

# Factbook 31 December 2025

Unaudited

KFI - 5 years		2025	2024	2023	2022	2021
ISK million						
<b>Profitability</b>						
Return on equity <sup>1</sup>		14.9%	13.2%	13.6%	14.1%	14.8%
Return on assets <sup>1</sup>		1.9%	1.7%	1.7%	1.9%	2.3%
Return on risk exposure amount <sup>1</sup>		3.2%	2.7%	2.8%	3.0%	3.7%
Core operating income / Risk exposure amount		7.4%	7.1%	7.1%	6.9%	6.5%
Earnings per share		22.05	10.65	17.80	17.40	17.96
<b>Net interest margin</b>						
Net interest margin on interest bearing assets		3.2%	3.1%	3.1%	3.1%	2.8%
Net interest margin on total assets		3.1%	2.9%	3.0%	2.9%	2.6%
Net interest income on credit risk		5.8%	5.6%	5.7%	5.4%	4.9%
<b>Efficiency</b>						
Total cost-to-core income ratio <sup>2</sup>		42.3%	47.2%	44.7%	45.0%	51.6%
Cost-to-income ratio		36.0%	42.6%	40.0%	44.0%	44.4%
Cost-to-total assets ratio		1.66%	1.8%	1.7%	1.8%	2.1%
Number of FTE's at year end		901	858	822	781	751
<b>Asset quality</b>						
Share of stage 3 loans, gross <sup>3</sup>		2.5%	2.3%	1.7%	1.2%	1.9%
Risk weighted assets / Total assets		58.6%	61.0%	59.7%	60.2%	62.0%
<b>Financial strength</b>						
Equity as % of total assets		12.4%	12.8%	13.1%	12.8%	14.8%
<b>Liquidity</b>						
Liquidity coverage ratio (LCR)		199.2%	180.6%	191.8%	158.5%	202.8%
Loans-to-deposits ratio		144.3%	143.5%	145.4%	143.6%	142.8%
Loans-to-deposits ratio (without covered bonds)		118.5%	114.5%	116.0%	115.4%	111.8%
Deposits from customers as % of total funding		64.5%	66.1%	65.2%	65.1%	64.4%
Covered bonds as % of total funding		16.6%	19.1%	19.2%	18.4%	20.0%
<b>Capital<sup>4</sup></b>						
CET 1 ratio		18.4%	18.2%	19.7%	18.8%	19.6%
Tier 1 ratio		19.9%	20.3%	21.2%	20.3%	21.2%
Tier 2 ratio		2.6%	2.4%	2.9%	3.7%	2.6%
Capital adequacy ratio		22.5%	22.6%	24.1%	24.0%	23.8%
Leverage ratio		11.4%	12.2%	12.4%	11.8%	12.6%

<sup>1</sup> Based on net earnings attributable to shareholders of Arion Bank

<sup>2</sup> Including expenses from insurance operations

<sup>3</sup>(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

<sup>4</sup>Capital ratios include interim profit

## Income statement - 5 year summary

ISK million	2025	2024	2023	2022	2021
Interest income	129,777	132,259	123,116	83,515	53,958
Interest expense	(77,235)	(85,957)	(78,431)	(43,314)	(21,895)
<b>Net interest income</b>	<b>52,542</b>	<b>46,302</b>	<b>44,685</b>	<b>40,201</b>	<b>32,063</b>
Fee and commission income	21,151	19,171	20,120	18,741	16,706
Fee and commission expense	(4,004)	(3,811)	(3,731)	(2,292)	(2,033)
<b>Net fee and commission income</b>	<b>17,147</b>	<b>15,360</b>	<b>16,389</b>	<b>16,449</b>	<b>14,673</b>
Insurance revenue	20,766	19,669	17,416	15,105	-
Insurance service expenses	(18,655)	(17,503)	(17,264)	(14,490)	-
<b>Insurance service results</b>	<b>2,111</b>	<b>2,166</b>	<b>152</b>	<b>615</b>	<b>-</b>
Net insurance income	-	-	-	-	3,442
Net financial (loss) income	1,075	2,845	1,366	(3,286)	6,220
Other operating income	5,516	(222)	1,589	1,314	1,827
<b>Other net operating income / loss</b>	<b>6,591</b>	<b>2,623</b>	<b>2,955</b>	<b>(1,972)</b>	<b>11,489</b>
<b>Operating income</b>	<b>78,391</b>	<b>66,451</b>	<b>64,181</b>	<b>55,293</b>	<b>58,225</b>
Operating expenses	(28,248)	(28,328)	(25,701)	(24,329)	-
Salaries and related expense	-	-	-	-	(14,638)
Other operating expenses	-	-	-	-	(11,237)
<b>Operating expenses</b>	<b>(28,248)</b>	<b>(28,328)</b>	<b>(25,701)</b>	<b>(24,329)</b>	<b>(25,875)</b>
Bank Levy	(2,106)	(1,924)	(1,796)	(1,749)	(1,516)
Net impairment	(3,053)	(1,131)	(1,348)	144	3,169
<b>Earnings before income tax</b>	<b>44,984</b>	<b>35,068</b>	<b>35,336</b>	<b>29,359</b>	<b>34,003</b>
Income tax expense	(12,458)	(8,919)	(9,595)	(9,944)	(6,782)
<b>Net earnings from continuing operations</b>	<b>32,526</b>	<b>26,149</b>	<b>25,741</b>	<b>19,415</b>	<b>27,221</b>
Discontinued operations held for sale, net of income tax	(19)	(37)	(4)	6,543	1,394
<b>Net earnings</b>	<b>32,507</b>	<b>26,112</b>	<b>25,737</b>	<b>25,958</b>	<b>28,615</b>
<b>Attributable to</b>					
Shareholders of Arion Bank	30,626	26,122	25,718	25,945	28,607
Non-controlling interest	1,881	(10)	18	13	8
<b>Net earnings</b>	<b>32,507</b>	<b>26,112</b>	<b>25,736</b>	<b>25,958</b>	<b>28,615</b>

## Balance sheet - 5 year summary

ISK million

31.12.2025 31.12.2024 31.12.2023 31.12.2022 31.12.2021

### Assets

Cash and balances with Central Bank	150,111	124,094	102,095	114,118	69,057
Loans to credit institutions	22,567	25,690	28,835	45,501	30,272
Loans to customers	1,329,056	1,230,058	1,152,789	1,084,757	936,237
Financial instruments	215,816	206,417	205,706	193,329	225,657
Investment property	7,305	9,387	9,493	7,862	6,560
Investments in associates	760	814	789	787	668
Intangible assets	7,533	7,688	8,051	8,783	9,463
Tax assets	2	2	39	135	2
Asset and disposal groups held for sale	98	111	62	61	16,047
Other assets	22,517	14,006	17,813	10,276	16,747
<b>Total assets</b>	<b>1,755,765</b>	<b>1,618,267</b>	<b>1,525,672</b>	<b>1,465,609</b>	<b>1,310,710</b>

### Liabilities

Due to credit institutions and Central Bank	12,003	6,618	2,771	11,697	5,000
Deposits	921,182	857,443	792,710	755,361	655,476
Financial liabilities at fair value	3,129	8,394	11,646	20,997	5,877
Tax liabilities	12,983	11,060	11,169	10,303	7,102
Liabilities associated with disposal groups held for sale	-	-	-	-	16,935
Other liabilities	50,736	49,950	46,336	39,400	34,914
Borrowings	494,823	433,178	420,460	392,563	356,637
Subordinated liabilities	43,518	44,538	41,279	47,331	35,088
<b>Total liabilities</b>	<b>1,538,374</b>	<b>1,411,181</b>	<b>1,326,371</b>	<b>1,277,652</b>	<b>1,117,029</b>

### Equity

Share capital and share premium	1,383	5,686	10,634	13,372	22,684
Other reserves	14,382	13,949	12,283	10,672	12,838
Retained earnings	201,562	186,947	175,881	163,264	157,486
<b>Total shareholders equity</b>	<b>217,327</b>	<b>206,582</b>	<b>198,798</b>	<b>187,308</b>	<b>193,008</b>
Non-controlling interest	64	504	503	649	673
<b>Total equity</b>	<b>217,391</b>	<b>207,086</b>	<b>199,301</b>	<b>187,957</b>	<b>193,681</b>
<b>Total liabilities and equity</b>	<b>1,755,765</b>	<b>1,618,267</b>	<b>1,525,672</b>	<b>1,465,609</b>	<b>1,310,710</b>

## Net interest income - 5 year summary

ISK million	2025	2024	2023	2022	2021
<b>Interest income</b>					
Cash and balances with Central bank	6,795	7,752	5,747	3,334	573
Loans	115,680	116,732	110,735	77,059	49,166
Securities	7,195	7,679	6,572	2,988	4,029
Other	107	96	62	134	190
<b>Interest income</b>	<b>129,777</b>	<b>132,259</b>	<b>123,116</b>	<b>83,515</b>	<b>53,958</b>
<b>Interest expense</b>					
Deposits	(48,552)	(53,865)	(46,268)	(22,751)	(6,820)
Borrowings	(25,029)	(27,914)	(27,365)	(18,027)	(13,065)
Subordinated liabilities	(3,512)	(4,043)	(4,651)	(2,338)	(1,891)
Other	(142)	(135)	(147)	(198)	(119)
<b>Interest expense</b>	<b>(77,235)</b>	<b>(85,957)</b>	<b>(78,431)</b>	<b>(43,314)</b>	<b>(21,895)</b>
<b>Net interest income</b>	<b>52,542</b>	<b>46,302</b>	<b>44,685</b>	<b>40,201</b>	<b>32,063</b>
<b>Interest bearing assets</b>					
Cash and balances with Central Bank	150,111	124,094	102,095	114,118	69,057
Loans	1,351,623	1,255,748	1,181,624	1,130,258	966,509
Securities	172,717	161,399	159,392	142,064	168,801
<b>Interest bearing assets</b>	<b>1,674,451</b>	<b>1,541,241</b>	<b>1,443,111</b>	<b>1,386,440</b>	<b>1,204,367</b>
<b>Interest bearing liabilities</b>					
Due to credit institutions and Central Bank	12,003	6,618	2,771	11,697	5,000
Deposits	921,182	857,443	792,710	755,361	655,476
Financial liabilities at fair value	3,129	8,394	11,646	20,997	5,877
Borrowings	494,823	433,178	420,460	392,563	356,637
Subordinated liabilities	43,518	44,538	41,279	47,331	35,088
<b>Interest bearing liabilities</b>	<b>1,474,655</b>	<b>1,350,171</b>	<b>1,268,866</b>	<b>1,227,949</b>	<b>1,058,078</b>
<b>Interest Gap</b>	<b>199,796</b>	<b>191,070</b>	<b>174,245</b>	<b>158,491</b>	<b>146,289</b>
<b>Net interest margin on interest bearing assets</b>	<b>3.2%</b>	<b>3.1%</b>	<b>3.1%</b>	<b>3.1%</b>	<b>2.8%</b>

## Loans to customers - 5 year summary

ISK million

31.12.2025 31.12.2024 31.12.2023 31.12.2022 31.12.2021

### Loans to customers

Individuals	640,394	639,404	609,144	582,371	526,498
Corporates	688,662	590,654	543,645	502,386	409,739
<b>Total loans to customers</b>	<b>1,329,056</b>	<b>1,230,058</b>	<b>1,152,789</b>	<b>1,084,757</b>	<b>936,237</b>

### 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	15,373	14,575	13,840	14,893	14,255
Credit cards	17,558	16,873	15,972	14,304	13,192
Mortgage loans	577,492	571,525	550,269	514,007	463,895
Other loans	32,532	38,925	31,536	40,942	37,044
Provision on loans	(2,561)	(2,494)	(2,473)	(1,775)	(1,888)
<b>Total loans to individuals</b>	<b>640,394</b>	<b>639,404</b>	<b>609,144</b>	<b>582,371</b>	<b>526,498</b>

### Loans to corporates

Overdrafts	53,125	42,233	43,013	33,369	18,301
Credit cards	2,561	2,297	2,062	1,838	1,449
Mortgage loans	91,007	74,287	68,840	60,528	41,588
Loans at fair value	1,933	1,751	-	-	-
Other loans	550,037	476,944	435,808	411,792	354,113
Provision on loans	(10,001)	(6,858)	(6,078)	(5,141)	(5,712)
<b>Total loans to corporates</b>	<b>688,662</b>	<b>590,654</b>	<b>543,645</b>	<b>502,386</b>	<b>409,739</b>

### 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	8.5%	8.9%	7.6%	8.2%	11.2%
Industry, energy and manufacturing	10.2%	10.4%	10.1%	8.8%	6.8%
Information and communication technology	5.9%	5.2%	4.8%	4.9%	4.1%
Public administration, human health and social activities	1.9%	1.8%	2.6%	2.1%	1.7%
Real estate activities	18.3%	20.0%	21.0%	21.0%	22.0%
Construction	15.7%	14.3%	14.3%	11.0%	9.0%
Fishing industry	15.6%	14.8%	15.2%	18.2%	19.1%
Transportation	2.6%	1.7%	1.6%	2.8%	3.5%
Commerce and services	12.6%	12.7%	12.2%	-	-
Accommodation and food service activities	6.8%	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

31.12.2025 31.12.2024 31.12.2023 31.12.2022 31.12.2021

### Capital base:

Total equity	217,391	207,086	199,301	187,956	193,681
Unaudited interim net earnings	-	-	-	-	-
Non-controlling interest not eligible for inclusion in CET 1 capital	(64)	(504)	(503)	(649)	(673)
<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>217,327</b>	<b>206,582</b>	<b>198,798</b>	<b>187,307</b>	<b>193,008</b>
Intangible assets	(7,273)	(7,390)	(7,211)	(6,425)	(8,435)
Foreseeable dividend	(20,313)	(19,000)	(12,877)	(15,980)	(26,773)
Adjustment under IFRS 9 transitional arrangements	-	427	952	1,142	920
Other statutory deductions	(542)	(571)	(30)	(224)	(436)
<b>Common equity Tier 1 capital</b>	<b>189,199</b>	<b>180,048</b>	<b>179,632</b>	<b>165,820</b>	<b>158,284</b>
Non-controlling interest eligible for inclusion in CET1 capital	-	112	117	105	133
Additional Tier 1 capital	15,635	20,004	13,217	13,396	13,225
<b>Tier 1 capital</b>	<b>204,834</b>	<b>200,164</b>	<b>192,966</b>	<b>179,321</b>	<b>171,642</b>
Tier 2 instruments	27,883	24,534	28,062	33,935	21,863
Tier 2 instruments of financial sector entities (signif. invest.)	(1,355)	(1,306)	(1,247)	(1,155)	(1,056)
<b>Tier 2 Capital</b>	<b>26,528</b>	<b>23,228</b>	<b>26,815</b>	<b>32,780</b>	<b>20,807</b>
<b>Total own funds</b>	<b>231,362</b>	<b>223,392</b>	<b>219,781</b>	<b>212,101</b>	<b>192,449</b>

### Risk weighted exposure amount (REA)

Credit Risk, loans*	862,862	798,562	732,760	707,479	623,395
Credit Risk, securities and other	59,140	59,113	52,032	56,714	69,553
Counterparty credit risk	4,222	5,875	7,442	14,645	7,761
Market Risk due to currency imbalance	2,309	2,947	4,751	1,387	4,691
Market Risk Other	13,516	12,846	11,066	7,493	8,958
Credit valuation adjustment	2,501	2,257	3,680	6,010	2,379
Operational Risk	84,635	106,011	98,740	89,166	96,085
<b>Total risk weighted exposure amount</b>	<b>1,029,185</b>	<b>987,611</b>	<b>910,471</b>	<b>882,894</b>	<b>812,822</b>

### Capital ratios<sup>1</sup>

CET 1 ratio	18.4%	18.2%	19.7%	18.8%	19.6%
Tier 1 ratio	19.9%	20.3%	21.2%	20.3%	21.2%
Capital adequacy ratio	22.5%	22.6%	24.1%	24.0%	23.8%

### Leverage ratio

On-balance sheet exposures	1,696,618	1,562,622	1,477,968	1,415,353	1,256,916
Derivative exposures	12,582	16,078	15,953	32,118	4,796
Securities financing transaction exposures	11,181	10,358	10,326	10,174	720
Off-balance sheet exposures	71,258	50,982	46,087	59,723	102,016
<b>Total exposure</b>	<b>1,791,639</b>	<b>1,640,040</b>	<b>1,550,334</b>	<b>1,517,368</b>	<b>1,364,448</b>
<b>Tier 1 capital</b>	<b>204,834</b>	<b>200,164</b>	<b>192,966</b>	<b>179,321</b>	<b>171,642</b>
<b>Leverage ratio</b>	<b>11.4%</b>	<b>12.2%</b>	<b>12.4%</b>	<b>11.8%</b>	<b>12.6%</b>

### Related ratios

Return on REA	3.2%	2.7%	2.8%	3.0%	3.7%
REA/Total assets	58.6%	61.0%	59.7%	60.2%	61.9%

<sup>1</sup>Capital ratios include interim profit

# Quarter summaries



## KFI - 9 Quarters

ISK million	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
<b>Profitability</b>									
Return on equity <sup>1</sup>	11.6%	16.0%	19.7%	12.8%	16.4%	16.1%	11.5%	9.1%	12.7%
Return on assets <sup>1</sup>	1.4%	1.9%	2.3%	1.6%	2.1%	2.0%	1.4%	1.2%	1.6%
Return on risk exposure amount <sup>1</sup>	2.4%	3.2%	3.8%	2.6%	3.4%	3.3%	2.3%	1.9%	2.7%
Core operating income / Risk exposure amount	6.9%	7.4%	8.1%	7.0%	6.8%	7.5%	7.3%	6.6%	7.0%
<b>Net interest margin</b>									
Net interest margin on interest bearing assets	2.9%	3.3%	3.5%	3.1%	2.9%	3.1%	3.2%	3.1%	3.1%
Net interest margin on total assets	2.8%	3.2%	3.3%	2.9%	2.8%	3.0%	3.1%	2.9%	3.0%
Net interest income on credit risk	5.3%	6.0%	6.4%	5.6%	5.3%	5.6%	5.8%	5.6%	5.7%
<b>Efficiency</b>									
Total cost-to-core income ratio <sup>2</sup>	54.9%	36.3%	36.6%	42.6%	57.5%	37.5%	46.2%	48.4%	54.9%
Cost-to-income ratio	46.0%	32.6%	31.4%	34.7%	48.0%	34.4%	43.1%	45.3%	48.0%
Cost-to-total assets ratio	2.0%	1.4%	1.6%	1.6%	2.1%	1.5%	1.8%	1.7%	2.0%
Number of FTE's at period end	901	891	868	867	858	851	817	813	822
<b>Asset quality</b>									
Share of stage 3 loans, gross <sup>3</sup>	2.5%	2.4%	2.5%	2.5%	2.3%	2.4%	2.1%	1.9%	1.7%
Risk weighted assets / Total assets	58.6%	60.9%	60.1%	59.5%	61.0%	60.4%	60.7%	60.7%	59.7%

<sup>1</sup> Based on net earnings attributable to shareholders of Arion Bank

<sup>2</sup> Including expenses from insurance operations

<sup>3</sup>(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	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
<b>Financial strength</b>									
Equity as % of total assets	12.4%	12.2%	11.9%	11.7%	12.8%	12.4%	12.3%	12.4%	13.1%
<b>Liquidity</b>									
Liquidity coverage ratio (LCR)	199.2%	205.5%	156.4%	186.4%	180.6%	178.6%	154.4%	143.6%	191.8%
Loans-to-deposits ratio	144.3%	141.9%	141.5%	139.5%	143.5%	143.8%	142.0%	147.0%	145.4%
Loans-to-deposits ratio (without covered bonds)	118.5%	116.7%	116.1%	110.8%	114.5%	114.8%	114.1%	116.5%	116.0%
Deposits from customers as % of total funding	64.5%	65.1%	64.7%	63.8%	66.1%	66.0%	66.8%	64.8%	65.2%
Covered bonds as % of total funding	16.6%	16.4%	16.5%	18.3%	19.1%	19.1%	18.7%	19.8%	19.2%
<b>Capital<sup>1</sup></b>									
CET 1 ratio	18.4%	18.0%	18.0%	18.3%	18.2%	18.8%	18.5%	18.8%	19.7%
Tier 1 ratio	19.9%	19.4%	19.5%	19.9%	20.3%	20.8%	20.0%	20.3%	21.2%
Tier 2 ratio	2.6%	2.5%	2.5%	1.6%	2.4%	2.4%	2.8%	2.9%	2.9%
Capital adequacy ratio	22.5%	22.5%	22.2%	22.0%	22.6%	23.5%	22.8%	23.3%	24.0%
Leverage ratio	11.4%	11.4%	11.5%	11.4%	12.2%	12.0%	11.9%	12.0%	12.4%

<sup>1</sup>Capital ratios include interim profit

## Income statement - 9 quarter summary

ISK million	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Interest income	29,130	32,832	35,133	32,682	29,371	33,210	36,040	33,638	32,461
Interest expense	(16,780)	(19,006)	(20,933)	(20,516)	(18,125)	(21,347)	(24,092)	(22,393)	(21,114)
<b>Net interest income</b>	<b>12,350</b>	<b>13,826</b>	<b>14,200</b>	<b>12,166</b>	<b>11,246</b>	<b>11,863</b>	<b>11,948</b>	<b>11,245</b>	<b>11,347</b>
Fee and commission income	5,135	4,994	5,566	5,456	5,157	4,744	4,934	4,336	4,882
Fee and commission expense	(1,080)	(991)	(1,013)	(920)	(1,021)	(864)	(955)	(971)	(979)
<b>Net fee and commission income</b>	<b>4,055</b>	<b>4,003</b>	<b>4,553</b>	<b>4,536</b>	<b>4,136</b>	<b>3,880</b>	<b>3,979</b>	<b>3,365</b>	<b>3,903</b>
Insurance revenue	5,428	5,293	5,134	4,911	5,027	5,067	4,908	4,667	4,761
Insurance service expenses	(4,982)	(4,663)	(4,068)	(4,942)	(4,700)	(3,535)	(4,386)	(4,882)	(5,045)
<b>Insurance service results</b>	<b>446</b>	<b>630</b>	<b>1,066</b>	<b>(31)</b>	<b>327</b>	<b>1,532</b>	<b>522</b>	<b>(215)</b>	<b>(284)</b>
Net financial (loss) income	1,364	483	179	(951)	2,193	524	99	29	1,370
Other operating income	826	45	1,324	3,321	4	(313)	37	50	(24)
<b>Other net operating income / loss</b>	<b>2,190</b>	<b>528</b>	<b>1,503</b>	<b>2,370</b>	<b>2,197</b>	<b>211</b>	<b>136</b>	<b>79</b>	<b>1,346</b>
<b>Operating income</b>	<b>19,041</b>	<b>18,987</b>	<b>21,322</b>	<b>19,041</b>	<b>17,906</b>	<b>17,486</b>	<b>16,585</b>	<b>14,474</b>	<b>16,312</b>
Operating expenses	(8,756)	(6,194)	(6,697)	(6,601)	(8,601)	(6,021)	(7,152)	(6,554)	(7,830)
<b>Operating expenses</b>	<b>(8,756)</b>	<b>(6,194)</b>	<b>(6,697)</b>	<b>(6,601)</b>	<b>(8,601)</b>	<b>(6,021)</b>	<b>(7,152)</b>	<b>(6,554)</b>	<b>(7,830)</b>
Bank Levy	(547)	(530)	(521)	(508)	(488)	(500)	(476)	(460)	(422)
Net impairment	(1,694)	(1,128)	147	(378)	913	(954)	(775)	(315)	13
<b>Earnings before income tax</b>	<b>8,044</b>	<b>11,135</b>	<b>14,251</b>	<b>11,554</b>	<b>9,730</b>	<b>10,011</b>	<b>8,182</b>	<b>7,145</b>	<b>8,073</b>
Income tax expense	(1,820)	(2,928)	(3,984)	(3,726)	(1,430)	(2,114)	(2,671)	(2,704)	(1,808)
<b>Net earnings from continuing operations</b>	<b>6,224</b>	<b>8,207</b>	<b>10,267</b>	<b>7,828</b>	<b>8,300</b>	<b>7,897</b>	<b>5,511</b>	<b>4,441</b>	<b>6,265</b>
Discontinued operations held for sale, net of income tax	-	3	(11)	(11)	(11)	(6)	(11)	(9)	(41)
<b>Net earnings</b>	<b>6,224</b>	<b>8,210</b>	<b>10,256</b>	<b>7,817</b>	<b>8,289</b>	<b>7,891</b>	<b>5,500</b>	<b>4,432</b>	<b>6,224</b>
<b>Attributable to</b>									
Shareholders of Arion Bank	6,226	8,229	9,750	6,421	8,301	7,872	5,505	4,444	6,218
Non-controlling interest	(2)	(19)	506	1,396	(12)	19	(5)	(12)	7
<b>Net earnings</b>	<b>6,224</b>	<b>8,210</b>	<b>10,256</b>	<b>7,817</b>	<b>8,289</b>	<b>7,891</b>	<b>5,500</b>	<b>4,432</b>	<b>6,225</b>

## Balance sheet - 9 quarter summary

ISK million	31.12.2025	30.09.2025	30.06.2025	31.03.2025	31.12.2024	30.09.2024	30.06.2024	31.03.2024	31.12.2023
<b>Assets</b>									
Cash and balances with Central Bank	150,111	110,481	114,114	124,808	124,094	96,323	135,522	102,405	102,095
Loans to credit institutions	22,567	25,547	34,805	27,220	25,690	32,772	32,728	33,782	28,835
Loans to customers	1,329,056	1,301,708	1,272,468	1,234,006	1,230,058	1,220,424	1,202,616	1,178,700	1,152,789
Financial instruments	215,816	259,837	238,217	261,088	206,417	214,307	165,630	195,914	205,706
Investment property	7,305	13,833	13,786	12,857	9,387	9,327	9,633	9,542	9,493
Investments in associates	760	793	778	818	814	833	816	797	789
Intangible assets	7,533	7,681	7,995	8,018	7,688	7,833	7,864	7,885	8,051
Tax assets	2	7	2	3	2	2	39	39	39
Asset and disposal groups held for sale	98	81	141	97	111	34	68	64	62
Other assets	22,517	16,567	30,839	17,740	14,006	23,862	13,873	15,304	17,813
<b>Total assets</b>	<b>1,755,765</b>	<b>1,736,535</b>	<b>1,713,145</b>	<b>1,686,655</b>	<b>1,618,267</b>	<b>1,605,717</b>	<b>1,568,789</b>	<b>1,544,432</b>	<b>1,525,672</b>
<b>Liabilities</b>									
Due to credit institutions and Central Bank	12,003	8,812	7,368	5,785	6,618	6,715	5,067	3,205	2,771
Deposits	921,182	917,226	899,157	884,606	857,443	848,434	846,686	802,068	792,710
Financial liabilities at fair value	3,129	3,211	4,727	6,475	8,394	7,095	9,715	10,778	11,646
Tax liabilities	12,983	15,617	14,149	12,413	11,060	12,884	12,166	11,732	11,169
Other liabilities	50,736	53,928	58,340	50,436	49,950	56,620	45,497	50,628	46,337
Borrowings	494,823	482,285	482,806	496,821	433,178	431,105	415,116	433,047	420,460
Subordinated liabilities	43,518	42,795	42,403	33,331	44,538	44,184	42,091	41,558	41,279
<b>Total liabilities</b>	<b>1,538,374</b>	<b>1,523,874</b>	<b>1,508,951</b>	<b>1,489,868</b>	<b>1,411,181</b>	<b>1,407,037</b>	<b>1,376,338</b>	<b>1,353,016</b>	<b>1,326,372</b>
<b>Equity</b>									
Share capital and share premium	1,383	1,383	1,382	3,593	5,686	5,686	6,823	11,208	10,633
Other reserves	14,382	15,087	13,713	12,666	13,949	12,463	12,036	12,365	12,283
Retained earnings	201,562	193,805	186,694	178,628	186,947	180,026	173,107	167,353	175,881
<b>Total shareholders equity</b>	<b>217,327</b>	<b>210,275</b>	<b>201,789</b>	<b>194,887</b>	<b>206,582</b>	<b>198,175</b>	<b>191,966</b>	<b>190,926</b>	<b>198,797</b>
Non-controlling interest	64	2,386	2,405	1,900	504	505	485	491	503
<b>Total equity</b>	<b>217,391</b>	<b>212,661</b>	<b>204,194</b>	<b>196,787</b>	<b>207,086</b>	<b>198,680</b>	<b>192,451</b>	<b>191,416</b>	<b>199,300</b>
<b>Total liabilities and equity</b>	<b>1,755,765</b>	<b>1,736,535</b>	<b>1,713,145</b>	<b>1,686,655</b>	<b>1,618,267</b>	<b>1,605,717</b>	<b>1,568,789</b>	<b>1,544,432</b>	<b>1,525,672</b>

## Net interest income - 9 quarter summary

ISK million	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
<b>Interest income</b>									
Cash and balances with Central bank	1,867	1,598	1,465	1,865	2,019	1,715	2,021	1,997	1,684
Loans	25,504	29,571	31,785	28,820	25,161	29,593	32,264	29,714	28,742
Securities	1,720	1,645	1,857	1,973	2,154	1,851	1,753	1,921	1,987
Other	39	18	26	24	37	51	2	6	48
<b>Interest income</b>	<b>29,130</b>	<b>32,832</b>	<b>35,133</b>	<b>32,682</b>	<b>29,371</b>	<b>33,210</b>	<b>36,040</b>	<b>33,638</b>	<b>32,461</b>
<b>Interest expense</b>									
Deposits	(11,018)	(11,901)	(12,823)	(12,810)	(11,989)	(13,540)	(14,631)	(13,705)	(12,926)
Borrowings	(4,990)	(6,147)	(7,188)	(6,704)	(5,145)	(6,864)	(8,300)	(7,605)	(7,069)
Subordinated loans	(736)	(932)	(876)	(968)	(961)	(918)	(1,122)	(1,042)	(1,094)
Other	(36)	(26)	(46)	(34)	(30)	(25)	(39)	(41)	(25)
<b>Interest expense</b>	<b>(16,780)</b>	<b>(19,006)</b>	<b>(20,933)</b>	<b>(20,516)</b>	<b>(18,125)</b>	<b>(21,347)</b>	<b>(24,092)</b>	<b>(22,393)</b>	<b>(21,114)</b>
<b>Net interest income</b>	<b>12,350</b>	<b>13,826</b>	<b>14,200</b>	<b>12,166</b>	<b>11,246</b>	<b>11,863</b>	<b>11,948</b>	<b>11,245</b>	<b>11,347</b>
<b>Interest bearing assets</b>									
Cash and balances with Central Bank	150,111	110,481	114,114	124,808	124,094	96,323	135,522	102,405	102,095
Loans	1,351,623	1,327,255	1,307,273	1,261,226	1,255,748	1,253,196	1,235,344	1,212,482	1,181,624
Securities	172,717	215,793	195,718	216,586	161,399	172,045	122,892	142,340	159,392
<b>Interest bearing assets</b>	<b>1,674,451</b>	<b>1,653,529</b>	<b>1,617,105</b>	<b>1,602,620</b>	<b>1,541,241</b>	<b>1,521,564</b>	<b>1,493,758</b>	<b>1,457,227</b>	<b>1,443,111</b>
<b>Interest bearing liabilities</b>									
Due to credit institutions and Central Bank	12,003	8,812	7,368	5,785	6,618	6,715	5,067	3,205	2,771
Deposits	921,182	917,226	899,157	884,606	857,443	848,434	846,686	802,068	792,710
Financial liabilities at fair value	3,129	3,211	4,727	6,475	8,394	7,095	9,715	10,778	11,646
Borrowings	494,823	482,285	482,806	496,821	433,178	431,105	415,116	433,047	420,460
Subordinated liabilities	43,518	42,795	42,403	33,331	44,538	44,184	42,091	41,558	41,279
<b>Interest bearing liabilities</b>	<b>1,474,655</b>	<b>1,454,329</b>	<b>1,436,461</b>	<b>1,427,018</b>	<b>1,350,171</b>	<b>1,337,533</b>	<b>1,318,675</b>	<b>1,290,656</b>	<b>1,268,866</b>
<b>Interest Gap</b>	<b>199,796</b>	<b>199,200</b>	<b>180,644</b>	<b>175,602</b>	<b>191,070</b>	<b>184,031</b>	<b>175,083</b>	<b>166,571</b>	<b>174,245</b>
<b>Net interest margin on interest bearing assets</b>	<b>2.9%</b>	<b>3.3%</b>	<b>3.5%</b>	<b>3.1%</b>	<b>2.9%</b>	<b>3.1%</b>	<b>3.2%</b>	<b>3.1%</b>	<b>3.1%</b>

All amounts are in ISK millions

## Loans to customers - 9 quarter summary

ISK million	31.12.2025	30.09.2025	30.06.2025	31.03.2025	31.12.2024	30.09.2024	30.06.2024	31.03.2024	31.12.2023
<b>Loans to customers</b>									
Individuals	640,394	648,061	645,627	639,613	639,404	640,939	633,620	617,796	609,144
Corporates	688,662	653,647	626,841	594,393	590,654	579,485	568,996	560,904	543,645
<b>Total loans to customers</b>	<b>1,329,056</b>	<b>1,301,708</b>	<b>1,272,468</b>	<b>1,234,006</b>	<b>1,230,058</b>	<b>1,220,424</b>	<b>1,202,616</b>	<b>1,178,700</b>	<b>1,152,789</b>
Share of stage 3 loans, gross*	2.5%	2.4%	2.5%	2.5%	2.3%	2.4%	2.1%	1.9%	1.7%
<b>Loans to individuals</b>									
Overdrafts	15,373	15,300	14,855	14,755	14,575	14,268	13,590	13,294	13,840
Credit cards	17,558	18,158	18,498	17,192	16,873	17,533	15,890	16,781	15,972
Mortgage loans	577,492	578,246	576,029	571,412	571,525	581,665	576,185	559,986	550,269
Other loans	32,532	38,993	38,667	38,510	38,925	30,088	30,630	30,788	31,536
Provision on loans	(2,561)	(2,636)	(2,422)	(2,256)	(2,494)	(2,615)	(2,675)	(3,053)	(2,473)
<b>Total loans to individuals</b>	<b>640,394</b>	<b>648,061</b>	<b>645,627</b>	<b>639,613</b>	<b>639,404</b>	<b>640,939</b>	<b>633,620</b>	<b>617,796</b>	<b>609,144</b>
<b>Loans to corporates</b>									
Overdrafts	53,125	47,955	51,855	49,506	42,233	43,433	47,240	47,702	43,013
Credit cards	2,561	2,586	2,622	2,385	2,297	2,427	2,251	2,138	2,062
Mortgage loans	91,007	86,605	81,874	77,272	74,287	69,758	66,072	66,097	68,840
Loans at fair value	1,933	1,917	1,885	1,843	1,751	1,665	1,562	-	-
Other loans	550,037	522,762	495,956	470,525	476,944	469,456	458,136	450,954	435,808
Provision on loans	(10,001)	(8,178)	(7,351)	(7,138)	(6,858)	(7,254)	(6,265)	(5,987)	(6,078)
<b>Total loans to corporates</b>	<b>688,662</b>	<b>653,647</b>	<b>626,841</b>	<b>594,393</b>	<b>590,654</b>	<b>579,485</b>	<b>568,996</b>	<b>560,904</b>	<b>543,645</b>
<b>Loans to corporates specified by sector:</b>									
Agriculture and forestry	2.0%	1.9%	2.0%	2.1%	2.1%	2.2%	2.2%	2.1%	2.1%
Services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.1%	4.0%	0.0%
Financial and insurance activities	8.5%	8.0%	7.2%	7.4%	8.9%	8.9%	8.5%	7.9%	7.6%
Industry, energy and manufacturing	10.2%	10.0%	10.9%	9.9%	10.4%	10.1%	10.3%	10.3%	10.1%
Information and communication technology	5.9%	5.6%	5.6%	4.7%	5.2%	5.0%	5.3%	5.2%	4.8%
Public administration, human health and social activities	1.9%	1.6%	1.7%	1.7%	1.8%	2.2%	2.2%	2.5%	2.6%
Real estate activities	18.3%	19.3%	19.7%	20.1%	20.0%	21.3%	21.2%	20.2%	21.0%
Construction	15.7%	15.8%	14.8%	14.8%	14.3%	13.9%	13.1%	14.6%	14.3%
Fishing industry	15.6%	15.8%	15.2%	15.7%	14.8%	14.3%	14.9%	14.8%	15.2%
Transportation	2.6%	2.6%	2.7%	1.8%	1.7%	1.6%	1.6%	1.6%	1.6%
Commerce and services	12.6%	12.2%	12.7%	13.8%	12.7%	12.5%	-	-	12.2%
Accommodation and food service activities	6.8%	7.2%	7.4%	7.9%	8.1%	8.2%	-	-	8.5%
Wholesale and retail trade	-	-	-	-	-	-	16.7%	16.8%	-
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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

## Capital and Risk Weighted Assets

ISK million

31.12.2025 30.09.2025 30.06.2025 31.03.2025 31.12.2024 30.09.2024 30.06.2024 31.03.2024 31.12.2023

### Capital base:

Total equity	217,391	212,661	204,195	196,788	207,086	198,680	192,451	191,416	199,301
Unaudited interim net earnings	-	(8,229)	-	(6,421)	-	(7,872)	-	(4,444)	-
Non-controlling interest not eligible for inclusion in CET1 capital	(64)	(2,386)	(2,405)	(1,900)	(504)	(505)	(485)	(491)	(503)
<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>217,327</b>	<b>202,046</b>	<b>201,790</b>	<b>188,467</b>	<b>206,582</b>	<b>190,303</b>	<b>191,966</b>	<b>186,481</b>	<b>198,798</b>
Intangible assets	(7,273)	(7,413)	(7,719)	(7,733)	(7,390)	(7,521)	(7,539)	(7,423)	(7,211)
Foreseeable dividend	(20,313)	(8,086)	(8,086)	-	(19,000)	(4,974)	(7,933)	(5,000)	(12,877)
Adjustment under IFRS 9 transitional arrangements	-	-	-	-	427	518	512	511	952
Other statutory deductions	(542)	(686)	(603)	(560)	(571)	(374)	(361)	(4,840)	(30)
<b>Common equity Tier 1 capital</b>	<b>189,199</b>	<b>185,861</b>	<b>185,382</b>	<b>180,174</b>	<b>180,048</b>	<b>177,952</b>	<b>176,645</b>	<b>169,729</b>	<b>179,632</b>
Non-controlling interest eligible for inclusion in CET1 capital	-	545	543	427	112	132	121	116	117
Additional Tier 1 capital	15,635	14,805	14,998	15,894	20,004	19,364	13,659	13,410	13,217
<b>Tier 1 capital</b>	<b>204,834</b>	<b>201,211</b>	<b>200,923</b>	<b>196,495</b>	<b>200,164</b>	<b>197,448</b>	<b>190,425</b>	<b>183,255</b>	<b>192,966</b>
Tier 2 instruments	27,883	27,990	27,405	17,437	24,534	24,820	28,432	28,148	28,062
Tier 2 instruments of financial sector entities (signif. invest.)	(1,355)	(1,366)	(1,340)	(1,332)	(1,306)	(1,317)	(1,291)	(1,279)	(1,247)
<b>Tier 2 Capital</b>	<b>26,528</b>	<b>26,624</b>	<b>26,065</b>	<b>16,105</b>	<b>23,228</b>	<b>23,503</b>	<b>27,141</b>	<b>26,869</b>	<b>26,815</b>
<b>Total own funds</b>	<b>231,362</b>	<b>227,835</b>	<b>226,988</b>	<b>212,600</b>	<b>223,392</b>	<b>220,951</b>	<b>217,566</b>	<b>210,124</b>	<b>219,781</b>

### Risk weighted exposure amount (REA)

Credit Risk, loans	862,862	854,973	837,390	811,564	798,562	791,680	775,820	754,354	732,760
Credit Risk, securities and other	59,140	71,778	66,393	64,025	59,113	54,723	51,782	52,996	52,032
Counterparty credit risk	4,222	3,156	3,433	3,358	5,875	7,065	7,588	9,641	7,442
Market Risk due to currency imbalance	2,309	5,833	2,738	3,637	2,947	844	1,389	4,641	4,751
Market Risk Other	13,516	14,654	12,901	14,088	12,846	14,441	13,526	12,975	11,066
Credit valuation adjustment	2,501	1,650	1,400	1,075	2,257	2,470	4,177	3,713	3,680
Operational Risk	84,635	106,011	106,011	106,011	106,011	98,740	98,740	98,740	98,740
<b>Total risk weighted exposure amount</b>	<b>1,029,185</b>	<b>1,058,055</b>	<b>1,030,266</b>	<b>1,003,758</b>	<b>987,611</b>	<b>969,963</b>	<b>953,022</b>	<b>937,060</b>	<b>910,471</b>

## Capital and Risk Weighted Assets

ISK million

31.12.2025 30.09.2025 30.06.2025 31.03.2025 31.12.2024 30.09.2024 30.06.2024 31.03.2024 31.12.2023

### Capital ratios<sup>1</sup>

CET 1 ratio	18.4%	18.0%	18.0%	18.3%	18.2%	18.8%	18.5%	18.8%	19.7%
Tier 1 ratio	19.9%	19.4%	19.5%	19.9%	20.3%	20.8%	20.0%	20.3%	21.2%
Capital adequacy ratio	22.5%	21.9%	22.0%	21.5%	22.6%	23.2%	22.8%	23.2%	24.1%

### Leverage ratio

On-balance sheet exposures	1,696,618	1,677,141	1,663,762	1,638,402	1,562,622	1,554,679	1,530,996	1,496,916	1,477,968
Derivative exposures	12,582	13,595	12,558	11,412	16,078	18,741	17,478	20,120	15,953
Securities financing transaction exposures	11,181	11,221	11,137	11,137	10,358	10,430	10,107	10,510	10,326
Off-balance sheet exposures	71,258	57,105	55,370	64,439	50,982	58,955	50,138	43,553	46,087
<b>Total exposure</b>	<b>1,791,639</b>	<b>1,759,062</b>	<b>1,742,827</b>	<b>1,725,390</b>	<b>1,640,040</b>	<b>1,642,805</b>	<b>1,608,719</b>	<b>1,571,099</b>	<b>1,550,334</b>
<b>Tier 1 capital</b>	<b>204,834</b>	<b>201,211</b>	<b>200,923</b>	<b>196,495</b>	<b>200,164</b>	<b>197,448</b>	<b>190,425</b>	<b>183,255</b>	<b>192,966</b>
<b>Leverage ratio</b>	<b>11.4%</b>	<b>11.4%</b>	<b>11.5%</b>	<b>11.4%</b>	<b>12.2%</b>	<b>12.0%</b>	<b>11.8%</b>	<b>11.7%</b>	<b>12.4%</b>

### Related ratios

Return on REA for the quarter	2.4%	3.1%	4.0%	3.1%	3.4%	3.3%	2.3%	1.9%	2.7%
REA/Total assets	58.6%	60.9%	60.1%	59.5%	61.0%	60.4%	60.7%	60.7%	59.7%

<sup>1</sup>Capital ratios include interim profit in Q1 and Q3 figures

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