

Factbook

30 June 2025



Unaudited

KFI - 5 years

ISK million

H1 2025 H1 2024 H1 2023 H1 2022 H1 2021

Profitability

Return on equity ¹	16.1%	10.3%	14.5%	17.5%	14.3%
Return on assets	1.9%	1.3%	1.8%	2.4%	2.3%
Return on risk exposure amount	3.2%	2.1%	3.0%	3.8%	3.7%
Operating income / Risk exposure amount	8.0%	6.7%	7.3%	6.6%	7.5%
Earnings per share	11.22	10.65	9.17	-	8.47

Net interest margin

Net interest margin on interest bearing assets	3.3%	3.1%	3.1%	3.1%	2.8%
Net interest margin on total assets	3.2%	3.0%	3.0%	2.9%	2.6%
Net interest income on credit risk	6.0%	5.7%	5.7%	5.3%	4.8%

Efficiency

Total cost-to-core income ratio ²	39.4%	47.2%	43.0%	44.4%	52.2%
Cost-to-income ratio	32.9%	44.1%	37.9%	42.9%	44.2%
Cost-to-total assets ratio	1.59%	1.8%	1.7%	1.7%	2.1%
Number of FTE's at year end	868	817	781	746	741

Asset quality

Share of stage 3 loans, gross ³	2.5%	2.1%	1.6%	1.4%	2.8%
Risk weighted assets / Total assets	60.1%	60.7%	60.1%	62.3%	61.3%

Financial strength

Equity as % of total assets	11.9%	12.3%	12.3%	13.2%	15.9%
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Liquidity

Liquidity coverage ratio (LCR)	156.4%	154.4%	162.9%	163.2%	215.1%
Loans-to-deposits ratio	141.5%	142.0%	145.2%	139.0%	139.6%
Loans-to-deposits ratio (without covered bonds)	116.1%	114.1%	115.4%	107.8%	112.0%
Deposits from customers as % of total funding	64.7%	66.8%	64.6%	66.4%	66.2%
Covered bonds as % of total funding	16.5%	18.7%	19.3%	20.8%	18.3%

Capital⁴

CET 1 ratio	18.0%	18.5%	18.9%	19.7%	22.7%
Tier 1 ratio	19.5%	20.0%	20.4%	20.9%	24.4%
Tier 2 ratio	2.5%	2.8%	3.5%	2.6%	2.8%
Capital adequacy ratio	22.0%	22.8%	23.9%	23.5%	27.2%
Leverage ratio	11.5%	11.9%	11.7%	12.7%	14.6%

¹ Based on net earnings attributable to shareholders of Arion Bank

² Including expenses from insurance operations

³(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

⁴Capital ratios include interim profit

Income statement - 5 year summary

ISK million	H1 2025	H1 2024	H1 2023	H1 2022	H1 2021
Interest income	67,815	69,678	60,229	38,036	25,924
Interest expense	(41,449)	(46,485)	(37,809)	(18,815)	(10,566)
Net interest income	26,366	23,193	22,420	19,221	15,358
Fee and commission income	11,022	9,270	10,473	8,958	7,825
Fee and commission expense	(1,933)	(1,926)	(1,835)	(820)	(986)
Net fee and commission income	9,089	7,344	8,638	8,138	6,839
Insurance revenue	10,045	9,575	8,205	7,428	-
Insurance service expenses	(9,010)	(9,268)	(8,164)	(7,068)	-
Insurance service results	1,035	307	41	360	-
Net insurance income	-	-	-	-	1,585
Net financial (loss) income	(772)	128	179	(1,758)	3,703
Other operating income	4,645	87	1,605	1,164	616
Other net operating income / loss	3,873	215	1,784	(594)	5,904
Operating income	40,363	31,059	32,883	27,125	28,101
Operating expenses	(13,298)	(13,706)	(12,479)	(11,633)	-
Salaries and related expense	-	-	-	-	(6,846)
Other operating expenses	-	-	-	-	(5,574)
Operating expenses	(13,298)	(13,706)	(12,479)	(11,633)	(12,420)
Bank Levy	(1,029)	(936)	(906)	(809)	(685)
Net impairment	(231)	(1,090)	(620)	(309)	1,892
Earnings before income tax	25,805	15,327	18,878	14,374	16,888
Income tax expense	(7,710)	(5,375)	(5,513)	(5,304)	(3,274)
Net earnings from continuing operations	18,095	9,952	13,365	9,070	13,614
Discontinued operations held for sale, net of income tax	(22)	(20)	17	6,915	241
Net earnings	18,073	9,932	13,382	15,985	13,855
Attributable to					
Shareholders of Arion Bank	16,172	9,949	13,366	15,972	13,848
Non-controlling interest	1,901	(17)	16	13	7
Net earnings	18,073	9,932	13,382	15,985	13,855

Balance sheet - 5 year summary

ISK million

30.06.2025 31.12.2024 31.12.2023 31.12.2022 31.12.2021

Assets

Cash and balances with Central Bank	114,114	124,094	102,095	114,118	69,057
Loans to credit institutions	34,805	25,690	28,835	45,501	30,272
Loans to customers	1,272,468	1,230,058	1,152,789	1,084,757	936,237
Financial instruments	238,217	206,417	205,706	193,329	225,657
Investment property	13,786	9,387	9,493	7,862	6,560
Investments in associates	778	814	789	787	668
Intangible assets	7,995	7,688	8,051	8,783	9,463
Tax assets	2	2	39	135	2
Asset and disposal groups held for sale	141	111	62	61	16,047
Other assets	30,839	14,006	17,813	10,276	16,747
Total assets	1,713,145	1,618,267	1,525,672	1,465,609	1,310,710

Liabilities

Due to credit institutions and Central Bank	7,368	6,618	2,771	11,697	5,000
Deposits	899,157	857,443	792,710	755,361	655,476
Financial liabilities at fair value	4,727	8,394	11,646	20,997	5,877
Tax liabilities	14,149	11,060	11,169	10,303	7,102
Liabilities associated with disposal groups held for sale	-	-	-	-	16,935
Other liabilities	58,340	49,950	46,336	39,400	34,914
Borrowings	482,806	433,178	420,460	392,563	356,637
Subordinated liabilities	42,403	44,538	41,279	47,331	35,088
Total liabilities	1,508,950	1,411,181	1,326,371	1,277,652	1,117,029

Equity

Share capital and share premium	1,383	5,686	10,634	13,372	22,684
Other reserves	13,713	13,949	12,283	10,672	12,838
Retained earnings	186,694	186,947	175,881	163,264	157,486
Total shareholders equity	201,790	206,582	198,798	187,308	193,008
Non-controlling interest	2,405	504	503	649	673
Total equity	204,195	207,086	199,301	187,957	193,681
Total liabilities and equity	1,713,145	1,618,267	1,525,672	1,465,609	1,310,710

Net interest income - 5 year summary

ISK million	H1 2025	H1 2024	H1 2023	H1 2022	H1 2021
Interest income					
Cash and balances with Central bank	3,330	4,018	2,700	1,113	209
Loans	60,605	61,978	54,951	35,464	23,732
Securities	3,830	3,674	2,576	1,452	1,893
Other	50	8	2	7	89
Interest income	67,815	69,678	60,229	38,036	25,923
Interest expense					
Deposits	(25,633)	(28,336)	(21,392)	(8,728)	(3,111)
Borrowings	(13,892)	(15,905)	(13,830)	(8,949)	(6,458)
Subordinated liabilities	(1,844)	(2,164)	(2,491)	(1,047)	(938)
Other	(80)	(80)	(96)	(91)	(58)
Interest expense	(41,449)	(46,485)	(37,809)	(18,815)	(10,565)
Net interest income	26,366	23,193	22,420	19,221	15,358
Interest bearing assets					
Cash and balances with Central Bank	114,114	135,522	76,499	78,011	69,609
Loans	1,307,273	1,235,344	1,178,049	1,050,861	879,689
Securities	195,718	122,892	183,351	143,174	167,644
Interest bearing assets	1,617,105	1,493,758	1,437,899	1,272,046	1,116,942
Interest bearing liabilities					
Due to credit institutions and Central Bank	7,368	5,067	21,702	4,604	7,754
Deposits	899,157	846,686	781,202	726,948	604,382
Financial liabilities at fair value	4,727	9,715	18,242	14,353	5,447
Borrowings	482,806	415,116	405,572	363,375	301,388
Subordinated liabilities	42,403	42,091	46,478	33,392	34,543
Interest bearing liabilities	1,436,461	1,318,675	1,273,196	1,142,672	953,514
Interest Gap	180,644	175,083	164,703	129,374	163,428
Net interest margin on interest bearing assets	3.3%	3.1%	3.1%	3.1%	2.8%

Loans to customers - 5 year summary

ISK million

30.06.2025 31.12.2024 31.12.2023 31.12.2022 31.12.2021

Loans to customers

Individuals	645,627	639,404	609,144	582,371	526,498
Corporates	626,841	590,654	543,645	502,386	409,739
Total loans to customers	1,272,468	1,230,058	1,152,789	1,084,757	936,237

Ratios:

Share of stage 3 loans, gross*	2.5%	2.3%	1.7%	1.2%	1.9%
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Loans to individuals

Overdrafts	14,855	14,575	13,840	14,893	14,255
Credit cards	18,498	16,873	15,972	14,304	13,192
Mortgage loans	576,029	571,525	550,269	514,007	463,895
Other loans	38,667	38,925	31,536	40,942	37,044
Provision on loans	(2,422)	(2,494)	(2,473)	(1,775)	(1,888)
Total loans to individuals	645,627	639,404	609,144	582,371	526,498

Loans to corporates

Overdrafts	51,855	42,233	43,013	33,369	18,301
Credit cards	2,622	2,297	2,062	1,838	1,449
Mortgage loans	81,874	74,287	68,840	60,528	41,588
Loans at fair value	1,885	1,751	-	-	-
Other loans	495,956	476,944	435,808	411,792	354,113
Provision on loans	(7,351)	(6,858)	(6,078)	(5,141)	(5,712)
Total loans to corporates	626,841	590,654	543,645	502,386	409,739

Loans to corporates specified by sector:

Agriculture and forestry	2.0%	2.1%	2.1%	2.3%	2.5%
Services	-	-	-	3.8%	4.2%
Financial and insurance activities	7.2%	8.9%	7.6%	8.2%	11.2%
Industry, energy and manufacturing	10.9%	10.4%	10.1%	8.8%	6.8%
Information and communication technology	5.6%	5.2%	4.8%	4.9%	4.1%
Public administration, human health and social activities	1.7%	1.8%	2.6%	2.1%	1.7%
Real estate activities	19.7%	20.0%	21.0%	21.0%	22.0%
Construction	14.8%	14.3%	14.3%	11.0%	9.0%
Fishing industry	15.2%	14.8%	15.2%	18.2%	19.1%
Transportation	2.7%	1.7%	1.6%	2.8%	3.5%
Commerce and services	12.7%	12.7%	12.2%	-	-
Accommodation and food service activities	7.4%	8.1%	8.5%	-	-
Wholesale and retail trade	-	-	-	16.9%	15.9%
	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

30.06.2025 31.12.2024 31.12.2023 31.12.2022 31.12.2021

Capital base:

Total equity	204,195	207,086	199,301	187,956	193,681
Unaudited interim net earnings	-	-	-	-	-
Non-controlling interest not eligible for inclusion in CET 1 capital	(2,405)	(504)	(503)	(649)	(673)
Common Equity Tier 1 capital before regulatory adjustments	201,790	206,582	198,798	187,307	193,008
Intangible assets	(7,719)	(7,390)	(7,211)	(6,425)	(8,435)
Foreseeable dividend	(8,086)	(19,000)	(12,877)	(15,980)	(26,773)
Adjustment under IFRS 9 transitional arrangements	-	427	952	1,142	920
Other statutory deductions	(603)	(571)	(30)	(224)	(436)
Common equity Tier 1 capital	185,382	180,048	179,632	165,820	158,284
Non-controlling interest eligible for inclusion in CET1 capital	543	112	117	105	133
Additional Tier 1 capital	14,998	20,004	13,217	13,396	13,225
Tier 1 capital	200,923	200,164	192,966	179,321	171,642
Tier 2 instruments	27,405	24,534	28,062	33,935	21,863
Tier 2 instruments of financial sector entities (signif. invest.)	(1,340)	(1,306)	(1,247)	(1,155)	(1,056)
General credit risk adjustments	-	-	-	-	-
Tier 2 Capital	26,065	23,228	26,815	32,780	20,807
Total own funds	226,988	223,392	219,781	212,101	192,449

Risk weighted exposure amount (REA)

Credit Risk, loans*	837,390	798,562	732,760	707,479	623,395
Credit Risk, securities and other	66,393	59,113	52,032	56,714	69,553
Counterparty credit risk	3,433	5,875	7,442	14,645	7,761
Market Risk due to currency imbalance	2,738	2,947	4,751	1,387	4,691
Market Risk Other	12,901	12,846	11,066	7,493	8,958
Credit valuation adjustment	1,400	2,257	3,680	6,010	2,379
Operational Risk	106,011	106,011	98,740	89,166	96,085
Total risk weighted exposure amount	1,030,266	987,611	910,471	882,894	812,822

Capital ratios¹

CET 1 ratio	18.0%	18.2%	19.7%	18.8%	19.6%
Tier 1 ratio	19.5%	20.3%	21.2%	20.3%	21.2%
Capital adequacy ratio	22.0%	22.6%	24.1%	24.0%	23.8%

Leverage ratio

On-balance sheet exposures	1,663,762	1,562,622	1,477,968	1,415,353	1,256,916
Derivative exposures	12,558	16,078	15,953	32,118	4,796
Securities financing transaction exposures	11,137	10,358	10,326	10,174	720
Off-balance sheet exposures	55,370	50,982	46,087	59,723	102,016
Total exposure	1,742,827	1,640,040	1,550,334	1,517,368	1,364,448
Tier 1 capital	200,923	200,164	192,966	179,321	171,642
Leverage ratio	11.5%	12.2%	12.4%	11.8%	12.6%

Related ratios

Return on REA	3.2%	2.7%	2.8%	3.0%	3.7%
REA/Total assets	60.1%	61.0%	59.7%	60.2%	61.9%

¹Capital ratios include interim profit

Quarter summaries



KFI - 9 Quarters

ISK million	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Profitability									
Return on equity ¹	19.7%	12.8%	16.4%	16.1%	11.5%	9.1%	12.7%	13.0%	15.5%
Return on assets ¹	2.3%	1.6%	2.1%	2.0%	1.4%	1.2%	1.6%	1.6%	1.9%
Return on risk exposure amount ¹	3.8%	2.6%	3.4%	3.3%	2.3%	1.9%	2.7%	2.7%	3.1%
Operating income / Risk exposure amount	8.4%	7.6%	7.3%	7.3%	7.0%	6.3%	7.2%	6.6%	7.6%
Net interest margin									
Net interest margin on interest bearing assets	3.5%	3.1%	2.9%	3.1%	3.2%	3.1%	3.1%	3.0%	3.2%
Net interest margin on total assets	3.3%	2.9%	2.8%	3.0%	3.1%	2.9%	3.0%	2.9%	3.0%
Net interest income on credit risk	6.4%	5.6%	5.3%	5.6%	5.8%	5.6%	5.7%	5.5%	5.8%
Efficiency									
Total cost-to-core income ratio ²	36.6%	42.6%	57.5%	37.5%	46.2%	48.4%	54.9%	38.2%	39.4%
Cost-to-income ratio	31.4%	34.7%	48.0%	34.4%	43.1%	45.3%	48.0%	36.0%	34.6%
Cost-to-total assets ratio	1.6%	1.6%	2.1%	1.5%	1.8%	1.7%	2.0%	1.4%	1.6%
Number of FTE's at period end	868	867	858	851	817	813	822	800	781
Asset quality									
Share of stage 3 loans, gross ³	2.5%	2.5%	2.3%	2.4%	2.1%	1.9%	1.7%	1.6%	1.6%
Risk weighted assets / Total assets	60.1%	59.5%	61.0%	60.4%	60.7%	60.7%	59.7%	58.9%	60.1%

¹ Based on net earnings attributable to shareholders of Arion Bank

² Including expenses from insurance operations

³(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 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Financial strength									
Equity as % of total assets	11.9%	11.7%	12.8%	12.4%	12.3%	12.4%	13.1%	12.5%	12.3%
Liquidity									
Liquidity coverage ratio (LCR)	156.4%	186.4%	180.6%	178.6%	154.4%	143.6%	191.8%	179.1%	162.9%
Loans-to-deposits ratio	141.5%	139.5%	143.5%	143.8%	142.0%	147.0%	145.4%	141.8%	145.2%
Loans-to-deposits ratio (without covered bonds)	116.1%	110.8%	114.5%	114.8%	114.1%	116.5%	116.0%	112.5%	115.4%
Deposits from customers as % of total funding	64.7%	63.8%	66.1%	66.0%	66.8%	64.8%	65.2%	65.7%	64.6%
Covered bonds as % of total funding	16.5%	18.3%	19.1%	19.1%	18.7%	19.8%	19.2%	19.2%	19.3%
Capital¹									
CET 1 ratio	18.0%	18.3%	18.2%	18.8%	18.5%	18.8%	19.7%	19.4%	18.9%
Tier 1 ratio	19.5%	19.9%	20.3%	20.8%	20.0%	20.3%	21.2%	20.8%	20.4%
Tier 2 ratio	2.5%	1.6%	2.4%	2.4%	2.8%	2.9%	2.9%	3.6%	3.5%
Capital adequacy ratio	22.2%	22.0%	22.6%	23.5%	22.8%	23.3%	24.0%	24.6%	23.8%
Leverage ratio	11.5%	11.4%	12.2%	12.0%	11.9%	12.0%	12.4%	11.8%	11.7%

¹Capital ratios include interim profit

Income statement - 9 quarter summary

ISK million	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Interest income	35,133	32,682	29,371	33,210	36,040	33,638	32,461	30,426	31,060
Interest expense	(20,933)	(20,516)	(18,125)	(21,347)	(24,092)	(22,393)	(21,114)	(19,508)	(19,634)
Net interest income	14,200	12,166	11,246	11,863	11,948	11,245	11,347	10,918	11,426
Fee and commission income	5,566	5,456	5,157	4,744	4,934	4,336	4,882	4,765	5,187
Fee and commission expense	(1,013)	(920)	(1,021)	(864)	(955)	(971)	(979)	(917)	(1,000)
Net fee and commission income	4,553	4,536	4,136	3,880	3,979	3,365	3,903	3,848	4,187
Insurance revenue	5,134	4,911	5,027	5,067	4,908	4,667	4,761	4,450	4,207
Insurance service expenses	(4,068)	(4,942)	(4,700)	(3,535)	(4,386)	(4,882)	(5,045)	(4,055)	(3,445)
Insurance service results	1,066	(31)	327	1,532	522	(215)	(284)	395	762
Net financial (loss) income	179	(951)	2,193	524	99	29	1,370	(183)	(617)
Other operating income	1,324	3,321	4	(313)	37	50	(24)	8	1,586
Other net operating income / loss	1,503	2,370	2,197	211	136	79	1,346	(175)	969
Operating income	21,322	19,041	17,906	17,486	16,585	14,474	16,312	14,986	17,344
Operating expenses	(6,697)	(6,601)	(8,601)	(6,021)	(7,152)	(6,554)	(7,830)	(5,392)	(6,009)
Operating expenses	(6,697)	(6,601)	(8,601)	(6,021)	(7,152)	(6,554)	(7,830)	(5,392)	(6,009)
Bank Levy	(521)	(508)	(488)	(500)	(476)	(460)	(422)	(468)	(457)
Net impairment	147	(378)	913	(954)	(775)	(315)	13	(741)	(568)
Earnings before income tax	14,251	11,554	9,730	10,011	8,182	7,145	8,073	8,385	10,310
Income tax expense	(3,984)	(3,726)	(1,430)	(2,114)	(2,671)	(2,704)	(1,808)	(2,274)	(3,226)
Net earnings from continuing operations	10,267	7,828	8,300	7,897	5,511	4,441	6,265	6,111	7,084
Discontinued operations held for sale, net of income tax	(11)	(11)	(11)	(6)	(11)	(9)	(41)	20	7
Net earnings	10,256	7,817	8,289	7,891	5,500	4,432	6,224	6,131	7,091
Attributable to									
Shareholders of Arion Bank	9,751	6,421	8,301	7,872	5,505	4,444	6,218	6,135	7,082
Non-controlling interest	505	1,396	(12)	19	(5)	(12)	7	(5)	9
Net earnings	10,256	7,817	8,289	7,891	5,500	4,432	6,225	6,130	7,091

Balance sheet - 9 quarter summary

ISK million	30.06.2025	31.03.2025	31.12.2024	30.09.2024	30.06.2024	31.03.2024	31.12.2023	30.09.2023	30.06.2023
Assets									
Cash and balances with Central Bank	114,114	124,808	124,094	96,323	135,522	102,405	102,095	80,288	76,499
Loans to credit institutions	34,805	27,220	25,690	32,772	32,728	33,782	28,835	51,302	43,428
Loans to customers	1,272,468	1,234,006	1,230,058	1,220,424	1,202,616	1,178,700	1,152,789	1,143,473	1,134,621
Financial instruments	238,217	261,088	206,417	214,307	165,630	195,914	205,706	221,012	225,827
Investment property	13,786	12,857	9,387	9,327	9,633	9,542	9,493	9,461	9,444
Investments in associates	778	818	814	833	816	797	789	844	842
Intangible assets	7,995	8,018	7,688	7,833	7,864	7,885	8,051	8,289	8,486
Tax assets	2	3	2	2	39	39	39	427	383
Asset and disposal groups held for sale	141	97	111	34	68	64	62	61	61
Other assets	30,839	17,740	14,006	23,862	13,873	15,304	17,813	25,512	18,635
Total assets	1,713,145	1,686,655	1,618,267	1,605,717	1,568,789	1,544,432	1,525,672	1,540,669	1,518,226
Liabilities									
Due to credit institutions and Central Bank	7,368	5,785	6,618	6,715	5,067	3,205	2,771	13,144	21,702
Deposits	899,157	884,606	857,443	848,434	846,686	802,068	792,710	806,331	781,202
Financial liabilities at fair value	4,727	6,475	8,394	7,095	9,715	10,778	11,646	16,908	18,242
Tax liabilities	14,149	12,413	11,060	12,884	12,166	11,732	11,169	13,499	12,335
Other liabilities	58,340	50,436	49,950	56,620	45,497	50,628	46,336	43,480	46,380
Borrowings	482,806	496,821	433,178	431,105	415,116	433,047	420,460	407,895	405,572
Subordinated liabilities	42,403	33,331	44,538	44,184	42,091	41,558	41,279	46,853	46,478
Total liabilities	1,508,950	1,489,868	1,411,182	1,407,037	1,376,338	1,353,016	1,326,371	1,348,110	1,331,911
Equity									
Share capital and share premium	1,383	3,593	5,685	5,686	6,823	11,207	10,635	10,603	10,603
Other reserves	13,713	12,666	13,949	12,463	12,036	12,365	12,283	11,785	11,558
Retained earnings	186,694	178,628	186,947	180,026	173,107	167,353	175,881	169,510	163,489
Total shareholders equity	201,790	194,887	206,581	198,175	191,966	190,925	198,799	191,898	185,650
Non-controlling interest	2,405	1,900	504	505	485	491	503	661	665
Total equity	204,195	196,787	207,085	198,680	192,451	191,416	199,301	192,559	186,315
Total liabilities and equity	1,713,145	1,686,655	1,618,267	1,605,717	1,568,789	1,544,432	1,525,672	1,540,669	1,518,226

Net interest income - 9 quarter summary

ISK million	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Interest income									
Cash and balances with Central bank	1,465	1,865	2,019	1,715	2,021	1,997	1,684	1,363	1,306
Loans	31,785	28,820	25,161	29,593	32,264	29,714	28,742	27,042	28,294
Securities	1,857	1,973	2,154	1,851	1,753	1,921	1,987	2,009	1,460
Other	26	24	37	51	2	6	48	12	-
Interest income	35,133	32,682	29,371	33,210	36,040	33,638	32,461	30,426	31,060
Interest expense									
Deposits	(12,823)	(12,810)	(11,989)	(13,540)	(14,631)	(13,705)	(12,926)	(11,950)	(11,490)
Borrowings	(7,188)	(6,704)	(5,145)	(6,864)	(8,300)	(7,605)	(7,069)	(6,466)	(6,877)
Subordinated loans	(876)	(968)	(961)	(918)	(1,122)	(1,042)	(1,094)	(1,066)	(1,220)
Other	(46)	(34)	(30)	(25)	(39)	(41)	(25)	(26)	(47)
Interest expense	(20,933)	(20,516)	(18,125)	(21,347)	(24,092)	(22,393)	(21,114)	(19,508)	(19,634)
Net interest income	14,200	12,166	11,246	11,863	11,948	11,245	11,347	10,918	11,426
Interest bearing assets									
Cash and balances with Central Bank	114,114	124,808	124,094	96,323	135,522	102,405	102,095	80,288	76,499
Loans	1,307,273	1,261,226	1,255,748	1,253,196	1,235,344	1,212,482	1,181,624	1,194,775	1,178,049
Securities	195,718	216,586	161,399	172,045	122,892	142,340	159,392	179,737	183,351
Interest bearing assets	1,617,105	1,602,620	1,541,241	1,521,564	1,493,758	1,457,227	1,443,111	1,454,800	1,437,899
Interest bearing liabilities									
Due to credit institutions and Central Bank	7,368	5,785	6,618	6,715	5,067	3,205	2,771	13,144	21,702
Deposits	899,157	884,606	857,443	848,434	846,686	802,068	792,710	806,331	781,202
Financial liabilities at fair value	4,727	6,475	8,394	7,095	9,715	10,778	11,646	16,908	18,242
Borrowings	482,806	496,821	433,178	431,105	415,116	433,047	420,460	407,895	405,572
Subordinated liabilities	42,403	33,331	44,538	44,184	42,091	41,558	41,279	46,853	46,478
Interest bearing liabilities	1,436,461	1,427,018	1,350,171	1,337,533	1,318,675	1,290,656	1,268,866	1,291,131	1,273,196
Interest Gap	180,644	175,602	191,070	184,031	175,083	166,571	174,245	163,669	164,703
Net interest margin on interest bearing assets	3.5%	3.1%	2.9%	3.1%	3.2%	3.1%	3.1%	3.0%	3.2%

Loans to customers - 9 quarter summary

ISK million	30.06.2025	31.03.2025	31.12.2024	30.09.2024	30.06.2024	31.03.2024	31.12.2023	30.09.2023	30.06.2023
Loans to customers									
Individuals	645,627	639,613	639,404	640,939	633,620	617,796	609,144	601,463	592,571
Corporates	626,841	594,393	590,654	579,485	568,996	560,904	543,645	542,010	542,050
Total loans to customers	1,272,468	1,234,006	1,230,058	1,220,424	1,202,616	1,178,700	1,152,789	1,143,473	1,134,621
Share of stage 3 loans, gross*	2.5%	2.5%	2.3%	2.4%	2.1%	1.9%	1.7%	1.6%	1.6%
Loans to individuals									
Overdrafts	14,855	14,755	14,575	14,268	13,590	13,294	13,840	14,059	13,988
Credit cards	18,498	17,192	16,873	17,533	15,890	16,781	15,972	14,179	15,754
Mortgage loans	576,029	571,412	571,525	581,665	576,185	559,986	550,269	541,219	530,958
Other loans	38,667	38,510	38,925	30,088	30,630	30,788	31,536	34,393	34,103
Provision on loans	(2,422)	(2,256)	(2,494)	(2,615)	(2,675)	(3,053)	(2,473)	(2,387)	(2,232)
Total loans to individuals	645,627	639,613	639,404	640,939	633,620	617,796	609,144	601,463	592,571
Loans to corporates									
Overdrafts	51,855	49,506	42,233	43,433	47,240	47,702	43,013	39,813	40,673
Credit cards	2,622	2,385	2,297	2,427	2,251	2,138	2,062	2,054	1,927
Mortgage loans	81,874	77,272	74,287	69,758	66,072	66,097	68,840	65,583	66,118
Loans at fair value	1,885	1,843	1,751	1,665	1,562	-	-	-	-
Other loans	495,956	470,525	476,944	469,456	458,136	450,954	435,808	440,811	438,718
Provision on loans	(7,351)	(7,138)	(6,858)	(7,254)	(6,265)	(5,987)	(6,078)	(6,251)	(5,386)
Total loans to corporates	626,841	594,393	590,654	579,485	568,996	560,904	543,645	542,010	542,050
Loans to corporates specified by sector:									
Agriculture and forestry	2.0%	2.1%	2.1%	2.2%	2.2%	2.1%	2.1%	2.2%	2.9%
Services	0.0%	0.0%	0.0%	0.0%	4.1%	4.0%	0.0%	3.9%	3.7%
Financial and insurance activities	7.2%	7.4%	8.9%	8.9%	8.5%	7.9%	7.6%	7.7%	8.0%
Industry, energy and manufacturing	10.9%	9.9%	10.4%	10.1%	10.3%	10.3%	10.1%	9.7%	9.6%
Information and communication technology	5.6%	4.7%	5.2%	5.0%	5.3%	5.2%	4.8%	4.9%	5.0%
Public administration, human health and social activities	1.7%	1.7%	1.8%	2.2%	2.2%	2.5%	2.6%	2.4%	2.3%
Real estate activities	19.7%	20.1%	20.0%	21.3%	21.2%	20.2%	21.0%	21.0%	20.7%
Construction	14.8%	14.8%	14.3%	13.9%	13.1%	14.6%	14.3%	13.9%	12.9%
Fishing industry	15.2%	15.7%	14.8%	14.3%	14.9%	14.8%	15.2%	16.6%	15.0%
Transportation	2.7%	1.8%	1.7%	1.6%	1.6%	1.6%	1.6%	1.5%	2.6%
Commerce and services	12.7%	13.8%	12.7%	12.5%	-	-	12.2%	-	-
Accommodation and food service activities	7.4%	7.9%	8.1%	8.2%	-	-	8.5%	-	-
Wholesale and retail trade	-	-	-	-	16.7%	16.8%	-	16.3%	17.4%
	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

30.06.2025 31.03.2025 31.12.2024 30.09.2024 30.06.2024 31.03.2024 31.12.2023 30.09.2023 30.06.2023

Capital base:

Total equity	204,195	196,788	207,086	198,680	192,451	191,416	199,301	192,560	186,316
Unaudited interim net earnings	-	(6,421)	-	(7,872)	-	(4,444)	-	(6,135)	-
Non-controlling interest not eligible for inclusion in CET1 capital	(2,405)	(1,900)	(504)	(505)	(485)	(491)	(503)	(661)	(665)
Common Equity Tier 1 capital before regulatory adjustments	201,790	188,467	206,582	190,303	191,966	186,481	198,798	185,764	185,651
Intangible assets	(7,719)	(7,733)	(7,390)	(7,521)	(7,539)	(7,423)	(7,211)	(7,073)	(6,888)
Foreseeable dividend	(8,086)	-	(19,000)	(4,974)	(7,933)	(5,000)	(12,877)	(6,683)	(6,683)
Adjustment under IFRS 9 transitional arrangements	-	-	427	518	512	511	952	1,041	766
Other statutory deductions	(603)	(560)	(571)	(374)	(361)	(4,840)	(30)	(247)	(254)
Common equity Tier 1 capital	185,382	180,174	180,048	177,952	176,645	169,729	179,632	172,802	172,592
Non-controlling interest eligible for inclusion in CET1 capital	543	427	112	132	121	116	117	115	102
Additional Tier 1 capital	14,998	15,894	20,004	19,364	13,659	13,410	13,217	12,932	12,931
Tier 1 capital	200,923	196,495	200,164	197,448	190,425	183,255	192,966	185,849	185,625
Tier 2 instruments	27,405	17,437	24,534	24,820	28,432	28,148	28,062	33,921	33,547
Tier 2 instruments of financial sector entities (signif. invest.)	(1,340)	(1,332)	(1,306)	(1,317)	(1,291)	(1,279)	(1,247)	(1,242)	(1,216)
Tier 2 Capital	26,065	16,105	23,228	23,503	27,141	26,869	26,815	32,679	32,331
Total own funds	226,988	212,600	223,392	220,951	217,566	210,124	219,781	218,528	217,956

Risk weighted exposure amount (REA)

Credit Risk, loans	837,390	811,564	798,562	791,680	775,820	754,354	732,760	737,824	736,432
Credit Risk, securities and other	66,393	64,025	59,113	54,723	51,782	52,996	52,032	55,066	56,425
Counterparty credit risk	3,433	3,358	5,875	7,065	7,588	9,641	7,442	12,567	15,923
Market Risk due to currency imbalance	2,738	3,637	2,947	844	1,389	4,641	4,751	1,907	1,417
Market Risk Other	12,901	14,088	12,846	14,441	13,526	12,975	11,066	7,165	8,628
Credit valuation adjustment	1,400	1,075	2,257	2,470	4,177	3,713	3,680	3,494	3,709
Operational Risk	106,011	106,011	106,011	98,740	98,740	98,740	98,740	89,166	89,166
Total risk weighted exposure amount	1,030,266	1,003,758	987,611	969,963	953,022	937,060	910,471	907,189	911,700

Capital and Risk Weighted Assets

ISK million

30.06.2025 31.03.2025 31.12.2024 30.09.2024 30.06.2024 31.03.2024 31.12.2023 30.09.2023 30.06.2023

Capital ratios¹

CET 1 ratio	18.0%	18.3%	18.2%	18.8%	18.5%	18.8%	19.7%	19.4%	18.9%
Tier 1 ratio	19.5%	19.9%	20.3%	20.8%	20.0%	20.3%	21.2%	20.8%	20.4%
Capital adequacy ratio	22.0%	21.5%	22.6%	23.2%	22.8%	23.2%	24.1%	24.4%	23.9%

Leverage ratio

On-balance sheet exposures	1,663,762	1,638,402	1,562,622	1,554,679	1,530,996	1,496,916	1,477,968	1,490,781	1,475,365
Derivative exposures	12,558	11,412	16,078	18,741	17,478	20,120	15,953	23,872	28,229
Securities financing transaction exposures	11,137	11,137	10,358	10,430	10,107	10,510	10,326	10,020	28,903
Off-balance sheet exposures	55,370	64,439	50,982	58,955	50,138	43,553	46,087	52,682	56,058
Total exposure	1,742,827	1,725,390	1,640,040	1,642,805	1,608,719	1,571,099	1,550,334	1,577,355	1,588,555
Tier 1 capital	200,923	196,495	200,164	197,448	190,425	183,255	192,966	185,849	185,625
Leverage ratio	11.5%	11.4%	12.2%	12.0%	11.8%	11.7%	12.4%	11.8%	11.7%

Related ratios

Return on REA	3.2%	2.6%	2.7%	2.5%	2.1%	1.9%	2.8%	2.9%	3.0%
REA/Total assets	60.1%	59.5%	61.0%	60.4%	60.7%	60.7%	59.7%	58.9%	60.1%

¹Capital ratios include interim profit in Q1 and Q3 figures

Operating segments - Quarters summary

	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Markets and Stefnir:									
Net interest income	324	340	352	297	296	312	264	283	237
Net fee and commission income	1,465	1,415	1,285	1,294	1,382	1,354	1,213	1,259	1,460
Insurance service results	-	-	-	-	-	-	-	-	-
Net financial income (loss)	(15)	(9)	26	53	(28)	43	55	(11)	11
Other operating income	1	-	2	1	1	-	1	1	2
Total operating income	1,775	1,746	1,665	1,645	1,651	1,709	1,533	1,532	1,710
Operating expenses	(710)	(635)	(943)	(587)	(645)	(618)	(930)	(543)	(646)
Allocated expenses	(509)	(802)	(1,161)	(392)	(687)	(654)	(720)	(507)	(536)
Bank levy	(11)	(11)	(10)	(11)	(14)	(11)	(9)	(11)	(13)
Net impairment	(11)	18	(24)	7	4	(11)	-	-	(11)
Earnings before income tax	534	316	(473)	662	309	415	(126)	471	504
Total assets	105,635	112,511	101,204	100,669	98,972	99,522	96,319	100,054	99,343
Total liabilities	97,569	103,613	92,199	91,458	89,720	90,691	87,502	91,737	91,007
Allocated equity	8,066	8,898	9,005	9,211	9,252	8,831	8,817	8,317	8,336
Corporate & Investment Bank including insurance:									
Net interest income	7,357	6,793	6,417	6,913	6,604	6,124	5,682	5,271	5,075
Net fee and commission income	1,984	1,907	1,600	1,370	1,323	933	1,208	941	1,245
Insurance service results	(49)	(232)	107	217	(124)	(151)	(246)	46	(151)
Net financial income (loss)	29	(248)	335	258	629	126	442	167	(88)
Other operating income (loss)	-	(1)	(4)	2	1	2	(1)	-	3
Total operating income	9,321	8,219	8,455	8,760	8,433	7,034	7,085	6,425	6,084
Operating expenses	(520)	(440)	(880)	(430)	(457)	(394)	(523)	(352)	(264)
Allocated expenses	(903)	(1,361)	(2,075)	(728)	(1,480)	(1,255)	(1,239)	(868)	(993)
Bank levy	(191)	(194)	(181)	(184)	(179)	(150)	(140)	(154)	(146)
Net impairment	327	(597)	423	(1,074)	(651)	286	175	(901)	(335)
Earnings (loss) before income tax	8,034	5,627	5,742	6,344	5,666	5,521	5,358	4,150	4,346
Total assets	640,507	607,517	602,420	584,421	571,092	564,979	486,908	484,780	486,710
Total liabilities	519,458	490,735	496,912	479,631	470,759	469,859	405,484	405,093	403,378
Allocated equity	121,049	116,782	105,508	104,790	100,333	95,120	81,424	79,687	83,332

Operating segments - Quarters summary									
	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Retail Bank including insurance:									
Net interest income	4,200	3,008	3,020	3,935	3,853	4,245	4,808	4,868	4,845
Net fee and commission income	855	941	907	1,010	951	855	1,211	1,266	1,123
Insurance service results	1,003	145	128	1,205	551	(107)	(32)	357	906
Net financial income (loss)	90	(374)	1,362	459	49	103	631	(94)	(266)
Other operating income	3	12	18	19	1	7	(6)	18	14
Total operating income	6,151	3,732	5,435	6,628	5,405	5,103	6,612	6,415	6,622
Operating expenses	(710)	(637)	(936)	(660)	(808)	(778)	(1,154)	(779)	(925)
Allocated expenses	(1,251)	(1,993)	(3,042)	(1,167)	(2,219)	(2,110)	(2,491)	(1,798)	(2,048)
Bank levy	(204)	(209)	(203)	(212)	(200)	(214)	(197)	(212)	(205)
Net impairment	(170)	201	531	114	(127)	(589)	(186)	129	(281)
Earnings before income tax	3,816	1,094	1,785	4,703	2,051	1,412	2,584	3,755	3,163
Total assets	667,647	661,988	664,122	671,631	665,330	647,536	701,794	692,160	680,835
Total liabilities	603,528	603,007	607,401	616,114	612,061	594,545	642,302	635,382	619,437
Allocated equity	64,119	58,981	56,721	55,517	53,269	52,991	59,492	56,778	61,398
Treasury and Market making:									
Net interest income	2,368	2,062	1,495	756	1,227	610	624	549	1,334
Net fee and commission income	203	182	180	154	213	125	186	221	203
Net insurance income	-	-	-	-	-	-	-	-	-
Net financial income (loss)	82	(316)	470	(258)	(549)	(243)	291	(200)	(405)
Other operating income	-	2	-	-	-	-	3	(10)	11
Total operating income (loss)	2,653	1,930	2,145	652	891	492	1,104	560	1,143
Operating expenses	(147)	(141)	(272)	(181)	(235)	(229)	(227)	(150)	(159)
Allocated expenses	(224)	(351)	(532)	(191)	(398)	(342)	(342)	(270)	(294)
Bank levy	(115)	(94)	(94)	(93)	(83)	(85)	(86)	(91)	(93)
Net impairment	-	-	(17)	(2)	(1)	-	-	2	1
Earnings (loss) before income tax	2,167	1,344	1,230	185	174	(164)	449	51	598
Total assets	595,338	576,207	550,360	549,764	520,064	560,085	555,321	584,518	574,141
Total liabilities	587,720	574,471	523,796	528,148	498,349	534,657	514,881	546,407	551,071
Allocated equity	7,618	1,736	26,564	21,616	21,715	25,428	40,440	38,111	23,070

Operating segments - Quarters summary

	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Subsidiaries excluding Stefnir and Vördur:									
Net interest income (expense)	(2)	(2)	(20)	(59)	(55)	(60)	(44)	(74)	(68)
Net fee and commission income (expense)	20	70	86	83	72	51	(24)	49	46
Net insurance income	2	(7)	-	-	-	-	-	-	-
Net financial income (loss)	(1)	4	3	20	-	-	(50)	(38)	147
Other operating income	1,351	3,277	(13)	(340)	26	18	52	2	1,565
Total operating income (loss)	1,370	3,342	56	(296)	43	9	(66)	(61)	1,690
Operating expenses	(146)	(133)	(112)	(107)	(122)	(68)	(105)	(86)	(90)
Allocated expenses	(29)	(32)	(31)	(30)	(31)	(31)	(50)	(3)	6
Bank levy	-	-	-	-	-	-	-	-	-
Net impairment	-	-	-	-	-	-	20	27	60
Earnings (loss) before income tax	1,195	3,177	(87)	(433)	(110)	(90)	(201)	(123)	1,666
Total assets	16,489	19,056	19,332	16,961	16,971	17,893	17,733	18,486	18,901
Total liabilities	13,146	8,665	10,044	9,415	9,090	8,847	8,605	8,819	8,721
Allocated equity	3,343	10,391	9,288	7,546	7,881	9,046	9,128	9,667	10,180
Supporting units and eliminations:									
Net interest income (loss)	(47)	(35)	(18)	21	23	14	13	21	4
Net fee and commission income (expense)	26	21	78	(31)	38	47	109	112	108
Net insurance income (expense)	110	63	92	110	95	43	(6)	(8)	7
Net financial income (loss)	(6)	(8)	(3)	(8)	(2)	-	1	(7)	(15)
Other operating income (loss)	(31)	31	1	5	8	23	(73)	(3)	(10)
Total operating income (loss)	52	72	150	97	162	127	44	115	94
Operating expenses	(4,464)	(4,615)	(5,458)	(4,056)	(4,885)	(4,467)	(4,891)	(3,482)	(3,930)
Allocated expenses	2,916	4,539	6,841	2,508	4,815	4,392	4,842	3,446	3,865
Bank levy	-	-	-	-	-	-	10	-	-
Net impairment	1	-	-	1	-	(1)	4	2	(2)
Earnings (loss) before income tax	(1,495)	(4)	1,533	(1,450)	92	51	9	81	27
Total assets	(312,471)	(290,624)	(319,171)	(317,729)	(303,640)	(345,583)	(332,403)	(339,329)	(341,704)
Total liabilities	(312,471)	(290,624)	(319,171)	(317,729)	(303,641)	(345,583)	(332,403)	(339,329)	(341,704)
Allocated equity	-								

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