,605,717	1,568,789	1,544,432	1,525,672	1,540,669	1,518,226	1,500,644	1,465,609	1,424,042
Liabilities									
Due to credit institutions and Central Bank	6,715	5,067	3,205	2,771	13,144	21,702	24,188	11,697	5,099
Deposits	848,434	846,686	802,068	792,710	806,331	781,202	775,023	755,361	739,969
Financial liabilities at fair value	7,095	9,715	10,778	11,646	16,908	18,242	20,692	20,997	21,800
Tax liabilities	12,884	12,166	11,732	11,169	13,499	12,335	10,840	10,303	15,596
Other liabilities	56,620	45,497	50,628	46,336	43,479	46,379	52,554	39,400	44,797
Borrowings	431,105	415,116	433,047	420,460	407,895	405,572	390,734	392,563	376,540
Subordinated liabilities	44,184	42,091	41,558	41,279	46,853	46,478	46,681	47,331	34,089
Total liabilities	1,407,037	1,376,338	1,353,017	1,326,372	1,348,109	1,331,910	1,320,712	1,277,652	1,237,890
Equity									
Share capital and share premium	5,686	6,823	11,206	10,633	10,604	10,604	11,406	13,372	16,764
Other reserves	12,463	12,036	12,365	12,283	11,785	11,558	10,826	10,672	9,675
Retained earnings	180,026	173,107	167,353	175,881	169,510	163,489	157,044	163,264	159,033
Total shareholders equity	198,175	191,966	190,924	198,797	191,899	185,651	179,276	187,308	185,472
Non-controlling interest	505	485	491	503	661	665	656	649	680
Total equity	198,680	192,451	191,415	199,300	192,560	186,316	179,932	187,957	186,152
Total liabilities and equity	1,605,717	1,568,789	1,544,432	1,525,672	1,540,669	1,518,226	1,500,644	1,465,609	1,424,042

Net interest income - 9 quarter summary

ISK million	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Interest income									
Cash and balances with Central bank	1,715	2,021	1,997	1,684	1,363	1,306	1,394	1,228	993
Loans	29,593	32,264	29,714	28,742	27,042	28,294	26,657	20,107	21,488
Securities	1,851	1,753	1,921	1,987	2,009	1,460	1,116	569	967
Other	51	2	6	48	12	-	2	129	(2)
Interest income	33,210	36,040	33,638	32,461	30,426	31,060	29,169	22,033	23,446
Interest expense									
Deposits	(13,540)	(14,631)	(13,705)	(12,926)	(11,950)	(11,490)	(9,902)	(6,865)	(7,158)
Borrowings	(6,864)	(8,300)	(7,605)	(7,069)	(6,466)	(6,877)	(6,953)	(3,809)	(5,269)
Subordinated loans	(918)	(1,122)	(1,042)	(1,094)	(1,066)	(1,220)	(1,271)	(667)	(624)
Other	(25)	(39)	(41)	(25)	(26)	(47)	(49)	(69)	(38)
Interest expense	(21,347)	(24,092)	(22,393)	(21,114)	(19,508)	(19,634)	(18,175)	(11,410)	(13,089)
Net interest income	11,863	11,948	11,245	11,347	10,918	11,426	10,994	10,623	10,357
Interest bearing assets									
Cash and balances with Central Bank	96,323	135,522	102,405	102,095	80,288	76,499	80,272	114,118	68,149
Loans	1,253,196	1,235,344	1,212,482	1,181,624	1,194,775	1,178,049	1,177,027	1,130,258	1,097,795
Securities	172,045	122,892	142,340	159,392	179,737	183,351	152,487	142,064	164,915
Interest bearing assets	1,521,564	1,493,758	1,457,227	1,443,111	1,454,800	1,437,899	1,409,786	1,386,440	1,330,859
Interest bearing liabilities									
Due to credit institutions and Central Bank	6,715	5,067	3,205	2,771	13,144	21,702	24,188	11,697	5,099
Deposits	848,434	846,686	802,068	792,710	806,331	781,202	775,023	755,361	739,969
Financial liabilities at fair value	7,095	9,715	10,778	11,646	16,908	18,242	20,692	20,997	21,800
Borrowings	431,105	415,116	433,047	420,460	407,895	405,572	390,734	392,563	376,540
Subordinated liabilities	44,184	42,091	41,558	41,279	46,853	46,478	46,681	47,331	34,089
Interest bearing liabilities	1,337,533	1,318,675	1,290,656	1,268,866	1,291,131	1,273,196	1,257,318	1,227,949	1,177,497
Interest Gap	184,031	175,083	166,571	174,245	163,669	164,703	152,468	158,491	153,362
Net interest margin on interest bearing assets	3.1%	3.2%	3.1%	3.1%	3.0%	3.2%	3.1%	3.1%	3.2%

All amounts are in ISK millions

Loans to customers - 9 quarter summary

ISK million	30.09.2024	30.06.2024	31.03.2024	31.12.2023	30.09.2023	30.06.2023	31.03.2023	31.12.2022	30.09.2022
Loans to customers									
Individuals	640,939	633,620	617,796	609,144	601,463	592,571	588,989	582,371	571,487
Corporates	579,485	568,996	560,904	543,645	542,010	542,050	525,139	502,386	473,665
Total loans to customers	1,220,424	1,202,616	1,178,700	1,152,789	1,143,473	1,134,621	1,114,128	1,084,757	1,045,152
Share of stage 3 loans, gross*	2.4%	2.1%	1.9%	1.7%	1.6%	1.6%	1.4%	1.2%	1.4%
Loans to individuals									
Overdrafts	14,268	13,590	13,294	13,840	14,059	13,988	14,582	14,893	15,008
Credit cards	17,533	15,890	16,781	15,972	14,179	15,754	14,716	14,304	14,605
Mortgage loans	581,665	576,185	559,986	550,269	541,219	530,958	520,421	514,007	502,537
Other loans	30,088	30,630	30,788	31,536	34,393	34,103	41,194	40,942	41,200
Provision on loans	(2,615)	(2,675)	(3,053)	(2,473)	(2,387)	(2,232)	(1,924)	(1,775)	(1,863)
Total loans to individuals	640,939	633,620	617,796	609,144	601,463	592,571	588,989	582,371	571,487
Loans to corporates									
Overdrafts	43,433	47,240	47,702	43,013	39,813	40,673	36,921	33,369	28,933
Credit cards	2,427	2,251	2,138	2,062	2,054	1,927	1,976	1,838	1,835
Mortgage loans	69,758	66,072	66,097	68,840	65,583	66,118	57,081	60,528	60,573
Loans at fair value	1,665	1,562	-	-	-	-	-	-	-
Other loans	469,456	458,136	450,954	435,808	440,811	438,718	434,348	411,792	388,476
Provision on loans	(7,254)	(6,265)	(5,987)	(6,078)	(6,251)	(5,386)	(5,187)	(5,141)	(6,152)
Total loans to corporates	579,485	568,996	560,904	543,645	542,010	542,050	525,139	502,386	473,665
Loans to corporates specified by sector:									
Agriculture and forestry	2.2%	2.2%	2.1%	2.1%	2.2%	2.9%	2.2%	2.3%	2.5%
Services	0.0%	4.1%	4.0%	0.0%	3.9%	3.7%	3.6%	3.8%	4.1%
Financial and insurance activities	8.9%	8.5%	7.9%	7.6%	7.7%	8.0%	8.1%	8.2%	9.4%
Industry, energy and manufacturing	10.1%	10.3%	10.3%	10.1%	9.7%	9.6%	9.4%	8.8%	8.6%
Information and communication technology	5.0%	5.3%	5.2%	4.8%	4.9%	5.0%	5.3%	4.9%	4.9%
Public administration, human health and social activities	2.2%	2.2%	2.5%	2.6%	2.4%	2.3%	2.2%	2.1%	1.8%
Real estate activities and construction	35.2%	34.3%	34.8%	35.3%	34.8%	33.5%	31.6%	31.9%	32.0%
Fishing industry	14.3%	14.9%	14.8%	15.2%	16.6%	15.0%	17.0%	18.2%	17.9%
Transportation	1.6%	1.6%	1.6%	1.6%	1.5%	2.6%	2.7%	2.8%	3.2%
Commerce and services	12.5%	-	-	12.2%	-	-	-	-	-
Accommodation and food service activities	8.2%	-	-	8.5%	-	-	-	-	-
Wholesale and retail trade	0.0%	16.7%	16.8%	0.0%	16.3%	17.4%	17.9%	16.9%	15.5%
	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

30.09.2024 30.06.2024 31.03.2024 31.12.2023 30.09.2023 30.06.2023 31.03.2023 31.12.2022 30.09.2022

Capital base:

Total equity	198,680	192,451	191,416	199,301	192,560	186,316	179,932	187,956	186,153
Unaudited interim net earnings	(7,872)	-	(4,444)	-	(6,135)	-	(6,284)	-	(4,863)
Non-controlling interest not eligible for inclusion in CET1 capital	(505)	(485)	(491)	(503)	(661)	(665)	(656)	(649)	(680)
Common Equity Tier 1 capital before regulatory adjustments	190,303	191,966	186,481	198,798	185,764	185,651	172,992	187,307	180,610
Intangible assets	(7,521)	(7,539)	(7,423)	(7,211)	(7,073)	(6,888)	(6,601)	(6,425)	(6,055)
Foreseeable dividend	(4,974)	(7,933)	(5,000)	(12,877)	(6,683)	(6,683)	(897)	(15,980)	(10,570)
Adjustment under IFRS 9 transitional arrangements	518	512	511	952	1,041	766	687	1,142	1,018
Other statutory deductions	(374)	(361)	(4,840)	(30)	(247)	(254)	(234)	(224)	(254)
Common equity Tier 1 capital	177,952	176,645	169,729	179,632	172,802	172,592	165,947	165,820	164,749
Non-controlling interest eligible for inclusion in CET1 capital	132	121	116	117	115	102	103	105	87
Additional Tier 1 capital	19,364	13,659	13,410	13,217	12,932	12,931	12,869	13,396	13,297
Tier 1 capital	197,448	190,425	183,255	192,966	185,849	185,625	178,919	179,321	178,133
Tier 2 instruments	24,820	28,432	28,148	28,062	33,921	33,547	33,812	33,935	20,792
Tier 2 instruments of financial sector entities (signif. invest.)	(1,317)	(1,291)	(1,279)	(1,247)	(1,242)	(1,216)	(1,200)	(1,155)	(1,154)
Tier 2 Capital	23,503	27,141	26,869	26,815	32,679	32,331	32,612	32,780	19,638
Total own funds	220,951	217,566	210,124	219,781	218,528	217,956	211,531	212,101	197,771

Risk weighted exposure amount (REA)

Credit Risk, loans	791,680	775,820	754,354	732,760	737,824	736,432	730,700	707,479	693,037
Credit Risk, securities and other	54,723	51,782	52,996	52,032	55,066	56,425	54,540	56,714	64,164
Counterparty credit risk	7,065	7,588	9,641	7,442	12,567	15,923	16,257	14,645	11,946
Market Risk due to currency imbalance	844	1,389	4,641	4,751	1,907	1,417	2,851	1,387	1,778
Market Risk Other	14,441	13,526	12,975	11,066	7,165	8,628	8,647	7,493	10,315
Credit valuation adjustment	2,470	4,177	3,713	3,680	3,494	3,709	4,931	6,010	2,830
Operational Risk	98,740	98,740	98,740	98,740	89,166	89,166	89,166	89,166	84,670
Total risk weighted exposure amount	969,963	953,022	937,060	910,471	907,189	911,700	907,092	882,894	868,740

Capital and Risk Weighted Assets

ISK million

30.09.2024 30.06.2024 31.03.2024 31.12.2023 30.09.2023 30.06.2023 31.03.2023 31.12.2022 30.09.2022

Capital ratios*

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

Leverage ratio

On-balance sheet exposures	1,554,679	1,530,996	1,496,916	1,477,968	1,490,781	1,475,365	1,457,202	1,415,353	1,380,093
Derivative exposures	18,741	17,478	20,120	15,953	23,872	28,229	30,411	32,118	25,837
Securities financing transaction exposures	10,430	10,107	10,510	10,326	10,020	28,903	39,705	10,174	10,943
Off-balance sheet exposures	58,955	50,138	43,553	46,087	52,682	56,058	57,645	59,723	63,019
Total exposure	1,642,805	1,608,719	1,571,099	1,550,334	1,577,355	1,588,555	1,584,963	1,517,368	1,479,892
Tier 1 capital	197,449	190,425	183,255	192,966	185,849	185,625	178,919	179,321	178,133
Leverage ratio	12.0%	11.8%	11.7%	12.4%	11.8%	11.7%	11.3%	11.8%	12.0%

Related ratios

Return on REA	2.5%	2.1%	1.9%	2.8%	2.9%	3.0%	2.8%	3.0%	3.2%
REA/Total assets	60.4%	60.7%	60.7%	59.7%	58.9%	60.1%	60.4%	60.2%	61.0%

*Capital ratios include interim profit in Q1 and Q3 figures

Operating segments - Quarters summary

	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Markets and Stefnir:									
Net interest income	297	296	312	264	283	237	227	738	1,103
Net fee and commission income	1,294	1,382	1,354	1,213	1,259	1,460	1,562	1,325	1,434
Insurance service results	-	-	-	-	-	-	-	-	-
Net financial income (loss)	53	(28)	43	55	(11)	11	19	66	(8)
Other operating income	1	1	-	1	1	2	2	11	-
Total operating income	1,645	1,651	1,709	1,533	1,532	1,710	1,810	2,140	2,529
Operating expenses	(587)	(645)	(618)	(930)	(543)	(646)	(595)	(792)	(433)
Allocated expenses	(392)	(687)	(654)	(720)	(507)	(536)	(589)	(584)	(442)
Bank levy	(11)	(14)	(11)	(9)	(11)	(13)	(11)	(17)	(16)
Net impairment	7	4	(11)	-	-	(11)	(2)	1	(1)
Earnings before income tax	662	309	415	(126)	471	504	613	748	1,637
Total assets	100,669	98,972	99,522	96,319	100,054	99,343	102,264	87,985	91,257
Total liabilities	91,458	89,720	90,691	87,502	91,737	91,007	93,034	79,038	83,002
Allocated equity	9,211	9,252	8,831	8,817	8,317	8,336	9,230	8,947	8,255
Corporate & Investment Bank including insurance:									
Net interest income	6,913	6,604	6,124	5,682	5,271	5,075	4,961	5,694	5,543
Net fee and commission income	1,370	1,323	933	1,208	941	1,245	1,512	1,247	882
Insurance service results	217	(124)	(151)	(246)	46	(151)	(157)	(341)	(167)
Net financial income (loss)	258	629	126	442	167	(88)	166	(25)	(162)
Other operating income (loss)	2	1	2	(1)	-	3	(9)	2	(2)
Total operating income	8,760	8,433	7,034	7,085	6,425	6,084	6,473	6,577	6,094
Operating expenses	(430)	(457)	(394)	(523)	(352)	(264)	(340)	(596)	(288)
Allocated expenses	(728)	(1,480)	(1,255)	(1,239)	(868)	(993)	(1,041)	(1,135)	(824)
Bank levy	(184)	(179)	(150)	(140)	(154)	(146)	(146)	(161)	(143)
Net impairment	(1,074)	(651)	286	175	(901)	(335)	111	375	(221)
Earnings (loss) before income tax	6,344	5,666	5,521	5,358	4,150	4,346	5,057	5,060	4,618
Total assets	584,421	571,092	564,979	486,908	484,780	486,710	472,235	439,461	427,885
Total liabilities	479,631	470,759	469,859	405,484	405,093	403,378	391,699	364,637	354,447
Allocated equity	104,790	100,333	95,120	81,424	79,687	83,332	80,536	74,824	73,437

Operating segments - Quarters summary									
	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Retail Bank including insurance:									
Net interest income	3,935	3,853	4,245	4,808	4,868	4,845	4,983	5,571	5,085
Net fee and commission income	1,010	951	855	1,211	1,266	1,123	1,012	1,280	1,452
Insurance service results	1,205	551	(107)	(32)	357	906	(513)	179	656
Net financial income (loss)	459	49	103	631	(94)	(266)	512	16	(511)
Other operating income	19	1	7	(6)	18	14	15	52	29
Total operating income	6,628	5,405	5,103	6,612	6,415	6,622	6,009	7,098	6,711
Operating expenses	(660)	(808)	(778)	(1,154)	(779)	(925)	(901)	(1,164)	(852)
Allocated expenses	(1,167)	(2,219)	(2,110)	(2,491)	(1,798)	(2,048)	(2,245)	(2,535)	(1,763)
Bank levy	(212)	(200)	(214)	(197)	(212)	(205)	(209)	(233)	(205)
Net impairment	114	(127)	(589)	(186)	129	(281)	(188)	(106)	104
Earnings before income tax	4,703	2,051	1,412	2,584	3,755	3,163	2,466	3,060	3,995
Total assets	671,631	665,330	647,536	701,794	692,160	680,835	674,966	647,788	625,240
Total liabilities	616,114	612,061	594,545	642,302	635,382	619,437	614,219	589,226	567,556
Allocated equity	55,517	53,269	52,991	59,492	56,778	61,398	60,747	58,562	57,685
Treasury and Market making:									
Net interest income	756	1,227	610	624	549	1,334	887	(1,212)	(1,312)
Net fee and commission income	154	213	125	186	221	203	161	179	185
Net insurance income	-	-	-	-	-	-	-	-	-
Net financial income (loss)	(258)	(549)	(243)	291	(200)	(405)	223	(158)	(861)
Other operating income	-	-	-	3	(10)	11	2	1	-
Total operating income (loss)	652	891	492	1,104	560	1,143	1,273	(1,190)	(1,988)
Operating expenses	(181)	(235)	(229)	(227)	(150)	(159)	(221)	(152)	(196)
Allocated expenses	(191)	(398)	(342)	(342)	(270)	(294)	(346)	(373)	(270)
Bank levy	(93)	(83)	(85)	(86)	(91)	(93)	(83)	(96)	(80)
Net impairment	(2)	(1)	-	-	2	1	3	-	1
Earnings (loss) before income tax	185	174	(164)	449	51	598	626	(1,811)	(2,533)
Total assets	549,764	520,064	560,085	555,321	584,518	574,141	601,762	534,231	487,621
Total liabilities	528,148	498,349	534,657	514,881	546,407	551,071	581,182	500,807	453,937
Allocated equity	21,616	21,715	25,428	40,440	38,111	23,070	20,580	33,424	33,684

Operating segments - Quarters summary

	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Subsidiaries excluding Stefnir and Vördur:									
Net interest income (expense)	(59)	(55)	(60)	(44)	(74)	(68)	(65)	(58)	(14)
Net fee and commission income (expense)	83	72	51	(24)	49	46	98	(45)	(608)
Net insurance income	-	-	-	-	-	-	-	-	(2)
Net financial income (loss)	20	-	-	(50)	(38)	147	(124)	207	(66)
Other operating income	(340)	26	18	52	2	1,565	8	9	10
Total operating income (loss)	(296)	43	9	(66)	(61)	1,690	(83)	113	(680)
Operating expenses	(107)	(122)	(68)	(105)	(86)	(90)	(116)	(81)	(90)
Allocated expenses	(30)	(31)	(31)	(50)	(3)	6	(20)	-	(29)
Bank levy	-	-	-	-	-	-	-	-	-
Net impairment	-	-	-	20	27	60	21	412	(39)
Earnings (loss) before income tax	(433)	(110)	(90)	(201)	(123)	1,666	(198)	444	(838)
Total assets	16,961	16,971	17,893	17,733	18,486	18,901	17,039	32,423	31,630
Total liabilities	9,415	9,090	8,847	8,605	8,819	8,721	8,200	21,893	21,380
Allocated equity	7,546	7,881	9,046	9,128	9,667	10,180	8,839	10,530	10,250
Supporting units and eliminations:									
Net interest income (loss)	21	23	14	13	21	4	-	(27)	(48)
Net fee and commission income (expense)	(31)	38	47	109	112	108	108	87	712
Net insurance income (expense)	110	95	43	(6)	(8)	7	(51)	(1)	-
Net financial income (loss)	(8)	(2)	-	1	(7)	(15)	(1)	(105)	132
Other operating income (loss)	5	8	23	(73)	(3)	(10)	2	(14)	61
Total operating income (loss)	97	162	127	44	115	94	58	(60)	857
Operating expenses	(4,056)	(4,885)	(4,467)	(4,891)	(3,482)	(3,930)	(4,292)	(4,689)	(3,363)
Allocated expenses	2,508	4,815	4,392	4,842	3,446	3,865	4,241	4,627	3,328
Bank levy	-	-	-	10	-	-	-	11	-
Net impairment	1	-	(1)	4	2	(2)	3	(271)	198
Earnings (loss) before income tax	(1,450)	92	51	9	81	27	10	(382)	1,020
Total assets	(317,729)	(303,640)	(345,583)	(332,403)	(339,329)	(341,704)	(367,622)	(314,002)	(280,272)
Total liabilities	(317,729)	(303,641)	(345,583)	(332,403)	(339,329)	(341,704)	(367,622)	(314,002)	(280,272)
Allocated equity	-								

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