

Factbook 30 September 2025

Unaudited

KFI - 5 years

ISK million

9M 2025

9M 2024

9M 2023

9M 2022

9M 2021

Profitability

Return on equity ¹	16.0%	12.2%	14.0%	15.3%	15.2%
Return on assets ¹	1.9%	1.5%	1.7%	2.0%	2.4%
Return on risk exposure amount ¹	3.2%	2.5%	2.9%	3.3%	3.9%
Operating income / Risk exposure amount	7.8%	6.9%	7.1%	6.5%	7.6%
Earnings per share	17.55	10.65	13.40	14.00	13.68

Net interest margin

Net interest margin on interest bearing assets	3.3%	3.1%	3.1%	3.1%	2.7%
Net interest margin on total assets	3.2%	3.0%	3.0%	2.9%	2.5%
Net interest income on credit risk	6.0%	5.7%	5.6%	5.4%	4.8%

Efficiency

Total cost-to-core income ratio ²	38.3%	43.8%	41.4%	42.0%	49.4%
Cost-to-income ratio	32.8%	40.6%	37.3%	41.5%	41.9%
Cost-to-total assets ratio	1.54%	1.7%	1.6%	1.6%	2.0%
Number of FTE's at year end	891	851	800	777	763

Asset quality

Share of stage 3 loans, gross ³	2.4%	2.4%	1.6%	1.4%	2.6%
Risk weighted assets / Total assets	60.9%	60.4%	58.9%	61.0%	58.0%

Financial strength

Equity as % of total assets	12.2%	12.4%	12.5%	13.1%	14.5%
-----------------------------	-------	-------	-------	-------	-------

Liquidity

Liquidity coverage ratio (LCR)	205.5%	178.6%	179.1%	189.3%	221.0%
Loans-to-deposits ratio	141.9%	143.8%	141.8%	141.2%	139.9%
Loans-to-deposits ratio (without covered bonds)	116.7%	114.8%	112.5%	113.1%	106.6%
Deposits from customers as % of total funding	65.1%	66.0%	65.7%	66.0%	61.3%
Covered bonds as % of total funding	16.4%	19.1%	19.2%	18.6%	20.3%

Capital⁴

CET 1 ratio	18.0%	18.8%	19.4%	19.3%	20.3%
Tier 1 ratio	19.4%	20.8%	20.8%	20.5%	22.1%
Tier 2 ratio	2.5%	2.4%	3.6%	2.5%	3.2%
Capital adequacy ratio	21.9%	23.2%	24.4%	23.1%	25.4%
Leverage ratio	11.4%	12.0%	11.8%	12.0%	12.4%

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

⁴ Capital ratios include interim profit

Income statement - 5 year summary

ISK million

	9M 2025	9M 2024	9M 2023	9M 2022	9M 2021
Interest income	100,647	102,888	90,655	61,482	38,734
Interest expense	(60,455)	(67,832)	(57,317)	(31,904)	(15,439)
Net interest income	40,192	35,056	33,338	29,578	23,295
Fee and commission income	16,016	14,014	15,238	13,731	12,044
Fee and commission expense	(2,924)	(2,790)	(2,752)	(1,536)	(1,450)
Net fee and commission income	13,092	11,224	12,486	12,195	10,594
Insurance revenue	15,338	14,642	12,655	11,167	-
Insurance service expenses	(13,673)	(12,803)	(12,219)	(10,320)	-
Insurance service results	1,665	1,839	436	847	-
Net insurance income	-	-	-	-	2,577
Net financial (loss) income	(289)	652	(4)	(3,234)	5,069
Other operating income	4,690	(226)	1,613	1,262	1,456
Other net operating income / loss	4,401	426	1,609	(1,972)	9,102
Operating income	59,350	48,545	47,869	40,648	42,991
Operating expenses	(19,492)	(19,727)	(17,871)	(16,855)	-
Salaries and related expense	-	-	-	-	(9,745)
Other operating expenses	-	-	-	-	(8,263)
Operating expenses	(19,492)	(19,727)	(17,871)	(16,855)	(18,008)
Bank Levy	(1,559)	(1,436)	(1,374)	(1,253)	(1,171)
Net impairment	(1,359)	(2,044)	(1,361)	(267)	2,610
Earnings before income tax	36,940	25,338	27,263	22,273	26,422
Income tax expense	(10,638)	(7,489)	(7,787)	(8,189)	(5,194)
Net earnings from continuing operations	26,302	17,849	19,476	14,084	21,228
Discontinued operations held for sale, net of income tax	(19)	(26)	37	6,909	865
Net earnings	26,283	17,823	19,513	20,993	22,093
Attributable to					
Shareholders of Arion Bank	24,400	17,821	19,501	20,986	22,086
Non-controlling interest	1,883	2	11	7	7
Net earnings	26,283	17,823	19,512	20,993	22,093

Balance sheet - 5 year summary

ISK million

30.09.2025 31.12.2024 31.12.2023 31.12.2022 31.12.2021

Assets

Cash and balances with Central Bank	110,481	124,094	102,095	114,118	69,057
Loans to credit institutions	25,547	25,690	28,835	45,501	30,272
Loans to customers	1,301,708	1,230,058	1,152,789	1,084,757	936,237
Financial instruments	259,837	206,417	205,706	193,329	225,657
Investment property	13,833	9,387	9,493	7,862	6,560
Investments in associates	793	814	789	787	668
Intangible assets	7,681	7,688	8,051	8,783	9,463
Tax assets	7	2	39	135	2
Asset and disposal groups held for sale	81	111	62	61	16,047
Other assets	16,567	14,006	17,813	10,276	16,747
Total assets	1,736,535	1,618,267	1,525,672	1,465,609	1,310,710

Liabilities

Due to credit institutions and Central Bank	8,812	6,618	2,771	11,697	5,000
Deposits	917,226	857,443	792,710	755,361	655,476
Financial liabilities at fair value	3,211	8,394	11,646	20,997	5,877
Tax liabilities	15,617	11,060	11,169	10,303	7,102
Liabilities associated with disposal groups held for sale	-	-	-	-	16,935
Other liabilities	53,928	49,950	46,336	39,400	34,914
Borrowings	482,285	433,178	420,460	392,563	356,637
Subordinated liabilities	42,795	44,538	41,279	47,331	35,088
Total liabilities	1,523,874	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	15,087	13,949	12,283	10,672	12,838
Retained earnings	193,805	186,947	175,881	163,264	157,486
Total shareholders equity	210,275	206,582	198,798	187,308	193,008
Non-controlling interest	2,386	504	503	649	673
Total equity	212,661	207,086	199,301	187,957	193,681
Total liabilities and equity	1,736,535	1,618,267	1,525,672	1,465,609	1,310,710

Net interest income - 5 year summary

ISK million

9M 2025 9M 2024 9M 2023 9M 2022 9M 2021

Interest income

Cash and balances with Central bank	4,928	5,733	4,063	2,106	385
Loans	90,176	91,571	81,993	56,952	35,236
Securities	5,475	5,525	4,585	2,419	2,971
Other	68	59	14	5	142
Interest income	100,647	102,888	90,655	61,482	38,734

Interest expense

Deposits	(37,534)	(41,876)	(33,342)	(15,886)	(4,497)
Borrowings	(20,039)	(22,769)	(20,296)	(14,218)	(9,461)
Subordinated liabilities	(2,776)	(3,082)	(3,557)	(1,671)	(1,393)
Other	(106)	(105)	(122)	(129)	(88)
Interest expense	(60,455)	(67,832)	(57,317)	(31,904)	(15,439)

Net interest income

40,192	35,056	33,338	29,578	23,295
---------------	---------------	---------------	---------------	---------------

Interest bearing assets

Cash and balances with Central Bank	110,481	96,323	80,288	68,149	70,136
Loans	1,327,255	1,253,196	1,194,775	1,097,795	927,316
Securities	215,793	172,045	179,737	164,915	195,017
Interest bearing assets	1,653,529	1,521,564	1,454,800	1,330,859	1,192,469

Interest bearing liabilities

Due to credit institutions and Central Bank	8,812	6,715	13,144	5,099	8,484
Deposits	917,226	848,434	806,331	739,969	641,306
Financial liabilities at fair value	3,211	7,095	16,908	21,800	5,675
Borrowings	482,285	431,105	407,895	376,540	397,031
Subordinated liabilities	42,795	44,184	46,853	34,089	35,477
Interest bearing liabilities	1,454,329	1,337,533	1,291,131	1,177,497	1,087,973

Interest Gap

199,200	184,031	163,669	153,362	104,496
----------------	----------------	----------------	----------------	----------------

Net interest margin on interest bearing assets

3.3%	3.1%	3.1%	3.1%	2.7%
-------------	-------------	-------------	-------------	-------------

Loans to customers - 5 year summary

ISK million

30.09.2025 31.12.2024 31.12.2023 31.12.2022 31.12.2021

Loans to customers

Individuals	648,061	639,404	609,144	582,371	526,498
Corporates	653,647	590,654	543,645	502,386	409,739
Total loans to customers	1,301,708	1,230,058	1,152,789	1,084,757	936,237

Ratios:

Share of stage 3 loans, gross*	2.4%	2.3%	1.7%	1.2%	1.9%
--------------------------------	------	------	------	------	------

Loans to individuals

Overdrafts	15,300	14,575	13,840	14,893	14,255
Credit cards	18,158	16,873	15,972	14,304	13,192
Mortgage loans	578,246	571,525	550,269	514,007	463,895
Other loans	38,993	38,925	31,536	40,942	37,044
Provision on loans	(2,636)	(2,494)	(2,473)	(1,775)	(1,888)
Total loans to individuals	648,061	639,404	609,144	582,371	526,498

Loans to corporates

Overdrafts	47,955	42,233	43,013	33,369	18,301
Credit cards	2,586	2,297	2,062	1,838	1,449
Mortgage loans	86,605	74,287	68,840	60,528	41,588
Loans at fair value	1,917	1,751	-	-	-
Other loans	522,762	476,944	435,808	411,792	354,113
Provision on loans	(8,178)	(6,858)	(6,078)	(5,141)	(5,712)
Total loans to corporates	653,647	590,654	543,645	502,386	409,739

Loans to corporates specified by sector:

Agriculture and forestry	1.9%	2.1%	2.1%	2.3%	2.5%
Services	-	-	-	3.8%	4.2%
Financial and insurance activities	8.0%	8.9%	7.6%	8.2%	11.2%
Industry, energy and manufacturing	10.0%	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	1.6%	1.8%	2.6%	2.1%	1.7%
Real estate activities	19.3%	20.0%	21.0%	21.0%	22.0%
Construction	15.8%	14.3%	14.3%	11.0%	9.0%
Fishing industry	15.8%	14.8%	15.2%	18.2%	19.1%
Transportation	2.6%	1.7%	1.6%	2.8%	3.5%
Commerce and services	12.2%	12.7%	12.2%	-	-
Accommodation and food service activities	7.2%	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

30.09.2025 31.12.2024 31.12.2023 31.12.2022 31.12.2021

Capital base:

Total equity	212,661	207,086	199,301	187,956	193,681
Unaudited interim net earnings	(8,229)	-	-	-	-
Non-controlling interest not eligible for inclusion in CET 1 capital	(2,386)	(504)	(503)	(649)	(673)
Common Equity Tier 1 capital before regulatory adjustments	202,046	206,582	198,798	187,307	193,008
Intangible assets	(7,413)	(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	(686)	(571)	(30)	(224)	(436)
Common equity Tier 1 capital	185,861	180,048	179,632	165,820	158,284
Non-controlling interest eligible for inclusion in CET1 capital	545	112	117	105	133
Additional Tier 1 capital	14,805	20,004	13,217	13,396	13,225
Tier 1 capital	201,211	200,164	192,966	179,321	171,642
Tier 2 instruments	27,990	24,534	28,062	33,935	21,863
Tier 2 instruments of financial sector entities (signif. invest.)	(1,366)	(1,306)	(1,247)	(1,155)	(1,056)
Tier 2 Capital	26,624	23,228	26,815	32,780	20,807
Total own funds	227,835	223,392	219,781	212,101	192,449

Risk weighted exposure amount (REA)

Credit Risk, loans*	854,973	798,562	732,760	707,479	623,395
Credit Risk, securities and other	71,778	59,113	52,032	56,714	69,553
Counterparty credit risk	3,156	5,875	7,442	14,645	7,761
Market Risk due to currency imbalance	5,833	2,947	4,751	1,387	4,691
Market Risk Other	14,654	12,846	11,066	7,493	8,958
Credit valuation adjustment	1,650	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	1,058,055	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	19.4%	20.3%	21.2%	20.3%	21.2%
Capital adequacy ratio	21.9%	22.6%	24.1%	24.0%	23.8%

Leverage ratio

On-balance sheet exposures	1,677,141	1,562,622	1,477,968	1,415,353	1,256,916
Derivative exposures	13,595	16,078	15,953	32,118	4,796
Securities financing transaction exposures	11,221	10,358	10,326	10,174	720
Off-balance sheet exposures	57,105	50,982	46,087	59,723	102,016
Total exposure	1,759,062	1,640,040	1,550,334	1,517,368	1,364,448
Tier 1 capital	201,211	200,164	192,966	179,321	171,642
Leverage ratio	11.4%	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	60.9%	61.0%	59.7%	60.2%	61.9%

¹Capital ratios include interim profit

Quarter summaries



KFI - 9 Quarters

ISK million

	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Profitability									
Return on equity ¹	16.0%	19.7%	12.8%	16.4%	16.1%	11.5%	9.1%	12.7%	13.0%
Return on assets ¹	1.9%	2.3%	1.6%	2.1%	2.0%	1.4%	1.2%	1.6%	1.6%
Return on risk exposure amount ¹	3.2%	3.8%	2.6%	3.4%	3.3%	2.3%	1.9%	2.7%	2.7%
Operating income / Risk exposure amount	7.3%	8.4%	7.6%	7.3%	7.3%	7.0%	6.3%	7.2%	6.6%
Net interest margin									
Net interest margin on interest bearing assets	3.3%	3.5%	3.1%	2.9%	3.1%	3.2%	3.1%	3.1%	3.0%
Net interest margin on total assets	3.2%	3.3%	2.9%	2.8%	3.0%	3.1%	2.9%	3.0%	2.9%
Net interest income on credit risk	6.0%	6.4%	5.6%	5.3%	5.6%	5.8%	5.6%	5.7%	5.5%
Efficiency									
Total cost-to-core income ratio ²	36.3%	36.6%	42.6%	57.5%	37.5%	46.2%	48.4%	54.9%	38.2%
Cost-to-income ratio	32.6%	31.4%	34.7%	48.0%	34.4%	43.1%	45.3%	48.0%	36.0%
Cost-to-total assets ratio	1.4%	1.6%	1.6%	2.1%	1.5%	1.8%	1.7%	2.0%	1.4%
Number of FTE's at period end	891	868	867	858	851	817	813	822	800
Asset quality									
Share of stage 3 loans, gross ³	2.4%	2.5%	2.5%	2.3%	2.4%	2.1%	1.9%	1.7%	1.6%
Risk weighted assets / Total assets	60.9%	60.1%	59.5%	61.0%	60.4%	60.7%	60.7%	59.7%	58.9%

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

Q3 2025 Q2 2025 Q1 2025 Q4 2024 Q3 2024 Q2 2024 Q1 2024 Q4 2023 Q3 2023

Financial strength

Equity as % of total assets	12.2%	11.9%	11.7%	12.8%	12.4%	12.3%	12.4%	13.1%	12.5%
-----------------------------	-------	-------	-------	-------	-------	-------	-------	-------	-------

Liquidity

Liquidity coverage ratio (LCR)	205.5%	156.4%	186.4%	180.6%	178.6%	154.4%	143.6%	191.8%	179.1%
Loans-to-deposits ratio	141.9%	141.5%	139.5%	143.5%	143.8%	142.0%	147.0%	145.4%	141.8%
Loans-to-deposits ratio (without covered bonds)	116.7%	116.1%	110.8%	114.5%	114.8%	114.1%	116.5%	116.0%	112.5%
Deposits from customers as % of total funding	65.1%	64.7%	63.8%	66.1%	66.0%	66.8%	64.8%	65.2%	65.7%
Covered bonds as % of total funding	16.4%	16.5%	18.3%	19.1%	19.1%	18.7%	19.8%	19.2%	19.2%

Capital¹

CET 1 ratio	18.0%	18.0%	18.3%	18.2%	18.8%	18.5%	18.8%	19.7%	19.4%
Tier 1 ratio	19.4%	19.5%	19.9%	20.3%	20.8%	20.0%	20.3%	21.2%	20.8%
Tier 2 ratio	2.5%	2.5%	1.6%	2.4%	2.4%	2.8%	2.9%	2.9%	3.6%
Capital adequacy ratio	22.5%	22.2%	22.0%	22.6%	23.5%	22.8%	23.3%	24.0%	24.6%
Leverage ratio	11.4%	11.5%	11.4%	12.2%	12.0%	11.9%	12.0%	12.4%	11.8%

¹Capital ratios include interim profit

Income statement - 9 quarter summary

ISK million

	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Interest income	32,832	35,133	32,682	29,371	33,210	36,040	33,638	32,461	30,426
Interest expense	(19,006)	(20,933)	(20,516)	(18,125)	(21,347)	(24,092)	(22,393)	(21,114)	(19,508)
Net interest income	13,826	14,200	12,166	11,246	11,863	11,948	11,245	11,347	10,918
Fee and commission income	4,994	5,566	5,456	5,157	4,744	4,934	4,336	4,882	4,765
Fee and commission expense	(991)	(1,013)	(920)	(1,021)	(864)	(955)	(971)	(979)	(917)
Net fee and commission income	4,003	4,553	4,536	4,136	3,880	3,979	3,365	3,903	3,848
Insurance revenue	5,293	5,134	4,911	5,027	5,067	4,908	4,667	4,761	4,450
Insurance service expenses	(4,663)	(4,068)	(4,942)	(4,700)	(3,535)	(4,386)	(4,882)	(5,045)	(4,055)
Insurance service results	630	1,066	(31)	327	1,532	522	(215)	(284)	395
Net financial (loss) income	483	179	(951)	2,193	524	99	29	1,370	(183)
Other operating income	45	1,324	3,321	4	(313)	37	50	(24)	8
Other net operating income / loss	528	1,503	2,370	2,197	211	136	79	1,346	(175)
Operating income	18,987	21,322	19,041	17,906	17,486	16,585	14,474	16,312	14,986
Operating expenses	(6,194)	(6,697)	(6,601)	(8,601)	(6,021)	(7,152)	(6,554)	(7,830)	(5,392)
Operating expenses	(6,194)	(6,697)	(6,601)	(8,601)	(6,021)	(7,152)	(6,554)	(7,830)	(5,392)
Bank Levy	(530)	(521)	(508)	(488)	(500)	(476)	(460)	(422)	(468)
Net impairment	(1,128)	147	(378)	913	(954)	(775)	(315)	13	(741)
Earnings before income tax	11,135	14,251	11,554	9,730	10,011	8,182	7,145	8,073	8,385
Income tax expense	(2,928)	(3,984)	(3,726)	(1,430)	(2,114)	(2,671)	(2,704)	(1,808)	(2,274)
Net earnings from continuing operations	8,207	10,267	7,828	8,300	7,897	5,511	4,441	6,265	6,111
Discontinued operations held for sale, net of income tax	3	(11)	(11)	(11)	(6)	(11)	(9)	(41)	20
Net earnings	8,210	10,256	7,817	8,289	7,891	5,500	4,432	6,224	6,131
Attributable to									
Shareholders of Arion Bank	8,229	9,750	6,421	8,301	7,872	5,505	4,444	6,218	6,135
Non-controlling interest	(19)	506	1,396	(12)	19	(5)	(12)	7	(5)
Net earnings	8,210	10,256	7,817	8,289	7,891	5,500	4,432	6,225	6,130

Balance sheet - 9 quarter summary

ISK million

30.09.2025 30.06.2025 31.03.2025 31.12.2024 30.09.2024 30.06.2024 31.03.2024 31.12.2023 30.09.2023

Assets

Cash and balances with Central Bank	110,481	114,114	124,808	124,094	96,323	135,522	102,405	102,095	80,288
Loans to credit institutions	25,547	34,805	27,220	25,690	32,772	32,728	33,782	28,835	51,302
Loans to customers	1,301,708	1,272,468	1,234,006	1,230,058	1,220,424	1,202,616	1,178,700	1,152,789	1,143,473
Financial instruments	259,837	238,217	261,088	206,417	214,307	165,630	195,914	205,706	221,012
Investment property	13,833	13,786	12,857	9,387	9,327	9,633	9,542	9,493	9,461
Investments in associates	793	778	818	814	833	816	797	789	844
Intangible assets	7,681	7,995	8,018	7,688	7,833	7,864	7,885	8,051	8,289
Tax assets	7	2	3	2	2	39	39	39	427
Asset and disposal groups held for sale	81	141	97	111	34	68	64	62	61
Other assets	16,567	30,839	17,740	14,006	23,862	13,873	15,304	17,813	25,512
Total assets	1,736,535	1,713,145	1,686,655	1,618,267	1,605,717	1,568,789	1,544,432	1,525,672	1,540,669

Liabilities

Due to credit institutions and Central Bank	8,812	7,368	5,785	6,618	6,715	5,067	3,205	2,771	13,144
Deposits	917,226	899,157	884,606	857,443	848,434	846,686	802,068	792,710	806,331
Financial liabilities at fair value	3,211	4,727	6,475	8,394	7,095	9,715	10,778	11,646	16,908
Tax liabilities	15,617	14,149	12,413	11,060	12,884	12,166	11,732	11,169	13,499
Other liabilities	53,928	58,340	50,436	49,950	56,620	45,497	50,628	46,337	43,480
Borrowings	482,285	482,806	496,821	433,178	431,105	415,116	433,047	420,460	407,895
Subordinated liabilities	42,795	42,403	33,331	44,538	44,184	42,091	41,558	41,279	46,853
Total liabilities	1,523,874	1,508,951	1,489,868	1,411,181	1,407,037	1,376,338	1,353,016	1,326,372	1,348,110

Equity

Share capital and share premium	1,383	1,382	3,593	5,686	5,686	6,823	11,208	10,633	10,603
Other reserves	15,087	13,713	12,666	13,949	12,463	12,036	12,365	12,283	11,785
Retained earnings	193,805	186,694	178,628	186,947	180,026	173,107	167,353	175,881	169,510
Total shareholders equity	210,275	201,789	194,887	206,582	198,175	191,966	190,926	198,797	191,898
Non-controlling interest	2,386	2,405	1,900	504	505	485	491	503	661
Total equity	212,661	204,194	196,787	207,086	198,680	192,451	191,416	199,300	192,559
Total liabilities and equity	1,736,535	1,713,145	1,686,655	1,618,267	1,605,717	1,568,789	1,544,432	1,525,672	1,540,669

Net interest income - 9 quarter summary

ISK million

	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Interest income									
Cash and balances with Central bank	1,598	1,465	1,865	2,019	1,715	2,021	1,997	1,684	1,363
Loans	29,571	31,785	28,820	25,161	29,593	32,264	29,714	28,742	27,042
Securities	1,645	1,857	1,973	2,154	1,851	1,753	1,921	1,987	2,009
Other	18	26	24	37	51	2	6	48	12
Interest income	32,832	35,133	32,682	29,371	33,210	36,040	33,638	32,461	30,426
Interest expense									
Deposits	(11,901)	(12,823)	(12,810)	(11,989)	(13,540)	(14,631)	(13,705)	(12,926)	(11,950)
Borrowings	(6,147)	(7,188)	(6,704)	(5,145)	(6,864)	(8,300)	(7,605)	(7,069)	(6,466)
Subordinated loans	(932)	(876)	(968)	(961)	(918)	(1,122)	(1,042)	(1,094)	(1,066)
Other	(26)	(46)	(34)	(30)	(25)	(39)	(41)	(25)	(26)
Interest expense	(19,006)	(20,933)	(20,516)	(18,125)	(21,347)	(24,092)	(22,393)	(21,114)	(19,508)
Net interest income	13,826	14,200	12,166	11,246	11,863	11,948	11,245	11,347	10,918
Interest bearing assets									
Cash and balances with Central Bank	110,481	114,114	124,808	124,094	96,323	135,522	102,405	102,095	80,288
Loans	1,327,255	1,307,273	1,261,226	1,255,748	1,253,196	1,235,344	1,212,482	1,181,624	1,194,775
Securities	215,793	195,718	216,586	161,399	172,045	122,892	142,340	159,392	179,737
Interest bearing assets	1,653,529	1,617,105	1,602,620	1,541,241	1,521,564	1,493,758	1,457,227	1,443,111	1,454,800
Interest bearing liabilities									
Due to credit institutions and Central Bank	8,812	7,368	5,785	6,618	6,715	5,067	3,205	2,771	13,144
Deposits	917,226	899,157	884,606	857,443	848,434	846,686	802,068	792,710	806,331
Financial liabilities at fair value	3,211	4,727	6,475	8,394	7,095	9,715	10,778	11,646	16,908
Borrowings	482,285	482,806	496,821	433,178	431,105	415,116	433,047	420,460	407,895
Subordinated liabilities	42,795	42,403	33,331	44,538	44,184	42,091	41,558	41,279	46,853
Interest bearing liabilities	1,454,329	1,436,461	1,427,018	1,350,171	1,337,533	1,318,675	1,290,656	1,268,866	1,291,131
Interest Gap	199,200	180,644	175,602	191,070	184,031	175,083	166,571	174,245	163,669
Net interest margin on interest bearing assets	3.3%	3.5%	3.1%	2.9%	3.1%	3.2%	3.1%	3.1%	3.0%

Loans to customers - 9 quarter summary

ISK million

30.09.2025 30.06.2025 31.03.2025 31.12.2024 30.09.2024 30.06.2024 31.03.2024 31.12.2023 30.09.2023

Loans to customers

Individuals	648,061	645,627	639,613	639,404	640,939	633,620	617,796	609,144	601,463
Corporates	653,647	626,841	594,393	590,654	579,485	568,996	560,904	543,645	542,010
Total loans to customers	1,301,708	1,272,468	1,234,006	1,230,058	1,220,424	1,202,616	1,178,700	1,152,789	1,143,473

Share of stage 3 loans, gross*	2.4%	2.5%	2.5%	2.3%	2.4%	2.1%	1.9%	1.7%	1.6%
--------------------------------	------	------	------	------	------	------	------	------	------

Loans to individuals

Overdrafts	15,300	14,855	14,755	14,575	14,268	13,590	13,294	13,840	14,059
Credit cards	18,158	18,498	17,192	16,873	17,533	15,890	16,781	15,972	14,179
Mortgage loans	578,246	576,029	571,412	571,525	581,665	576,185	559,986	550,269	541,219
Other loans	38,993	38,667	38,510	38,925	30,088	30,630	30,788	31,536	34,393
Provision on loans	(2,636)	(2,422)	(2,256)	(2,494)	(2,615)	(2,675)	(3,053)	(2,473)	(2,387)
Total loans to individuals	648,061	645,627	639,613	639,404	640,939	633,620	617,796	609,144	601,463

Loans to corporates

Overdrafts	47,955	51,855	49,506	42,233	43,433	47,240	47,702	43,013	39,813
Credit cards	2,586	2,622	2,385	2,297	2,427	2,251	2,138	2,062	2,054
Mortgage loans	86,605	81,874	77,272	74,287	69,758	66,072	66,097	68,840	65,583
Loans at fair value	1,917	1,885	1,843	1,751	1,665	1,562	-	-	-
Other loans	522,762	495,956	470,525	476,944	469,456	458,136	450,954	435,808	440,811
Provision on loans	(8,178)	(7,351)	(7,138)	(6,858)	(7,254)	(6,265)	(5,987)	(6,078)	(6,251)
Total loans to corporates	653,647	626,841	594,393	590,654	579,485	568,996	560,904	543,645	542,010

Loans to corporates specified by sector:

Agriculture and forestry	1.9%	2.0%	2.1%	2.1%	2.2%	2.2%	2.1%	2.1%	2.2%
Services	0.0%	0.0%	0.0%	0.0%	0.0%	4.1%	4.0%	0.0%	3.9%
Financial and insurance activities	8.0%	7.2%	7.4%	8.9%	8.9%	8.5%	7.9%	7.6%	7.7%
Industry, energy and manufacturing	10.0%	10.9%	9.9%	10.4%	10.1%	10.3%	10.3%	10.1%	9.7%
Information and communication technology	5.6%	5.6%	4.7%	5.2%	5.0%	5.3%	5.2%	4.8%	4.9%
Public administration, human health and social activities	1.6%	1.7%	1.7%	1.8%	2.2%	2.2%	2.5%	2.6%	2.4%
Real estate activities	19.3%	19.7%	20.1%	20.0%	21.3%	21.2%	20.2%	21.0%	21.0%
Construction	15.8%	14.8%	14.8%	14.3%	13.9%	13.1%	14.6%	14.3%	13.9%
Fishing industry	15.8%	15.2%	15.7%	14.8%	14.3%	14.9%	14.8%	15.2%	16.6%
Transportation	2.6%	2.7%	1.8%	1.7%	1.6%	1.6%	1.6%	1.6%	1.5%
Commerce and services	12.2%	12.7%	13.8%	12.7%	12.5%	-	-	12.2%	-
Accommodation and food service activities	7.2%	7.4%	7.9%	8.1%	8.2%	-	-	8.5%	-
Wholesale and retail trade	-	-	-	-	-	16.7%	16.8%	-	16.3%
	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

30.09.2025 30.06.2025 31.03.2025 31.12.2024 30.09.2024 30.06.2024 31.03.2024 31.12.2023 30.09.2023

Capital base:

Total equity	212,661	204,195	196,788	207,086	198,680	192,451	191,416	199,301	192,560
Unaudited interim net earnings	(8,229)	-	(6,421)	-	(7,872)	-	(4,444)	-	(6,135)
Non-controlling interest not eligible for inclusion in CET1 capital	(2,386)	(2,405)	(1,900)	(504)	(505)	(485)	(491)	(503)	(661)

Common Equity Tier 1 capital before regulatory adjustments

Intangible assets	(7,413)	(7,719)	(7,733)	(7,390)	(7,521)	(7,539)	(7,423)	(7,211)	(7,073)
Foreseeable dividend	(8,086)	(8,086)	-	(19,000)	(4,974)	(7,933)	(5,000)	(12,877)	(6,683)
Adjustment under IFRS 9 transitional arrangements	-	-	-	427	518	512	511	952	1,041
Other statutory deductions	(686)	(603)	(560)	(571)	(374)	(361)	(4,840)	(30)	(247)

Common equity Tier 1 capital

Non-controlling interest eligible for inclusion in CET1 capital	545	543	427	112	132	121	116	117	115
Additional Tier 1 capital	14,805	14,998	15,894	20,004	19,364	13,659	13,410	13,217	12,932

Tier 1 capital

Tier 2 instruments	27,990	27,405	17,437	24,534	24,820	28,432	28,148	28,062	33,921
Tier 2 instruments of financial sector entities (signif. invest.)	(1,366)	(1,340)	(1,332)	(1,306)	(1,317)	(1,291)	(1,279)	(1,247)	(1,242)

Tier 2 Capital

Total own funds	227,835	226,988	212,600	223,392	220,951	217,566	210,124	219,781	218,528
------------------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------

Risk weighted exposure amount (REA)

Credit Risk, loans	854,973	837,390	811,564	798,562	791,680	775,820	754,354	732,760	737,824
Credit Risk, securities and other	71,778	66,393	64,025	59,113	54,723	51,782	52,996	52,032	55,066
Counterparty credit risk	3,156	3,433	3,358	5,875	7,065	7,588	9,641	7,442	12,567
Market Risk due to currency imbalance	5,833	2,738	3,637	2,947	844	1,389	4,641	4,751	1,907
Market Risk Other	14,654	12,901	14,088	12,846	14,441	13,526	12,975	11,066	7,165
Credit valuation adjustment	1,650	1,400	1,075	2,257	2,470	4,177	3,713	3,680	3,494
Operational Risk	106,011	106,011	106,011	106,011	98,740	98,740	98,740	98,740	89,166
Total risk weighted exposure amount	1,058,055	1,030,266	1,003,758	987,611	969,963	953,022	937,060	910,471	907,189

Capital and Risk Weighted Assets

ISK million

30.09.2025 30.06.2025 31.03.2025 31.12.2024 30.09.2024 30.06.2024 31.03.2024 31.12.2023 30.09.2023

Capital ratios¹

CET 1 ratio	18.0%	18.0%	18.3%	18.2%	18.8%	18.5%	18.8%	19.7%	19.4%
Tier 1 ratio	19.4%	19.5%	19.9%	20.3%	20.8%	20.0%	20.3%	21.2%	20.8%
Capital adequacy ratio	21.9%	22.0%	21.5%	22.6%	23.2%	22.8%	23.2%	24.1%	24.4%

Leverage ratio

On-balance sheet exposures	1,677,141	1,663,762	1,638,402	1,562,622	1,554,679	1,530,996	1,496,916	1,477,968	1,490,781
Derivative exposures	13,595	12,558	11,412	16,078	18,741	17,478	20,120	15,953	23,872
Securities financing transaction exposures	11,221	11,137	11,137	10,358	10,430	10,107	10,510	10,326	10,020
Off-balance sheet exposures	57,105	55,370	64,439	50,982	58,955	50,138	43,553	46,087	52,682
Total exposure	1,759,062	1,742,827	1,725,390	1,640,040	1,642,805	1,608,719	1,571,099	1,550,334	1,577,355
Tier 1 capital	201,211	200,923	196,495	200,164	197,448	190,425	183,255	192,966	185,849
Leverage ratio	11.4%	11.5%	11.4%	12.2%	12.0%	11.8%	11.7%	12.4%	11.8%

Related ratios

Return on REA for the quarter	3.1%	4.0%	3.1%	3.4%	3.3%	2.3%	1.9%	2.7%	2.7%
REA/Total assets	60.9%	60.1%	59.5%	61.0%	60.4%	60.7%	60.7%	59.7%	58.9%

¹Capital ratios include interim profit in Q1 and Q3 figures

Operating segments - Quarters summary

	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Markets and Stefir:									
Net interest income	342	324	340	352	297	296	312	264	283
Net fee and commission income	1,428	1,465	1,415	1,285	1,294	1,382	1,354	1,213	1,259
Insurance service results	-	-	-	-	-	-	-	-	-
Net financial income (loss)	2	(15)	(9)	26	53	(28)	43	55	(11)
Other operating income	1	1	-	2	1	1	-	1	1
Total operating income	1,773	1,775	1,746	1,665	1,645	1,651	1,709	1,533	1,532
Operating expenses	(637)	(710)	(635)	(943)	(587)	(645)	(618)	(930)	(543)
Allocated expenses	(959)	(509)	(802)	(1,161)	(392)	(687)	(654)	(720)	(507)
Bank levy	(10)	(11)	(11)	(10)	(11)	(14)	(11)	(9)	(11)
Net impairment	15	(11)	18	(24)	7	4	(11)	-	-
Earnings before income tax	182	534	316	(473)	662	309	415	(126)	471
Total assets	105,431	105,635	112,511	101,204	100,669	98,972	99,522	96,319	100,054
Total liabilities	97,199	97,569	103,613	92,199	91,458	89,720	90,691	87,502	91,737
Allocated equity	8,232	8,066	8,898	9,005	9,211	9,252	8,831	8,817	8,317

Corporate & Investment Bank including insurance:

Net interest income	7,650	7,357	6,793	6,417	6,913	6,604	6,124	5,682	5,271
Net fee and commission income	1,325	1,984	1,907	1,600	1,370	1,323	933	1,208	941
Insurance service results	(64)	(49)	(232)	107	217	(124)	(151)	(246)	46
Net financial income (loss)	80	29	(248)	335	258	629	126	442	167
Other operating income (loss)	14	-	(1)	(4)	2	1	2	(1)	-
Total operating income	9,005	9,321	8,219	8,455	8,760	8,433	7,034	7,085	6,425
Operating expenses	(418)	(520)	(440)	(880)	(430)	(457)	(394)	(523)	(352)
Allocated expenses	(1,695)	(903)	(1,361)	(2,075)	(728)	(1,480)	(1,255)	(1,239)	(868)
Bank levy	(201)	(191)	(194)	(181)	(184)	(179)	(150)	(140)	(154)
Net impairment	(845)	327	(597)	423	(1,074)	(651)	286	175	(901)
Earnings (loss) before income tax	5,846	8,034	5,627	5,742	6,344	5,666	5,521	5,358	4,150
Total assets	667,352	640,507	607,517	602,420	584,421	571,092	564,979	486,908	484,780
Total liabilities	543,891	519,458	490,735	496,912	479,631	470,759	469,859	405,484	405,093
Allocated equity	123,461	121,049	116,782	105,508	104,790	100,333	95,120	81,424	79,687

Operating segments - Quarters summary

	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Retail Bank including insurance:									
Net interest income	4,398	4,200	3,008	3,020	3,935	3,853	4,245	4,808	4,868
Net fee and commission income	923	855	941	907	1,010	951	855	1,211	1,266
Insurance service results	580	1,003	145	128	1,205	551	(107)	(32)	357
Net financial income (loss)	222	90	(374)	1,362	459	49	103	631	(94)
Other operating income	9	3	12	18	19	1	7	(6)	18
Total operating income	6,132	6,151	3,732	5,435	6,628	5,405	5,103	6,612	6,415
Operating expenses	(623)	(710)	(637)	(936)	(660)	(808)	(778)	(1,154)	(779)
Allocated expenses	(2,346)	(1,251)	(1,993)	(3,042)	(1,167)	(2,219)	(2,110)	(2,491)	(1,798)
Bank levy	(206)	(204)	(209)	(203)	(212)	(200)	(214)	(197)	(212)
Net impairment	(189)	(170)	201	531	114	(127)	(589)	(186)	129
Earnings before income tax	2,768	3,816	1,094	1,785	4,703	2,051	1,412	2,584	3,755
Total assets	670,632	667,647	661,988	664,122	671,631	665,330	647,536	701,794	692,160
Total liabilities	607,435	603,528	603,007	607,401	616,114	612,061	594,545	642,302	635,382
Allocated equity	63,197	64,119	58,981	56,721	55,517	53,269	52,991	59,492	56,778
Treasury and Market making:									
Net interest income	1,465	2,368	2,062	1,495	756	1,227	610	624	549
Net fee and commission income	240	203	182	180	154	213	125	186	221
Net insurance income	-	-	-	-	-	-	-	-	-
Net financial income (loss)	171	82	(316)	470	(258)	(549)	(243)	291	(200)
Other operating income	-	-	2	-	-	-	-	3	(10)
Total operating income (loss)	1,876	2,653	1,930	2,145	652	891	492	1,104	560
Operating expenses	(169)	(147)	(141)	(272)	(181)	(235)	(229)	(227)	(150)
Allocated expenses	(439)	(224)	(351)	(532)	(191)	(398)	(342)	(342)	(270)
Bank levy	(113)	(115)	(94)	(94)	(93)	(83)	(85)	(86)	(91)
Net impairment	(1)	-	-	(17)	(2)	(1)	-	-	2
Earnings (loss) before income tax	1,154	2,167	1,344	1,230	185	174	(164)	449	51
Total assets	605,695	595,338	576,207	550,360	549,764	520,064	560,085	555,321	584,518
Total liabilities	591,411	587,720	574,471	523,796	528,148	498,349	534,657	514,881	546,407
Allocated equity	14,284	7,618	1,736	26,564	21,616	21,715	25,428	40,440	38,111

Operating segments - Quarters summary

	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Subsidiaries excluding Stefnir and Vördur:									
Net interest income (expense)	(2)	(2)	(2)	(20)	(59)	(55)	(60)	(44)	(74)
Net fee and commission income (expense)	65	20	70	86	83	72	51	(24)	49
Net insurance income	-	2	(7)	-	-	-	-	-	-
Net financial income (loss)	17	(1)	4	3	20	-	-	(50)	(38)
Other operating income	6	1,351	3,277	(13)	(340)	26	18	52	2
Total operating income (loss)	86	1,370	3,342	56	(296)	43	9	(66)	(61)
Operating expenses	(116)	(146)	(133)	(112)	(107)	(122)	(68)	(105)	(86)
Allocated expenses	(15)	(29)	(32)	(31)	(30)	(31)	(31)	(50)	(3)
Bank levy	-	-	-	-	-	-	-	-	-
Net impairment	-	-	-	-	-	-	-	20	27
Earnings (loss) before income tax	(45)	1,195	3,177	(87)	(433)	(110)	(90)	(201)	(123)
Total assets	16,565	16,489	19,056	19,332	16,961	16,971	17,893	17,733	18,486
Total liabilities	13,078	13,146	8,665	10,044	9,415	9,090	8,847	8,605	8,819
Allocated equity	3,487	3,343	10,391	9,288	7,546	7,881	9,046	9,128	9,667
Supporting units and eliminations:									
Net interest income (loss)	(27)	(47)	(35)	(18)	21	23	14	13	21
Net fee and commission income (expense)	22	26	21	78	(31)	38	47	109	112
Net insurance income (expense)	114	110	63	92	110	95	43	(6)	(8)
Net financial income (loss)	(9)	(6)	(8)	(3)	(8)	(2)	-	1	(7)
Other operating income (loss)	15	(31)	31	1	5	8	23	(73)	(3)
Total operating income (loss)	115	52	72	150	97	162	127	44	115
Operating expenses	(4,231)	(4,464)	(4,615)	(5,458)	(4,056)	(4,885)	(4,467)	(4,891)	(3,482)
Allocated expenses	5,454	2,916	4,539	6,841	2,508	4,815	4,392	4,842	3,446
Bank levy	-	-	-	-	-	-	-	10	-
Net impairment	(108)	1	-	-	1	-	(1)	4	2
Earnings (loss) before income tax	1,230	(1,495)	(4)	1,533	(1,450)	92	51	9	81
Total assets	(329,140)	(312,471)	(290,624)	(319,171)	(317,729)	(303,640)	(345,583)	(332,403)	(339,329)
Total liabilities	(329,140)	(312,471)	(290,624)	(319,171)	(317,729)	(303,641)	(345,583)	(332,403)	(339,329)
Allocated equity	-	-	-	-	-	-	-	-	-

Disclaimer

This document has been prepared for information purposes only and should not be relied upon, or form the basis of any action or decision, by any person. Nothing in this document is, nor shall be relied on as, a promise or representation as to the future. In supplying this document, Arion Bank does not undertake any obligation to provide the recipient with access to any additional information or to update this document or to correct any inaccuracies herein which may become apparent.

The information relating to Arion Bank, its subsidiaries and associates and their respective businesses and assets contained in, or used in preparing, this document has not been verified or audited. Further, this document does not purport to provide a complete description of the matters to which it relates.

Some information may be based on assumptions or market conditions and may change without notice. Accordingly, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, forecasts, opinions and expectations contained in this document and no reliance should be placed on such information, forecasts, opinions and expectations. To the extent permitted by law, none of Arion Bank or any of their affiliates or advisers, any of their respective directors, officers or employees, or any other person, accepts any liability whatsoever for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document.

Due to rounding, numbers in the disclosures may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

By accepting this document you agree to be bound by the foregoing instructions and limitations.



Arion Bank
Borgartun 19
105 Reykjavik
Iceland
Id.: 581008-0150