Q1 results 2025

Investor presentation
7 May 2025

Arion Bank

Key results

Solid start to the year

12.8% ROE vs medium term target of above 13%

- Good momentum in core earnings
- Milestones in development assets support valuation increase in the quarter

Capital optimization on track

- Dividend of ISK 16bn paid to shareholders and ISK 3bn buyback completed in the quarter
- New ISK 3bn buyback program launched at the start of the second quarter

Key results	Medium-term targets		Q1 2025
Return on equity[1]	Exceed 13%	•	12.8%
Core operating income[2] / REA	Exceed 7.2%	•	7.0%
Insurance revenue growth (YoY)[3]	In excess of market growth	•	5.4%
Combined ratio Vördur	Below 95%	•	99.7%
Total cost-to-core income[4] ratio	Below 45%	✓	42.6%
CET1 ratio above regulatory capital requirements	150-250 bps management buffer[5]	•	297 bps
Dividend payout ratio[6]	50%	✓	50% of net profit deducted from CET1

Medium-term targets are reviewed annually, and the underlying horizon is up to 3 years

1 Return on equity attributable to shareholders of Arion Bank
2 Core operating income: Net interest income, net fee and commission income and insurance service results (excluding opex)
3 YoY Insurance revenue growth in the domestic insurance market in Q4 2024 was 5.8%
4 Total cost-to-core income ratio: Operating expenses including OPEX from insurance operations / Operating income excluding OPEX from insurance operations
5 Approx.16.8 - 17.8%
6 Pay-out ratio of approximately 50% of net earnings attributable to shareholders through either dividends or buyback of the Bank's shares or a combination of both. Additional distributions will be considered when Arion Bank's capital levels are above the minimum requirements set by the regulators in addition to the Bank's management buffer

Key highlights in Q1 2025

Important milestone for Arnarland

- The Arnarland development project reached an important milestone when the town council of Gardabær approved the local plan for the land
- The valuation of Landey assets was increased, leading to a net P/L effect of ISK 1.1bn attributable to Arion Bank shareholders

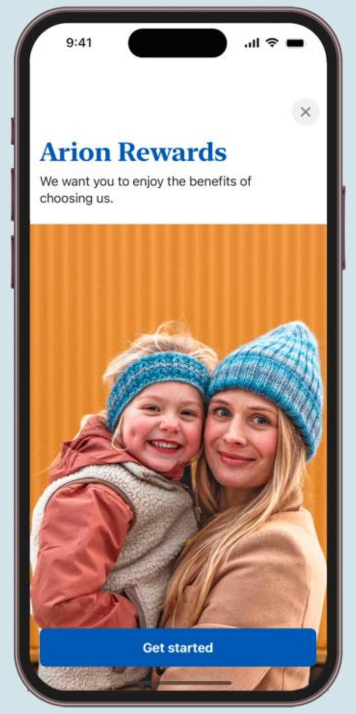
LANDEY

Expressed merger interest with Íslandsbanki

- In February, the Board of Arion Bank decided to express interest in initiating discussions with the Board of Íslandsbanki regarding a potential merger of the companies.
- The Board of Íslandsbanki decided to decline Arion Bank’s offer for merger discussions
- Although merger discussions will not take place at this time, Arion Bank hopes that the idea will spark further discussions on the structure and framework of the financial system and how it can best fulfill its role for consumers, shareholders, and the Icelandic economy

Arion Rewards launched

- Arion launched a new rewards program in March specially designed to provide value, extensive benefits, and a seamless rewards experience for customers in the Arion app
- The program, which is designed for young people, families and affluent and active customers, ensures that customers enjoy increased value in line with their business



Successful merger of JBT Marel

- Following JBT's successful acquisition of Marel at year end 2024, with 97.5% shareholder acceptance in the largest Icelandic transaction in recent years, the new company, JBT Marel, was listed on Nasdaq Iceland and the New York Stock Exchange in January 2025
- Arion Bank led the Icelandic offer and advised on the listing

JBT Marel

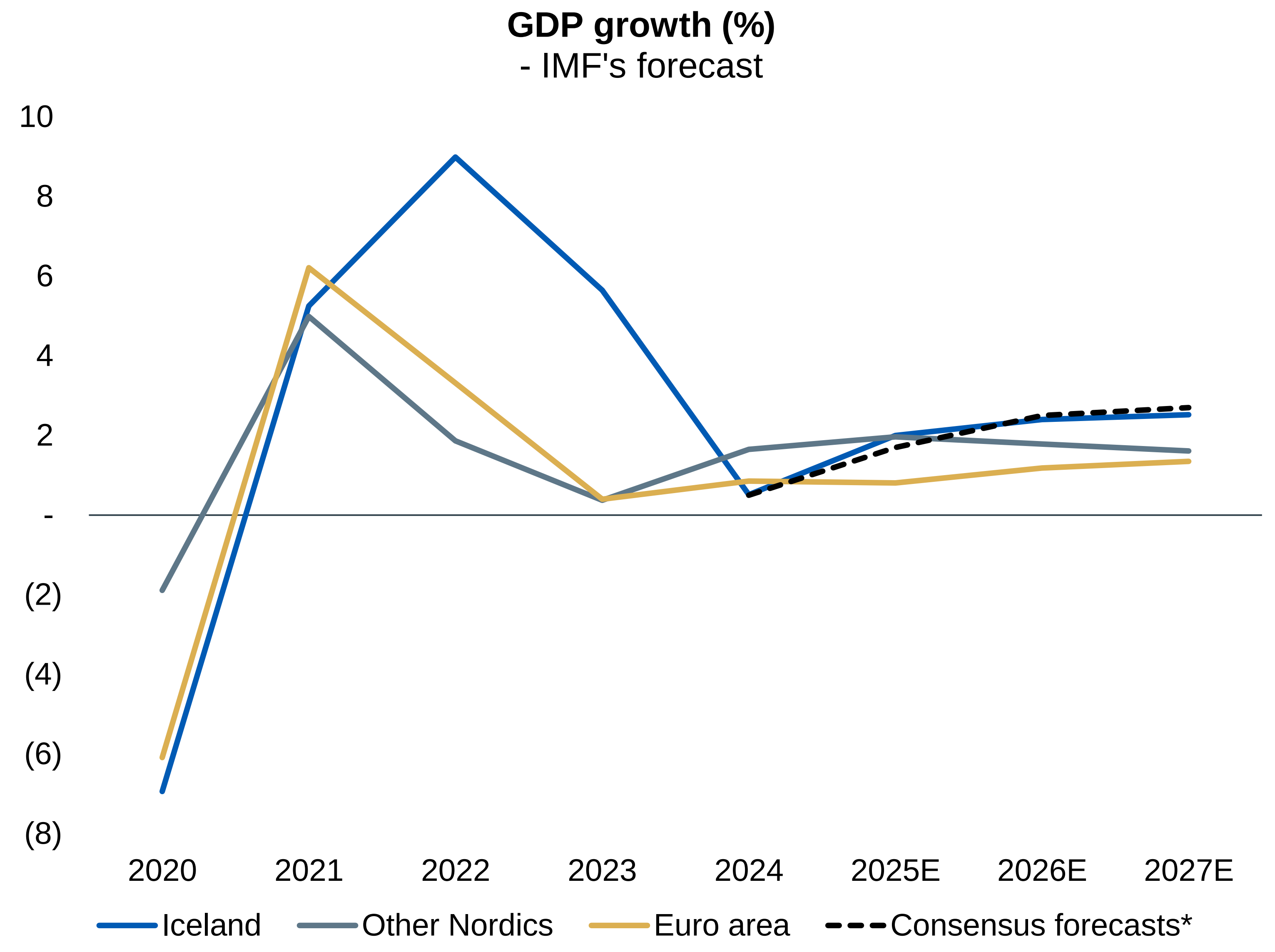
The economic outlook: Bouncing back during turbulent times

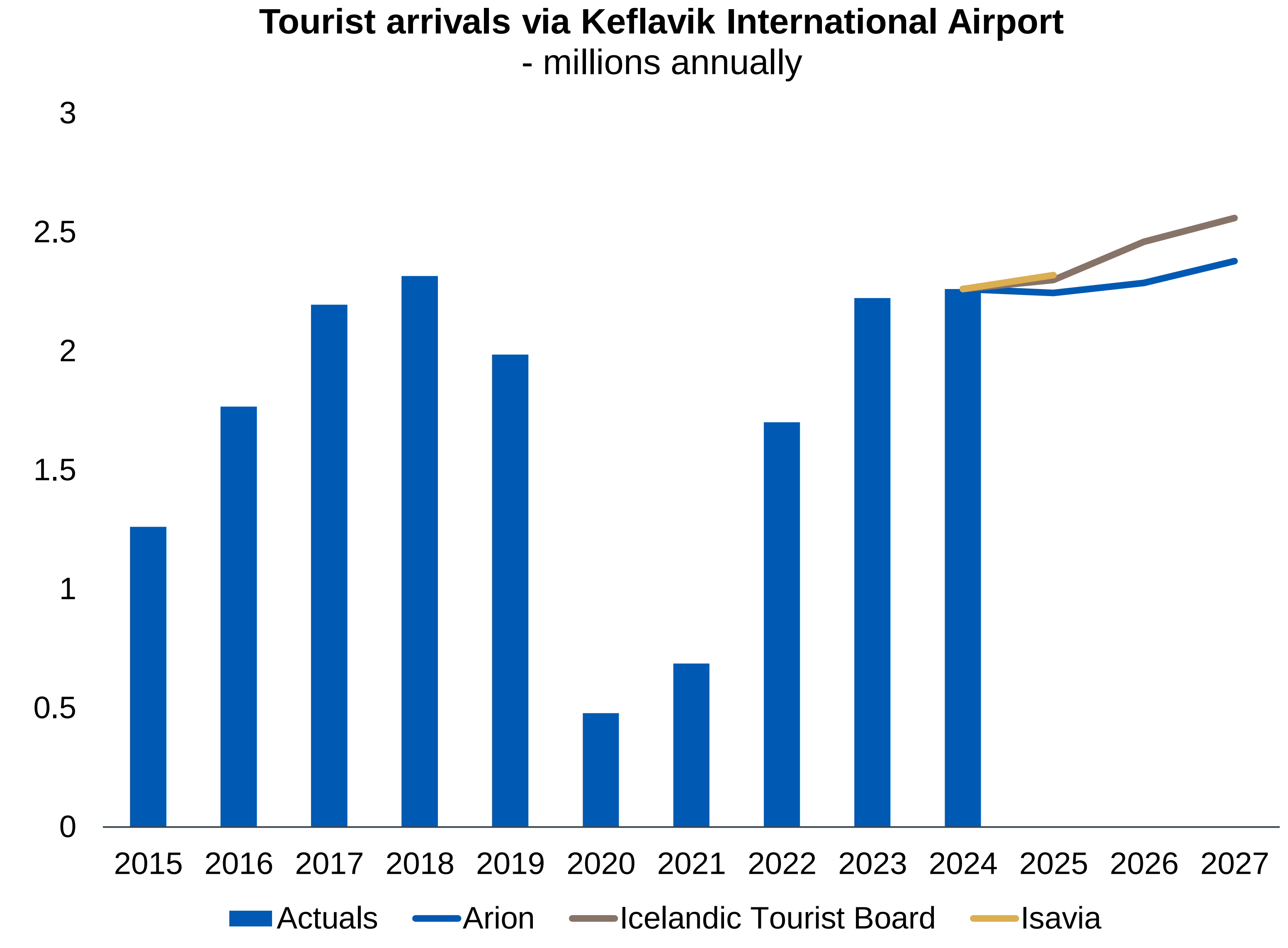
GDP increased by 0.5% in 2024, according to preliminary figures from the National Accounts. Economic growth gained momentum throughout the year, peaking at 2.1% in the fourth quarter. According to the IMF, Iceland is set for 2% GDP growth this year, followed by 2.4% growth in 2026

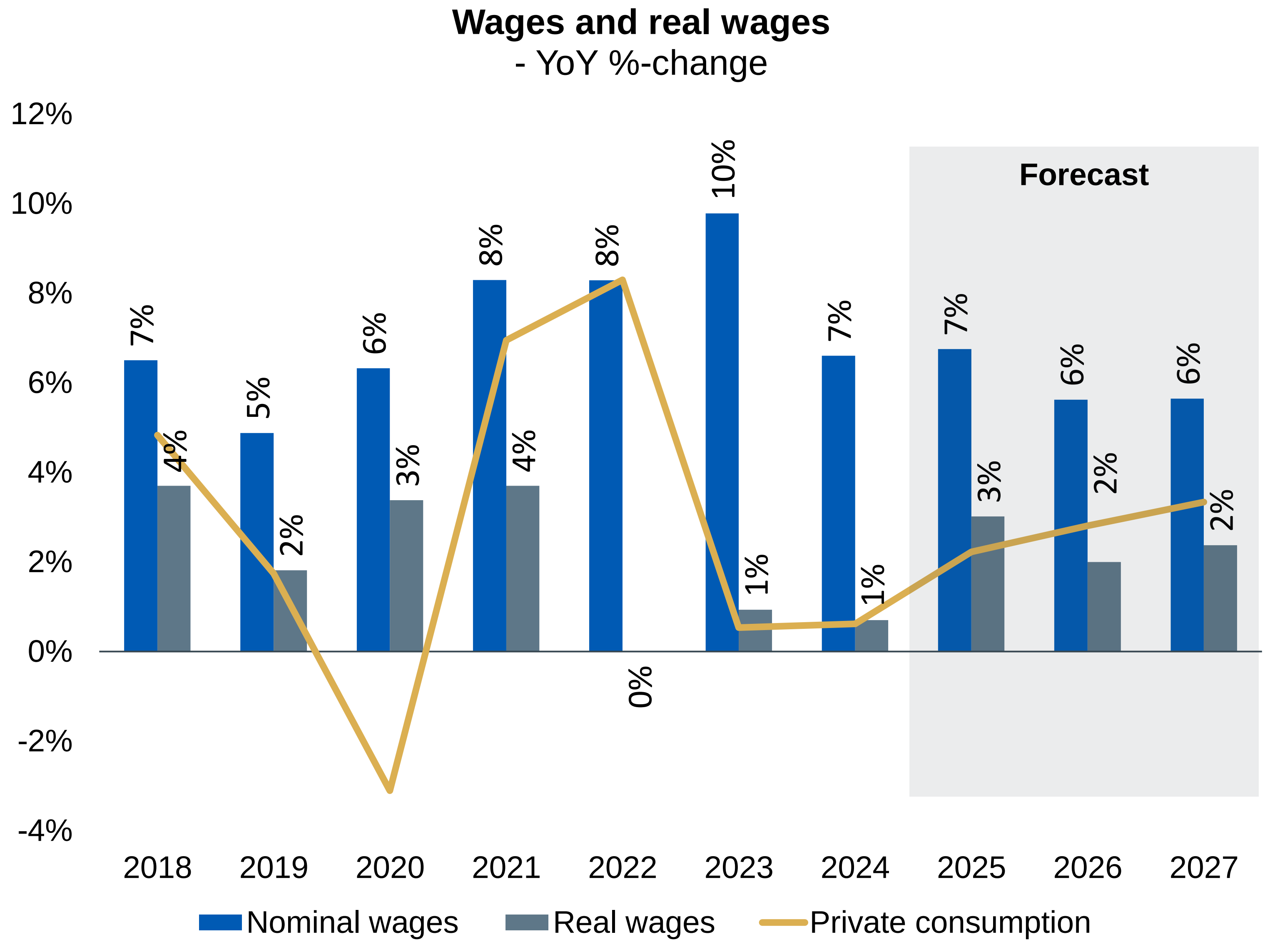
Domestic analysts are slightly more cautious, with Arion Research expecting 1.3% consumption-driven growth, while the contribution of foreign trade is expected to weigh on overall output

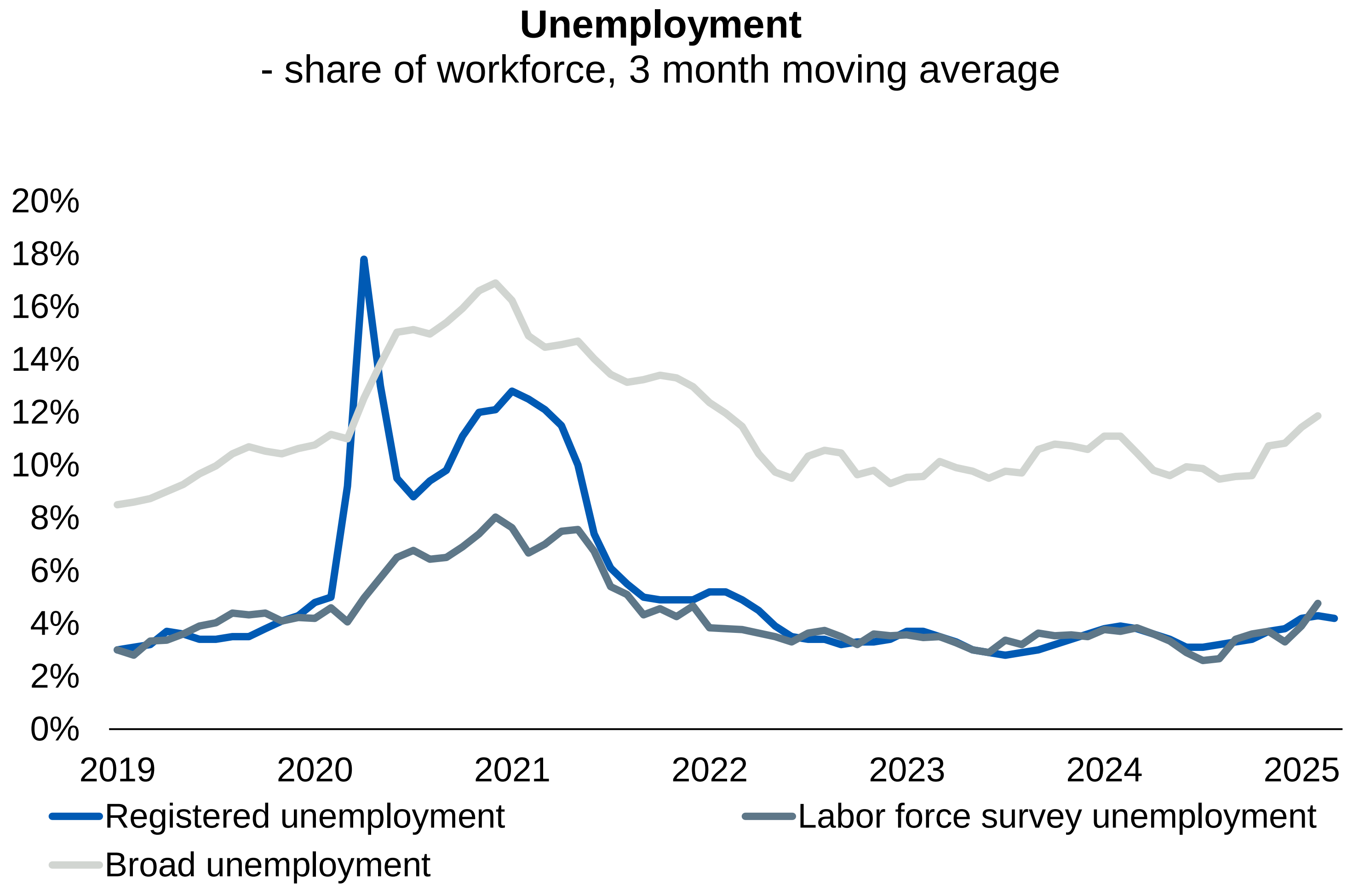
Tourism has gotten off to a rocky start, with arrivals down 9% year-on-year in Q1. A weaker initial position, along with challenging operating conditions for the Icelandic airlines, have prompted downward revisions to the sector outlook. Meanwhile, the seafood industry is facing a capelin shortage for the second year in a row

Nonetheless, the broader economic outlook is supported by rising consumer confidence, increasing wages, and strong household balance sheets. Although unemployment has continued to inch upwards amid a cooling labor market, households are well-equipped to handle challenges while maintaining positive consumption growth









Broad unemployment includes the unemployed, those working part-time but who want to work more, and those who are willing to work but are either not actively looking for a job or not ready to start working within two weeks.

Sources: IMF, Icelandic Tourist Board, ISAVIA, Statistics Iceland, Directorate of Labour, Arion Research. * Arion Bank, Landsbankinn, Islandsbanki, Statistics Iceland and the Central Bank of Iceland

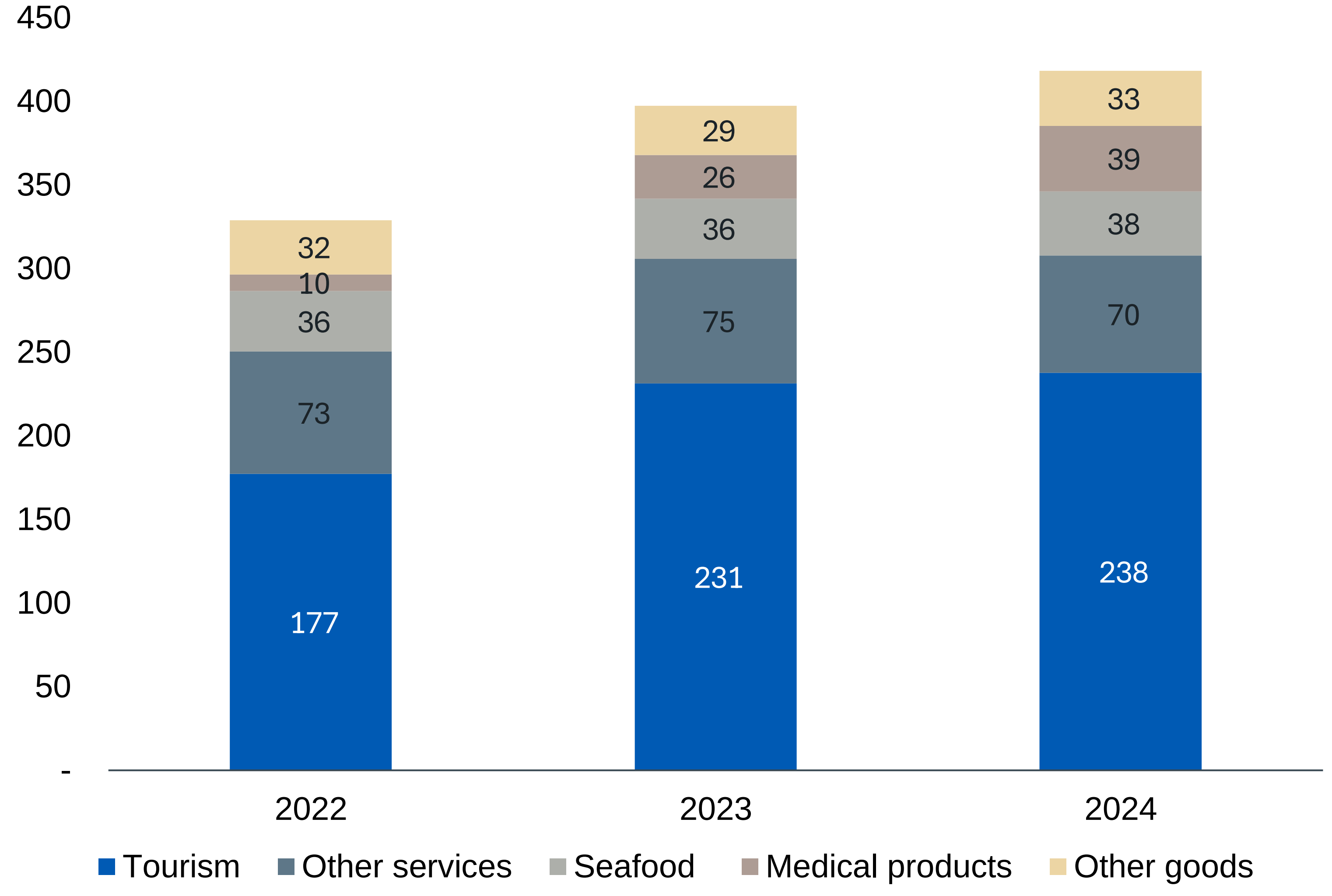
Challenges ahead

Rising trade protectionism — particularly in the US — and ongoing geopolitical uncertainty could dampen global economic activity. In 2024, 22% of Iceland's exports went to the US, with tourism-related services accounting for the lion's share. In contrast, only 12% of total goods exports were US-bound. As such, the direct impact of a potential trade war on Iceland is likely to be limited, especially given the country's status as a commodity exporter. Nevertheless, weaker global growth could indirectly reduce demand for Icelandic exports

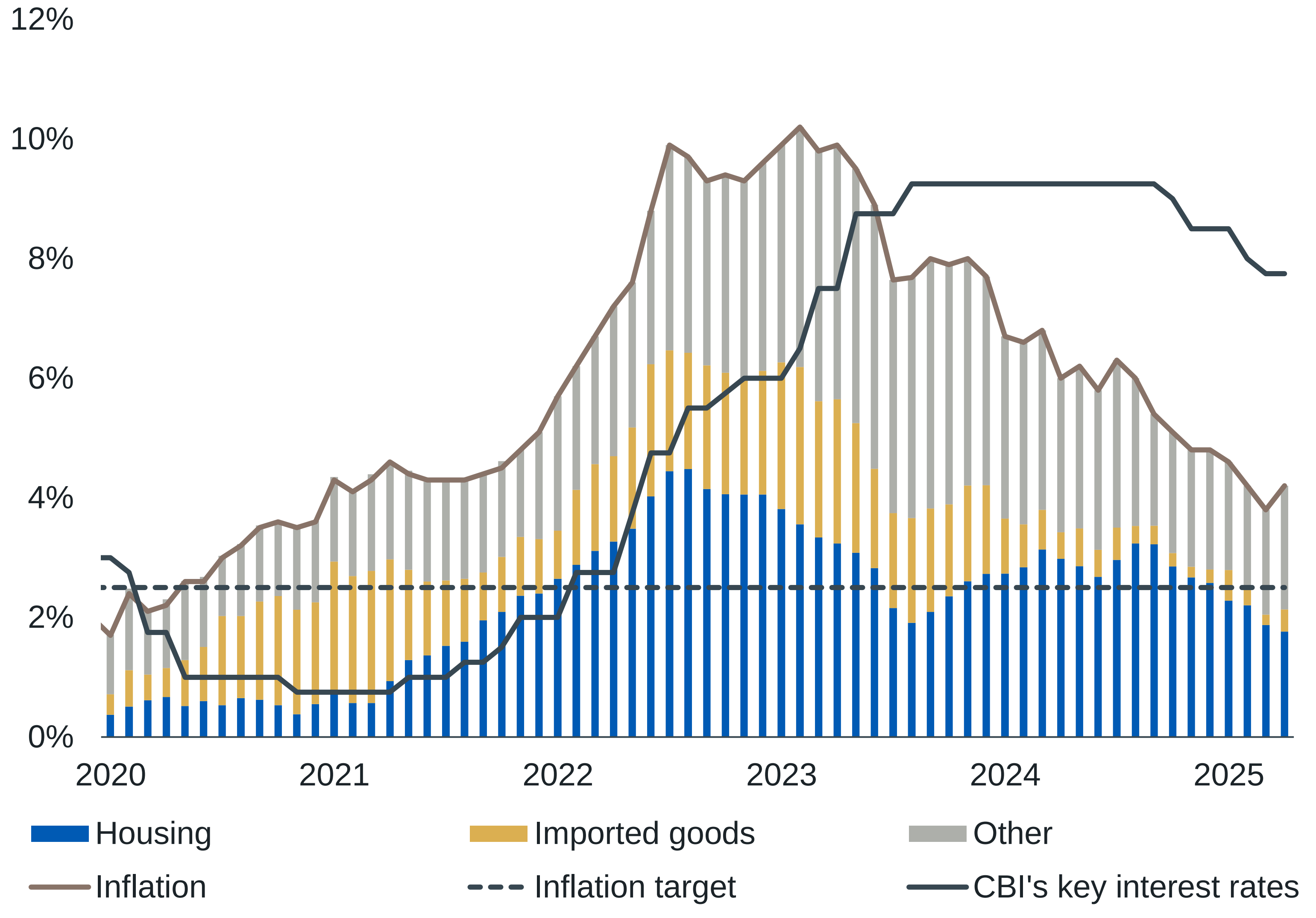
The Central Bank remains well positioned to support domestic demand. Despite recent interest rate cuts, policy rates are still high at 7.75%, and monetary policy remains tight. Additional rate reductions are anticipated as inflation is expected to ease further into the summer. Importantly, household balance sheets are robust, with low credit-to-income ratios by historical standards and stable levels of non-performing loans, providing a buffer against economic shocks

The recent appreciation of the Icelandic króna (ISK), combined with softening labor market pressures, has helped moderate inflation, but presents headwinds for exporters. Reflecting this concern, the Central Bank has launched a program of regular foreign exchange purchases

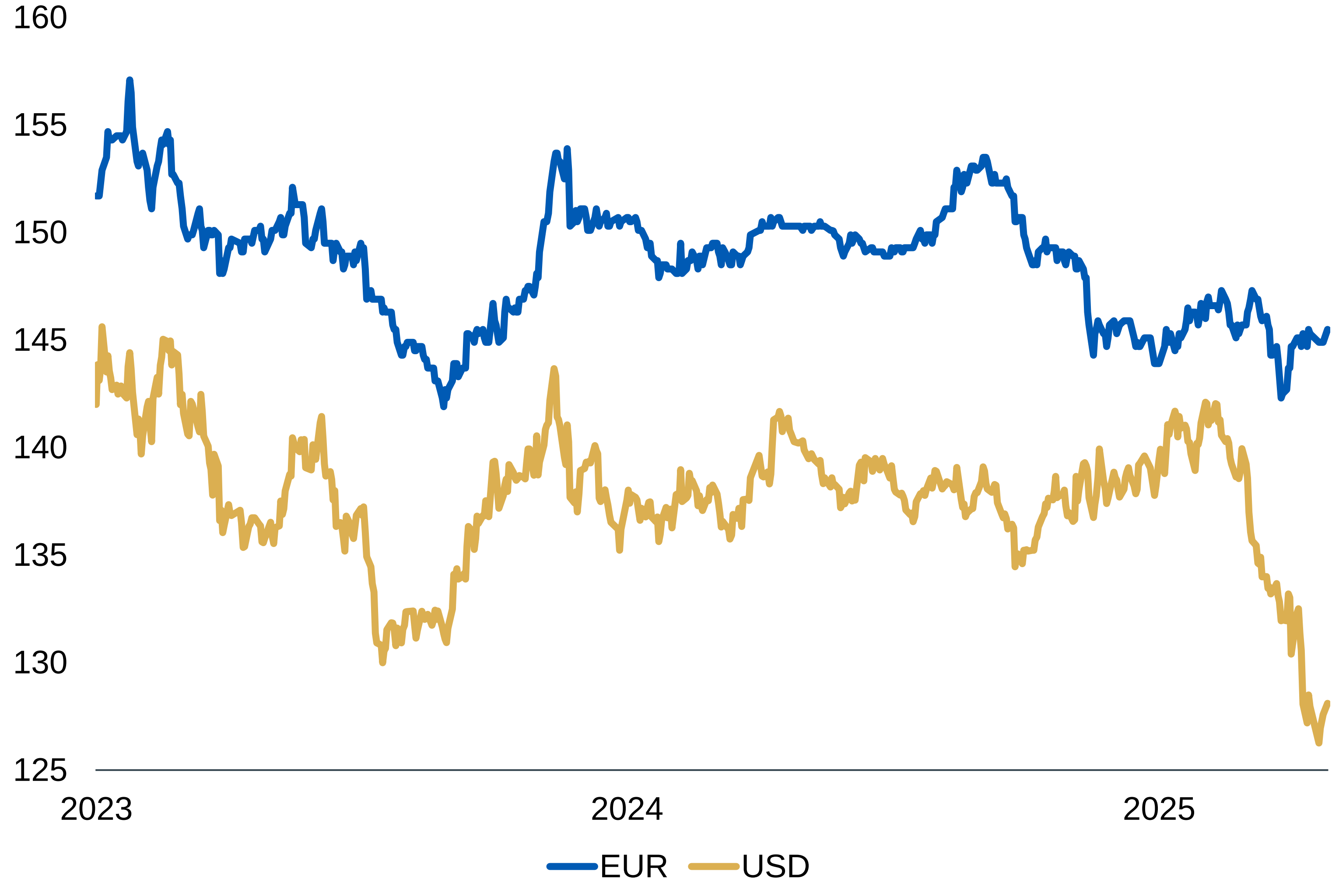
Exports to the US
- bn. ISK at constant exchange rate



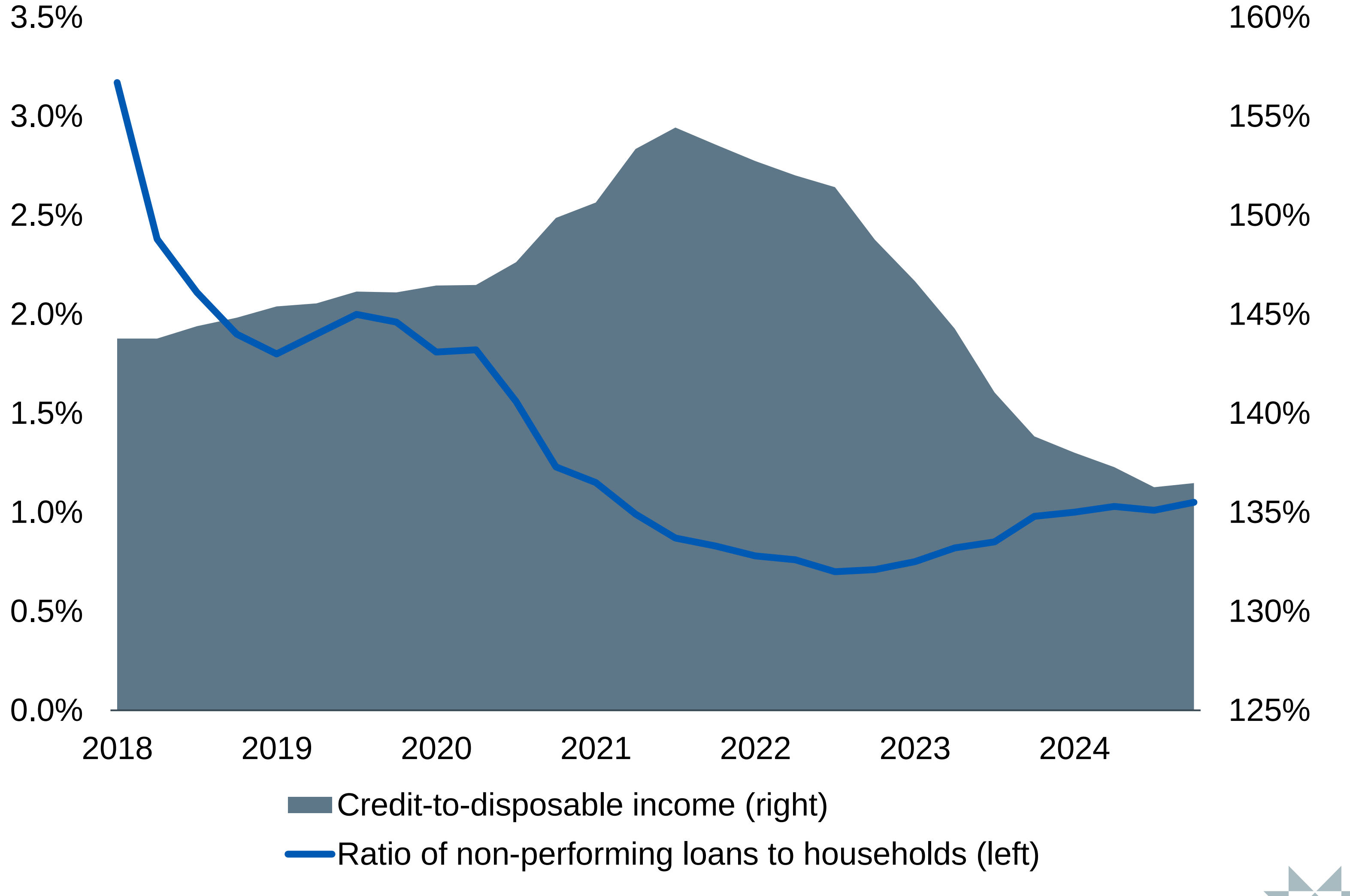
CPI by expenditure groups



Exchange rate
- daily average

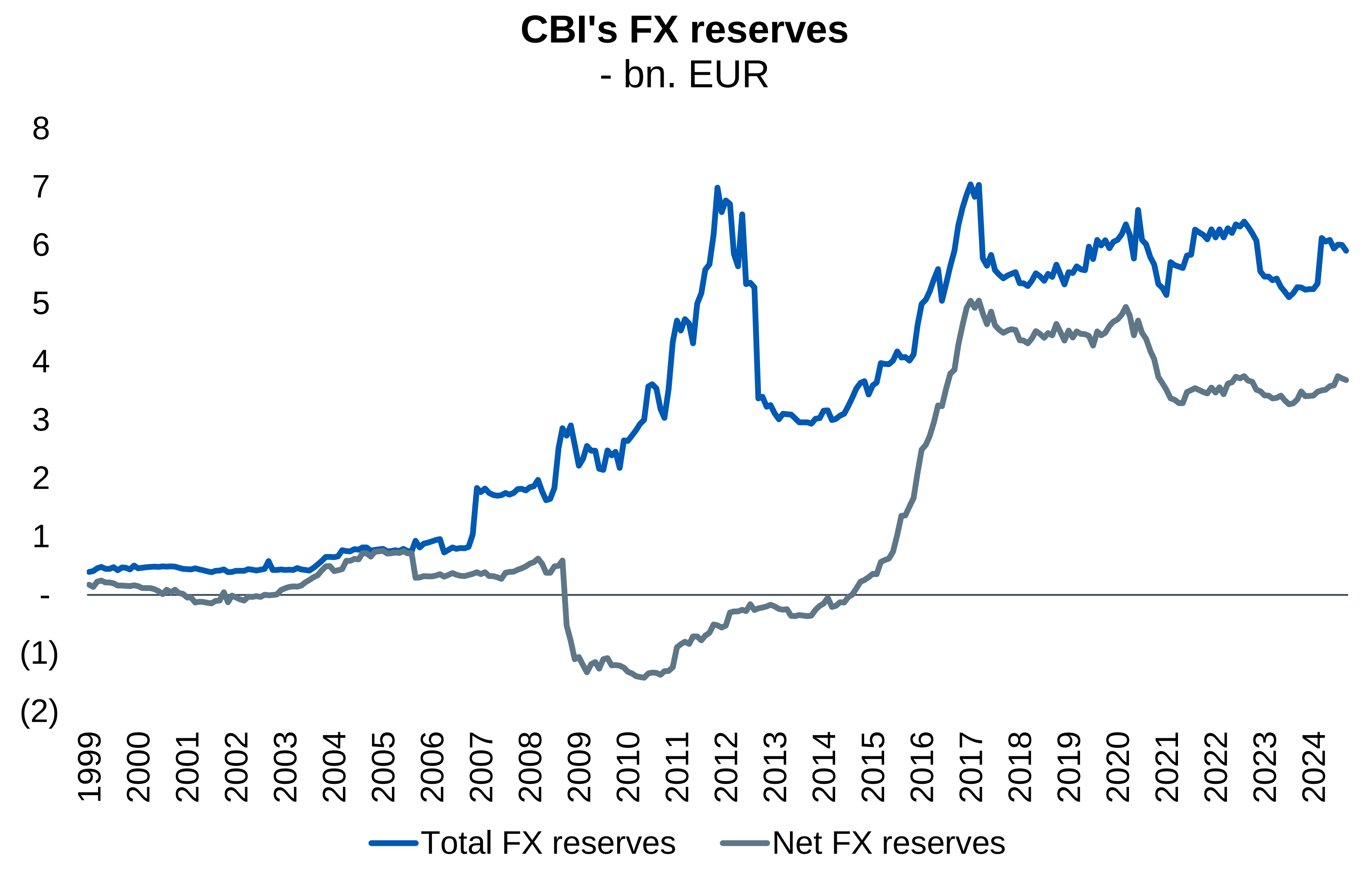


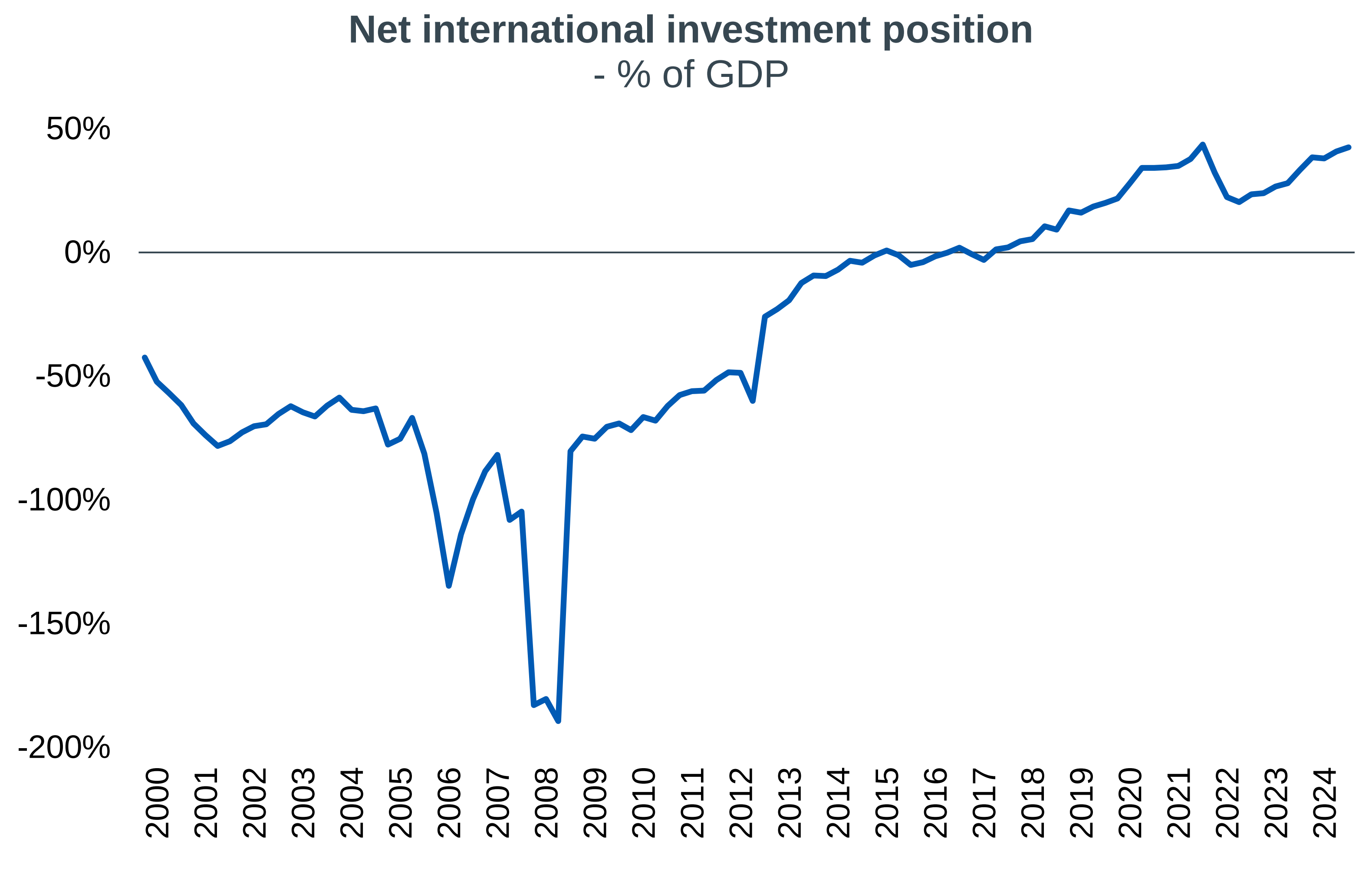
Household financial health
- non-performing loans and credit leverage in households

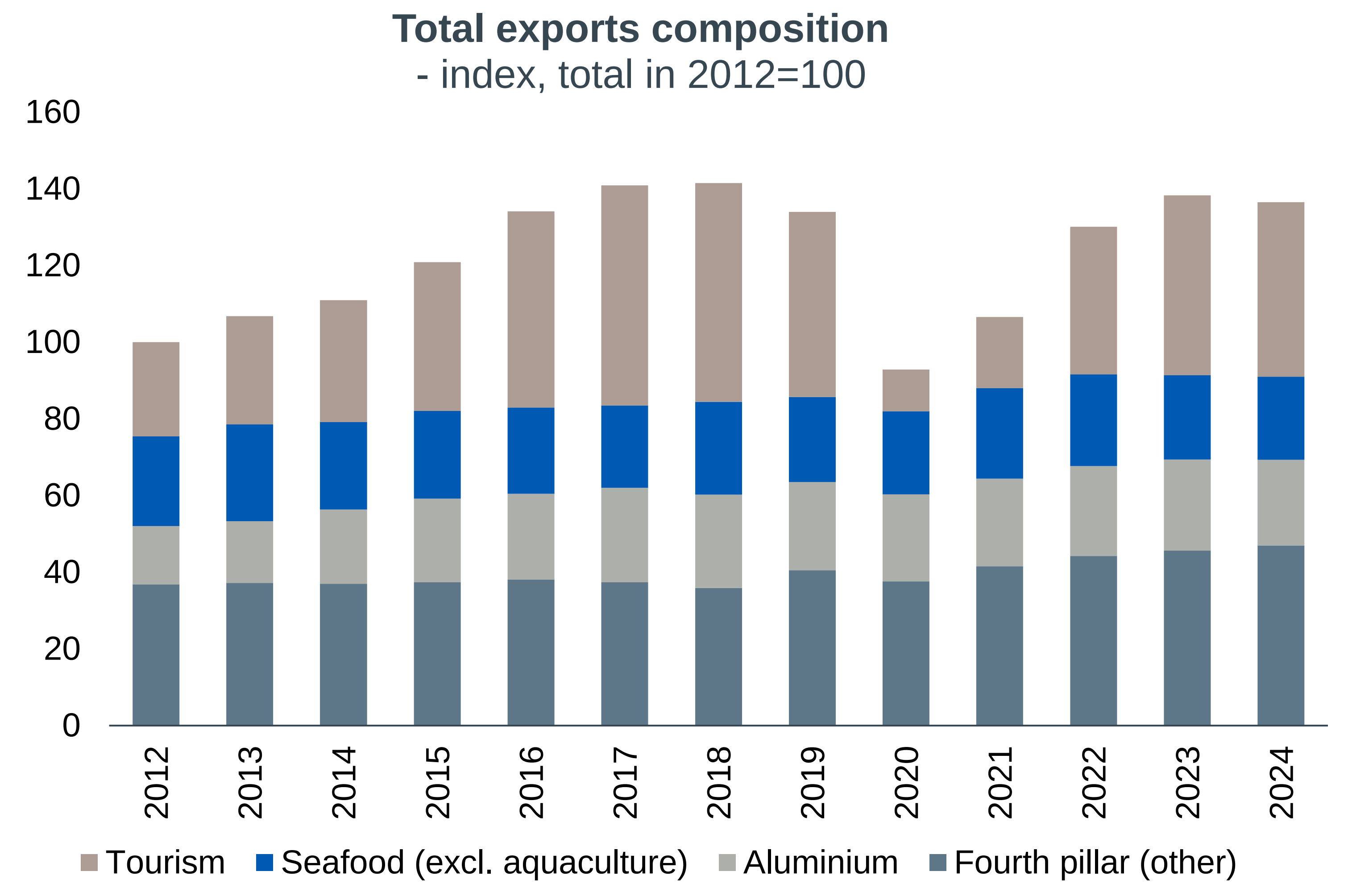


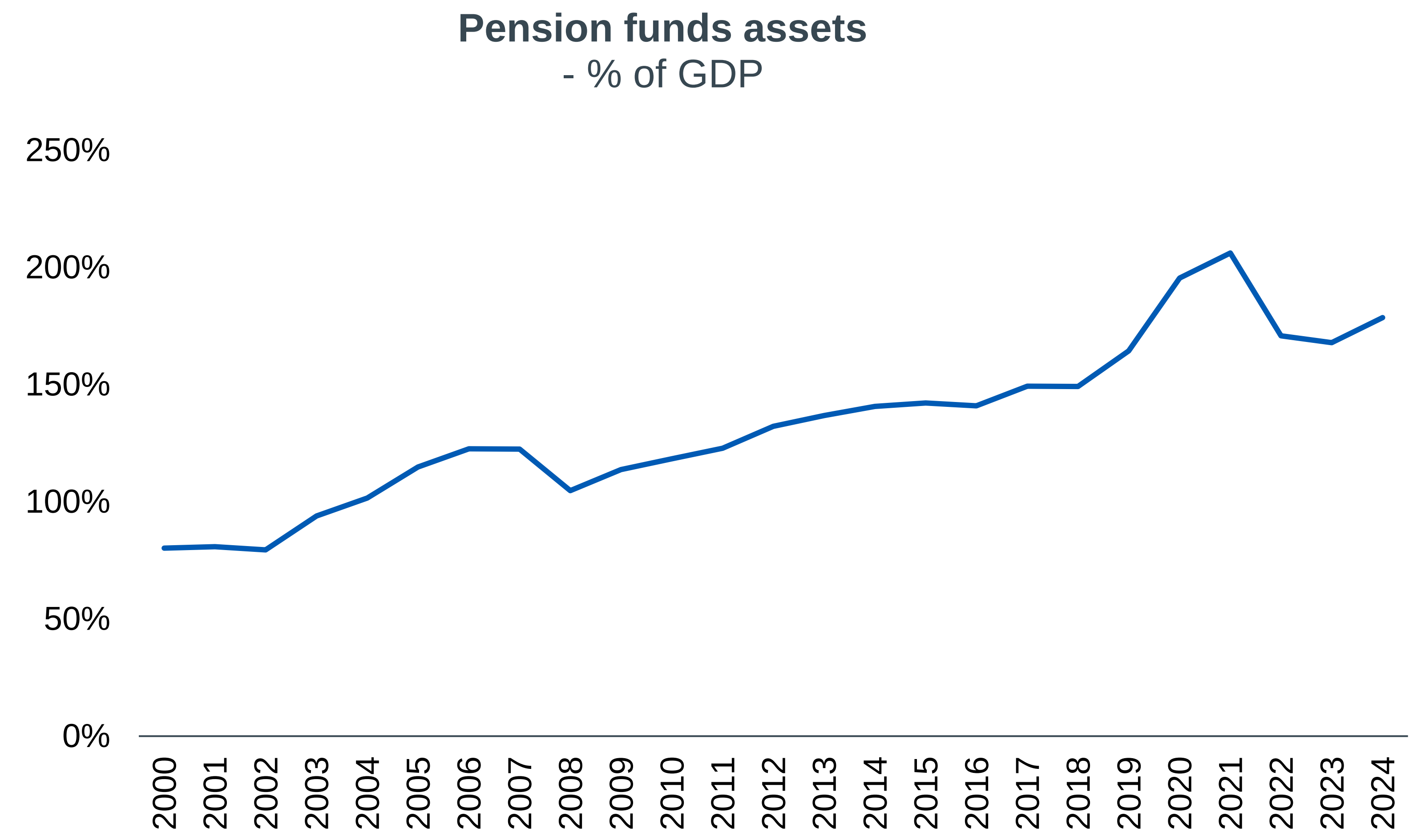
Sources: Central Bank of Iceland, Statistics Iceland, Arion Research

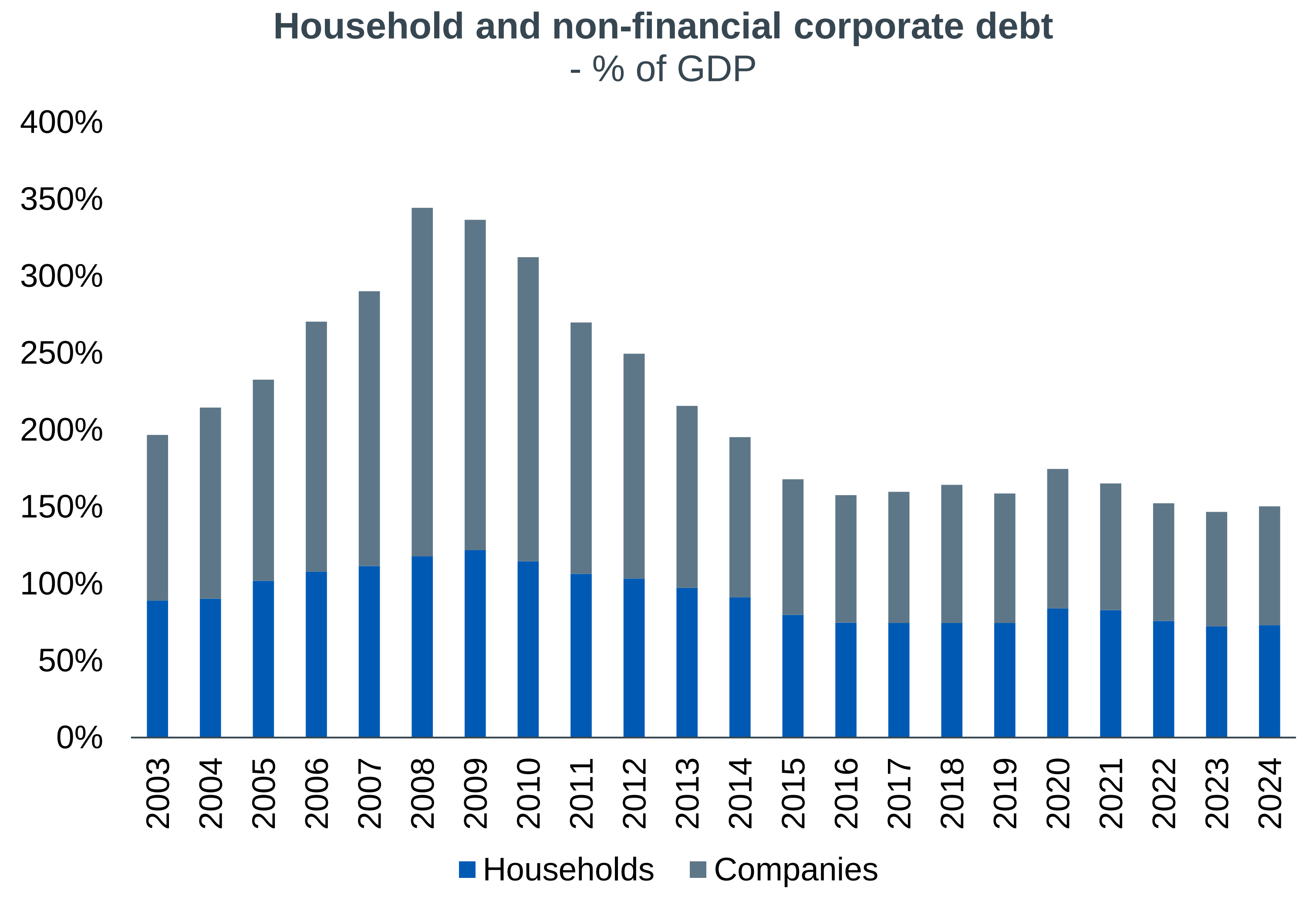
Small economy, strong foundations

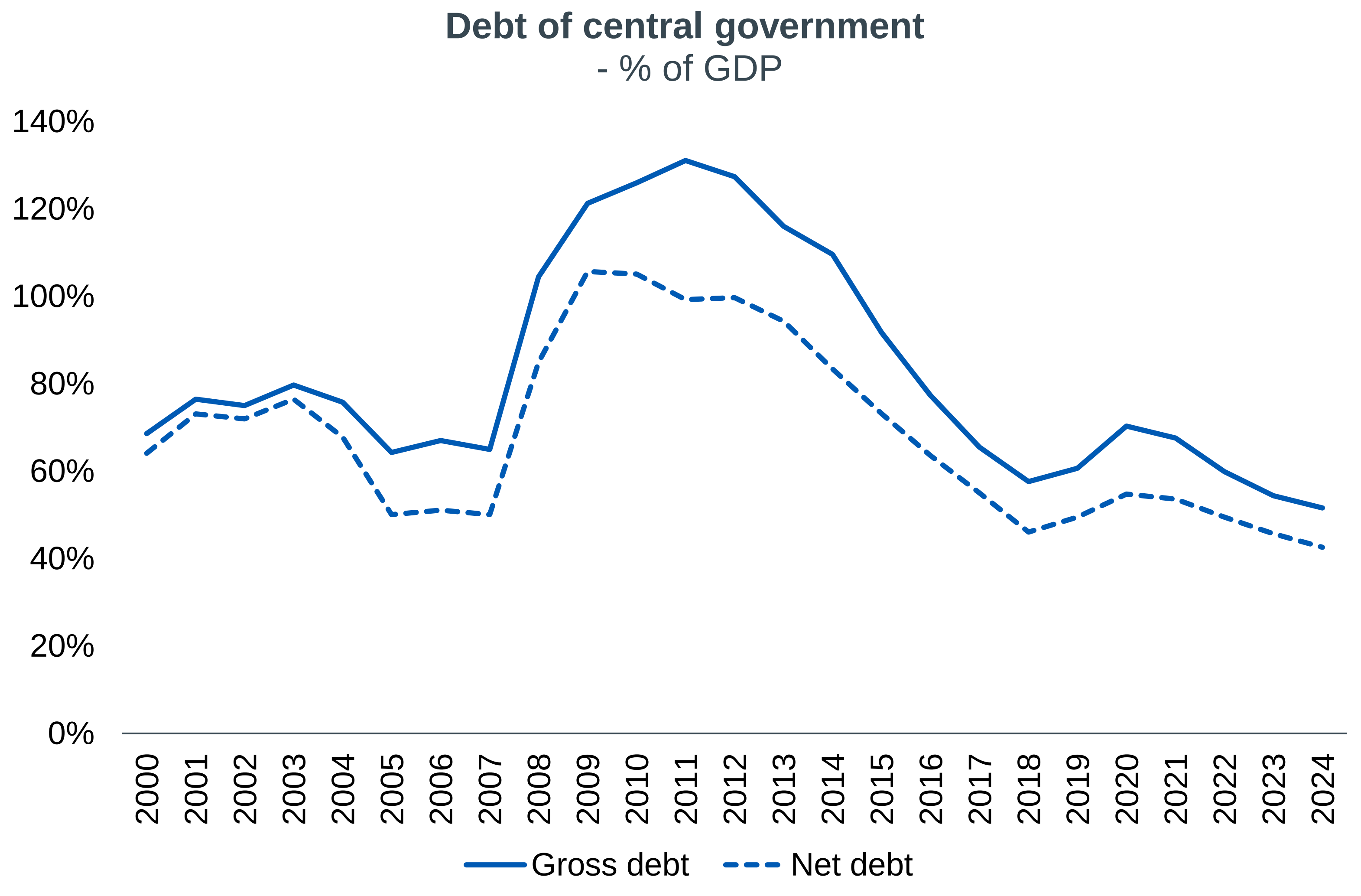












Sources: Statistics Iceland, Central Bank of Iceland, Arion Research

Key takeaways from Q1 2025

Operational performance

- Solid start to the year with ROE of 12.8% in the quarter
- Diversified pillars of the Group continue to support earnings momentum through the cycle

Core income

- Stable net interest margin of 3.1% despite complicated external rate environment
- Strong quarter in fee generation driven by momentum in CIB – YoY increase of 35%
- One of the best first quarters for insurance income in a seasonally challenging period – strong combined ratio of 99.7%

Development assets

- Key milestones in development assets a catalyst for valuation uplift in the quarter
- Projects progressing in line with presented timelines while valuations continue to reflect inherent uncertainties

Capital, funding and liquidity

- Capital position strong with a CET1 ratio of 18.3% or 297bps above regulatory minimum
- Liquidity position very strong, stable deposits continue to grow and majority of the funding plan for the year completed

Income statement Q1 2025

- Net earnings attributable to shareholders of Arion Bank of ISK 6.4bn resulting in ROE of 12.8%
- Core income* increased by 15.4% YoY
- Challenging market conditions for investment income, especially equities
- Other operating income from valuation of development assets which partially relates to non-controlling interest
- Operating expenses relatively stable
- Impairments calculated at 12bps on annualized basis
- High effective tax rate of 32.2% due to unfavorable combination of income, mainly loss from equity holdings

	Q1 2025	Q1 2024	Diff	Q4 2024	Diff
Net interest income	12,166	11,245	8%	11,246	8%
Net fee and commission income	4,536	3,365	35%	4,136	10%
Insurance service results	(31)	(215)	-	327	-
Net financial income	(951)	29	-	2,193	-
Other operating income	3,321	50	-	4	-
Operating income	**19,041**	**14,474**	**32%**	**17,906**	**6%**
Operating expenses	(6,601)	(6,554)	1%	(8,601)	(23%)
Bank levy	(508)	(460)	10%	(488)	4%
Net impairment	(378)	(315)	20%	913	-
Net earnings before taxes	**11,554**	**7,145**	**62%**	**9,730**	**19%**
Income tax expense	(3,726)	(2,704)	38%	(1,430)	161%
Net earnings from continuing operations	**7,828**	**4,441**	**76%**	**8,300**	**(6%)**
Discontinued operations net of tax	(11)	(9)	22%	(11)	-
Net earnings	**7,817**	**4,432**	**76%**	**8,289**	**(6%)**
Non-controlling interest	(1,396)	12	-	1	-
Net earnings attributable to shareholders	**6,421**	**4,444**	**44%**	**8,290**	**(23%)**

Return on equity attributable to shareholders	12.8%	9.1%		16.4%	
Core income*	17,544	15,203	15%	16,728	5%
Net interest margin	3.1%	3.1%		2.9%	
Total cost-to-core income ratio	42.6%	48.4%		57.5%	
Cost-to-income ratio	34.7%	45.3%		48.0%	

*Core income: Net interest income, net fee and commission income and insurance service results (excluding opex)

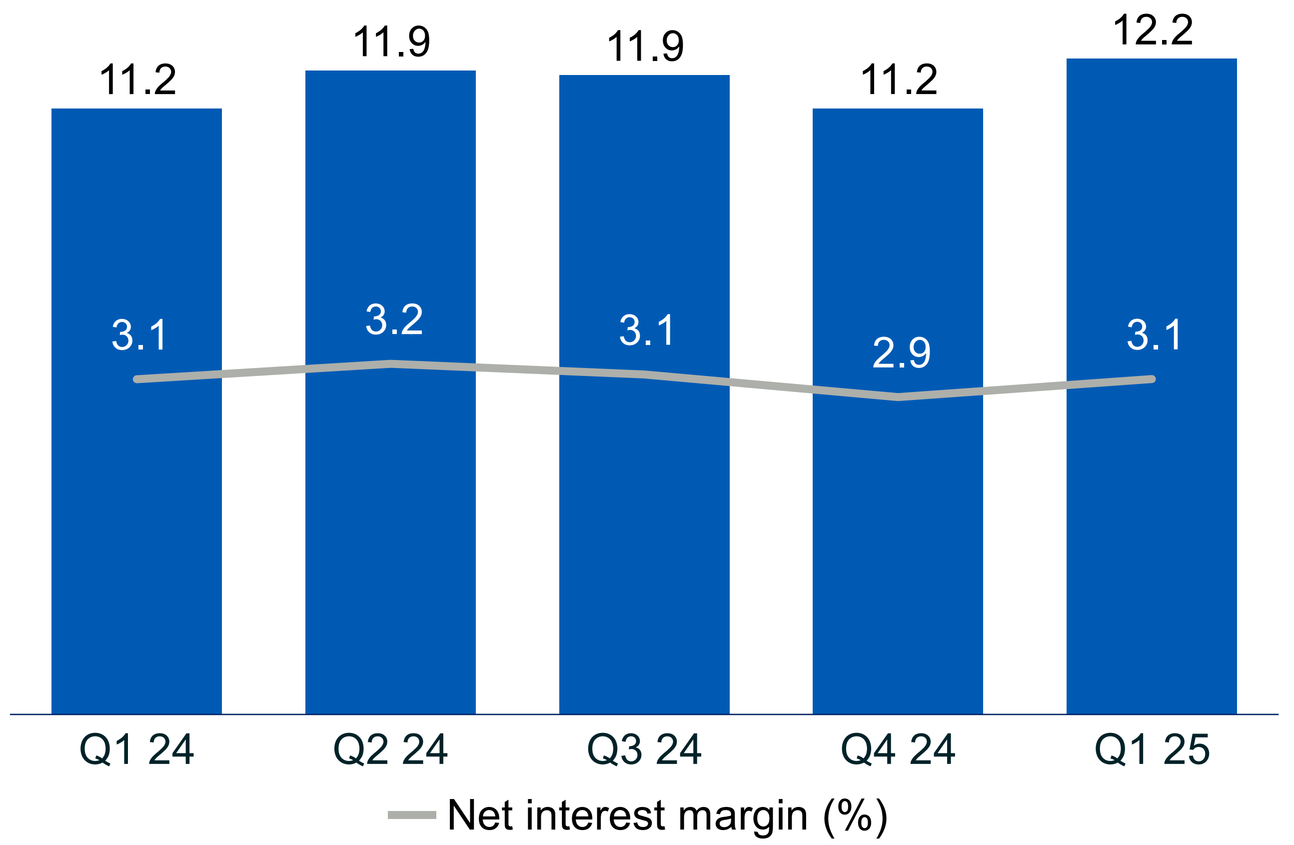
 All amounts in ISK million

Net interest income

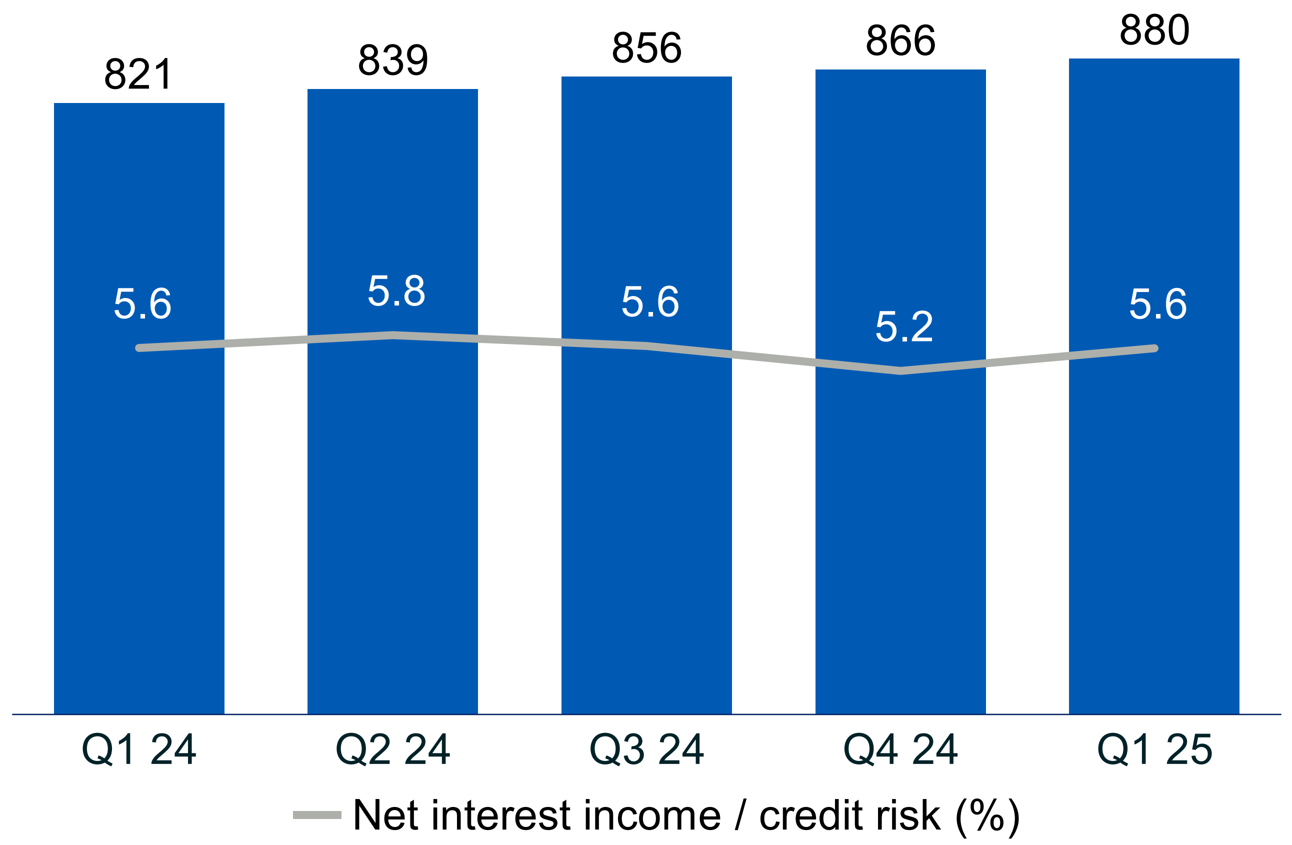
Solid margin in line with guidance

- Net interest income of ISK 12.2bn in Q1 which is an increase of 8.2% between years
- Guidance for the margin near term continues to be around 3% level, with development of real policy rates and in turn the margin of CPI linked mortgage lending, the key source of fluctuations

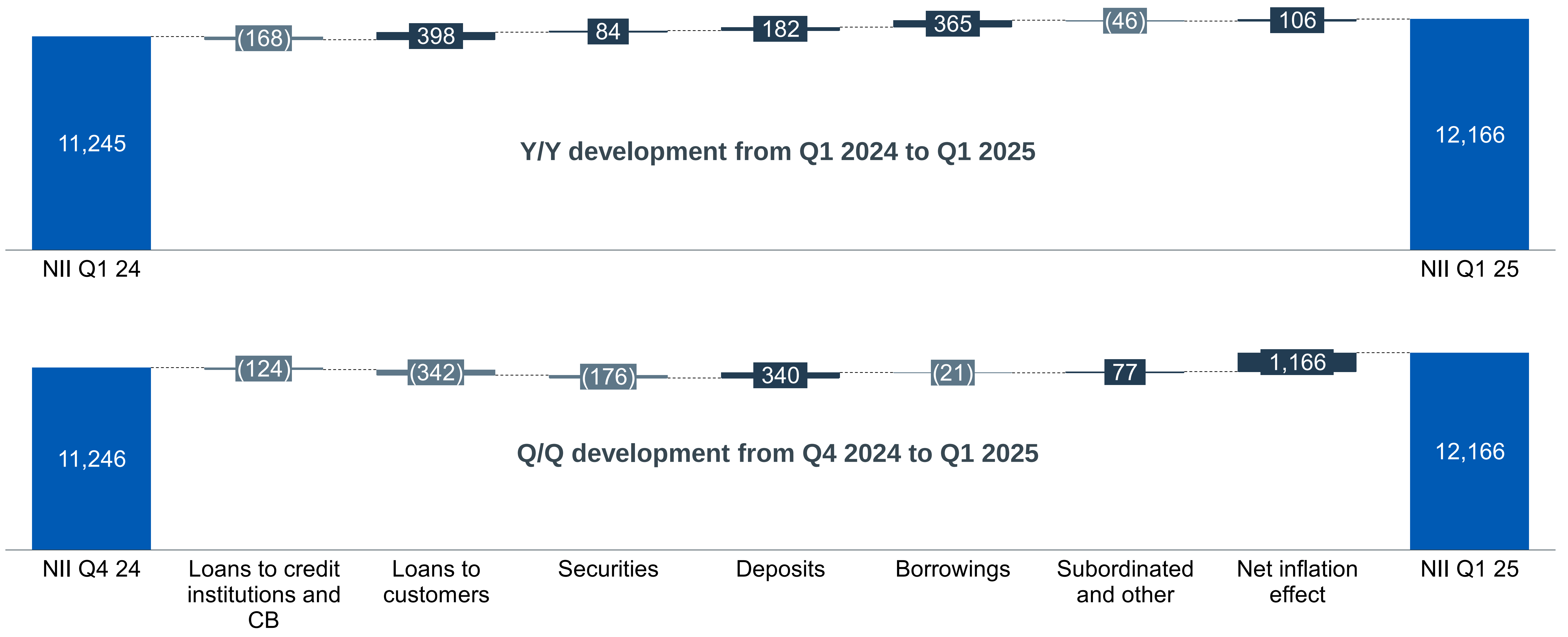
Net interest income (ISK bn)



Credit risk (ISK bn)



Net interest income development (ISK m)

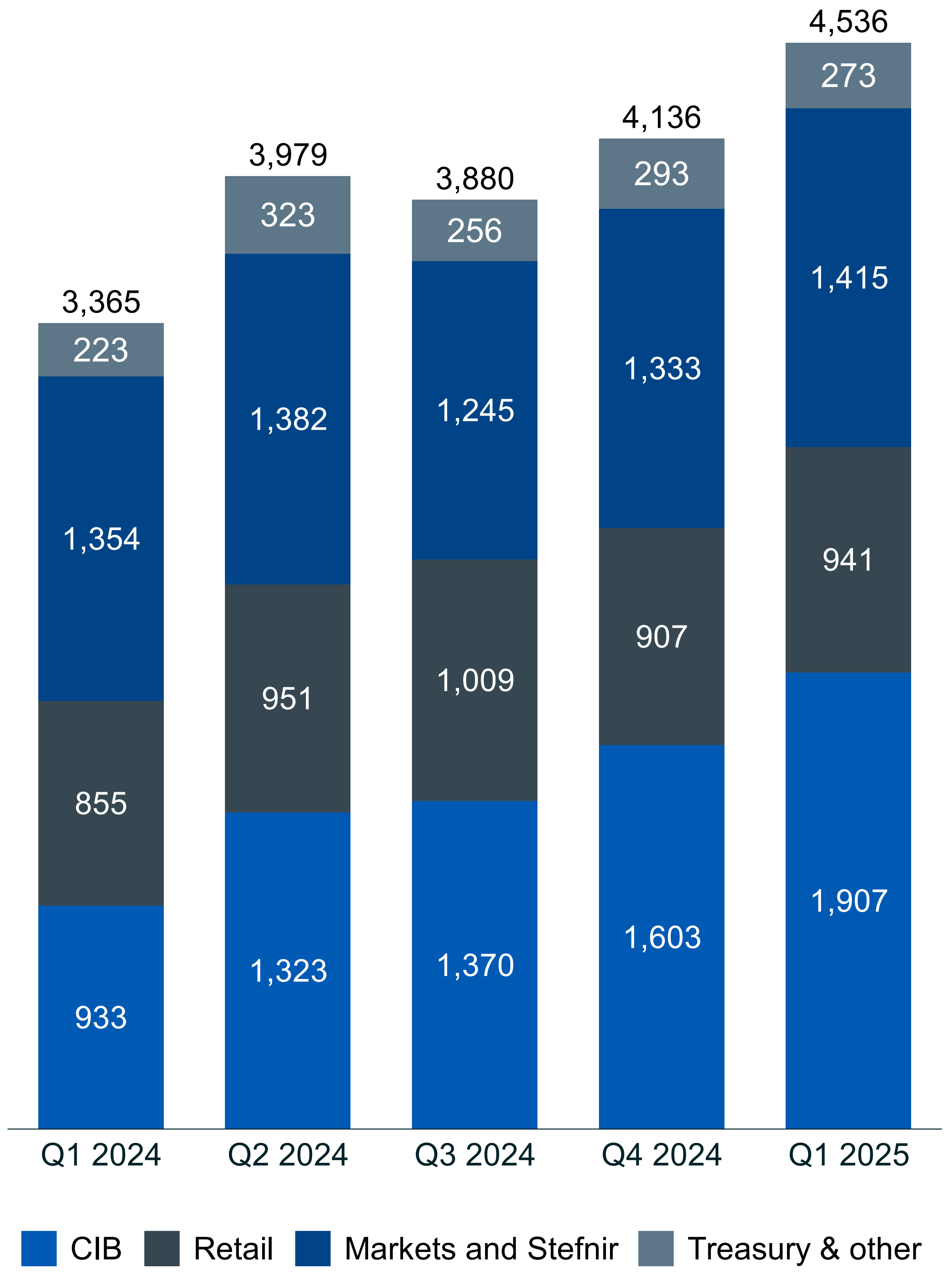


Net fee and commission income

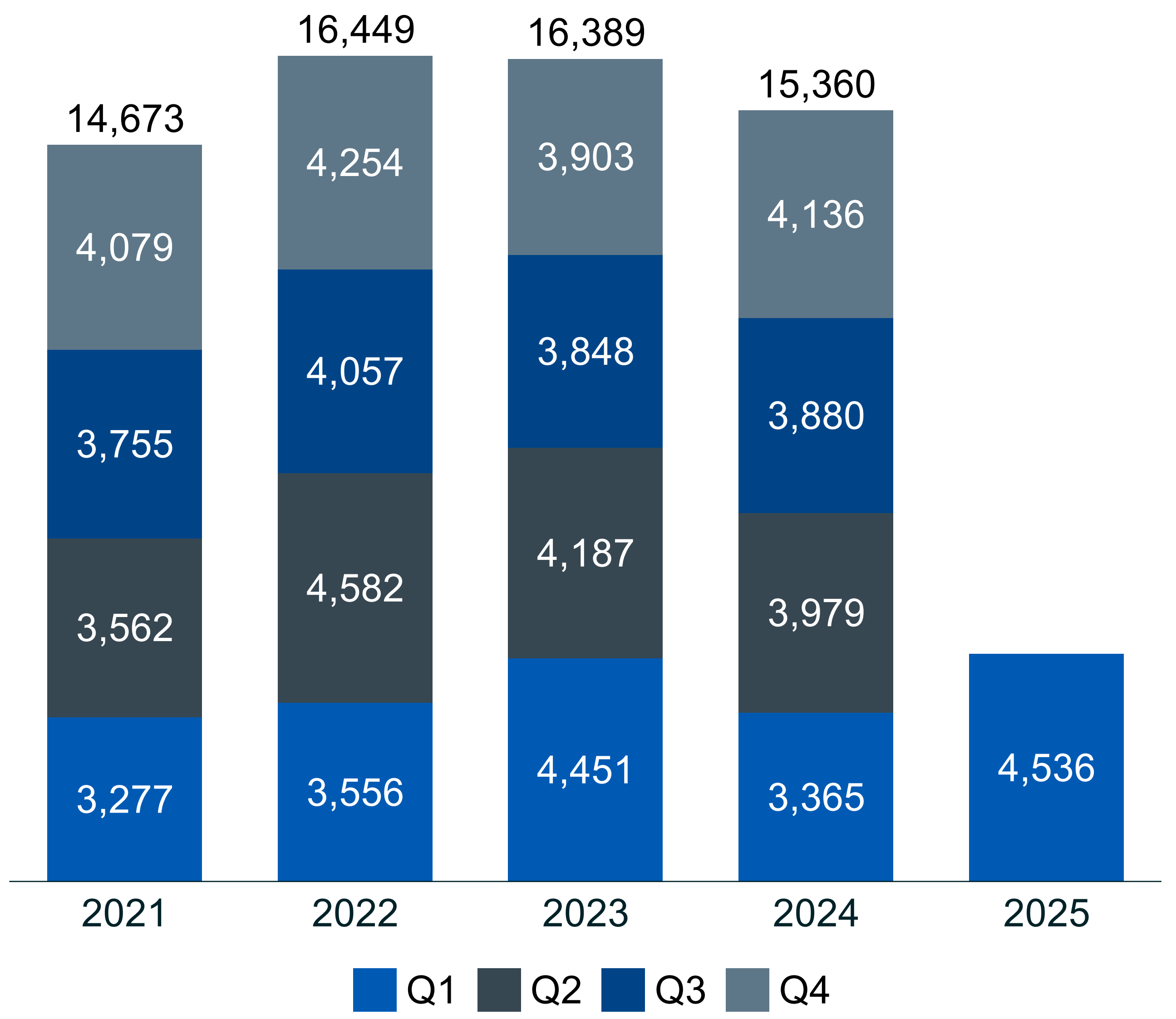
Best quarter in terms of fees since 2022

- Fees continue to be broad-based and diversified
- Strong quarter for CIB, especially fees from lending and corporate finance with large projects closed
- Stable income in Retail Banking activities with strong income from cards in the quarter
- Asset management fees stable, with AuM increasing to ISK 1,644bn at quarter-end

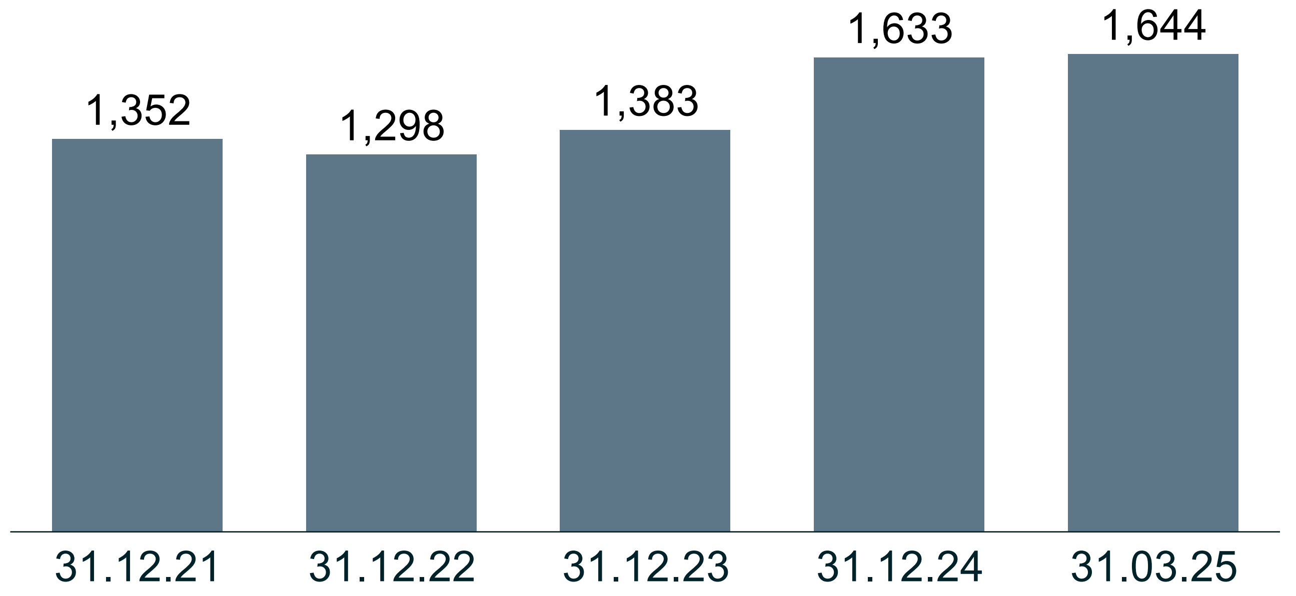
Net fee and commission income (ISK m)



Net fee and commission income (ISK m)



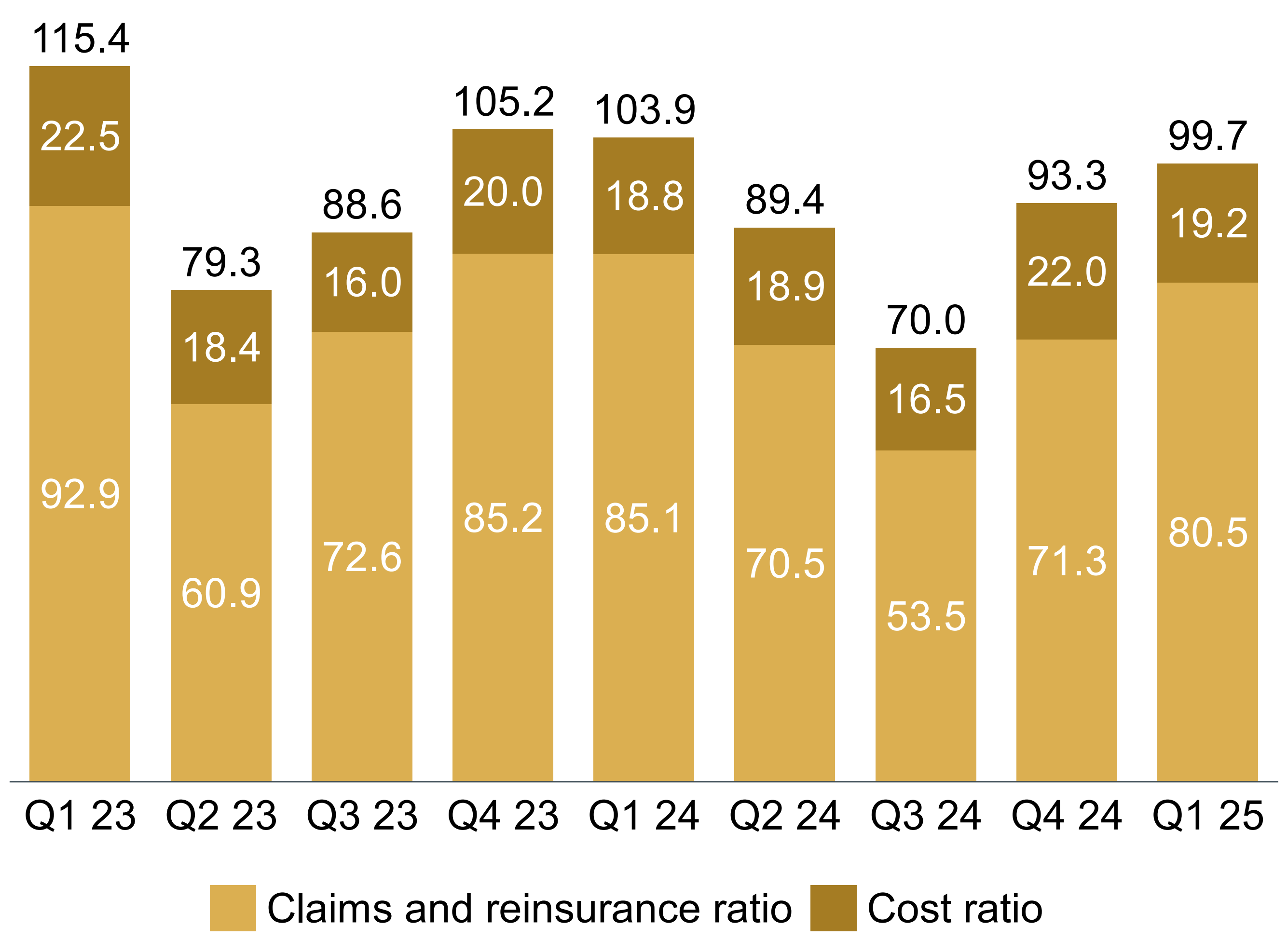
Assets under management (ISK bn)



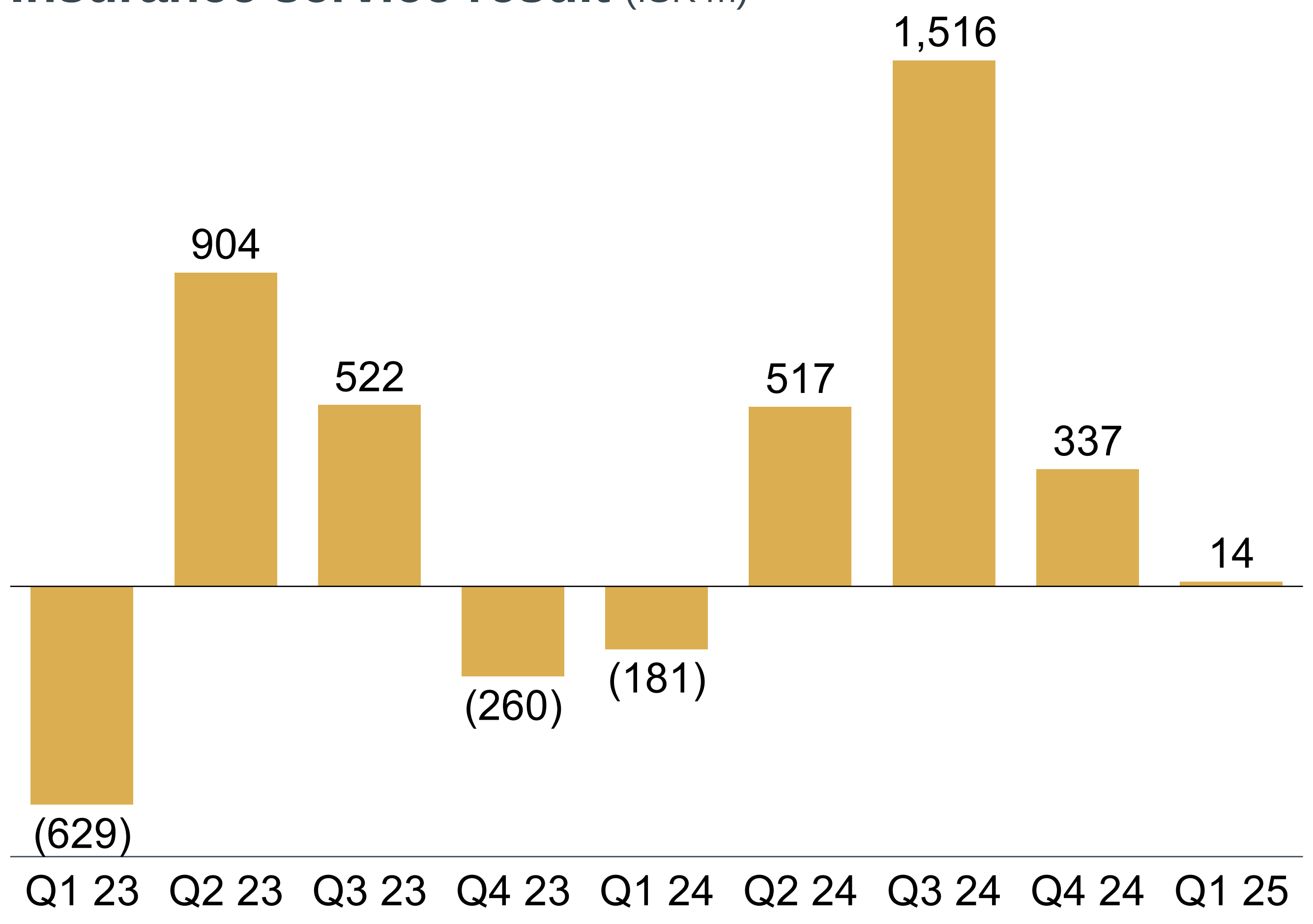
Second best Q1 combined ratio to date

- Net result in the quarter negative by ISK 641m compared with negative ISK 166m in Q1 2024
- Favorable claims and reinsurance compared with Q1 2024 at 80.5%
- Combined ratio of 99.7% in Q1 2025 compared with 103.9% in Q1 2024. Only Q1 in 2021 was a better first quarter than this year
- Loss on investments in Q1 is ISK 680m compared with profit of ISK 27m in Q1 2024 in challenging equity markets

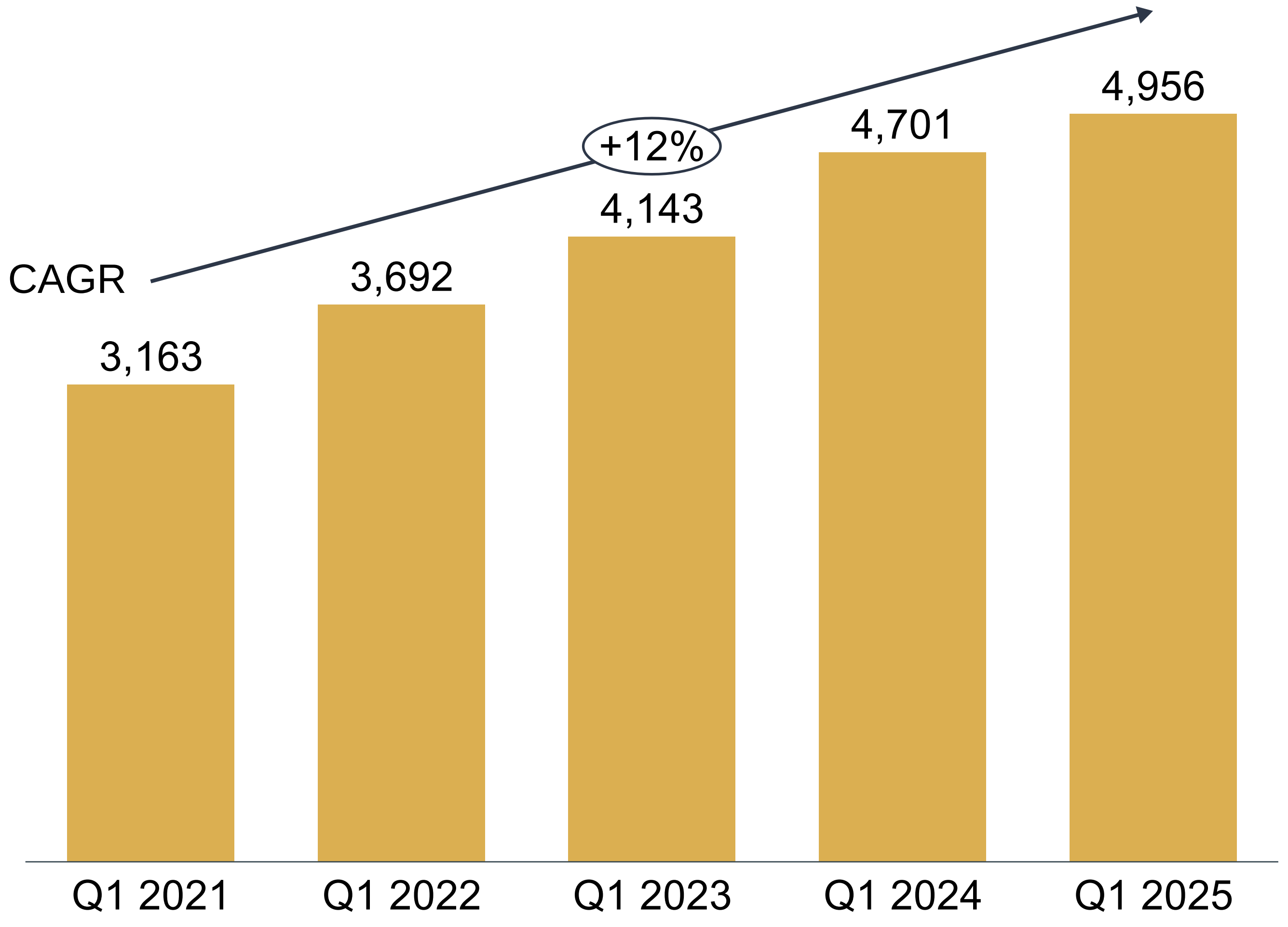
Combined ratio (%)



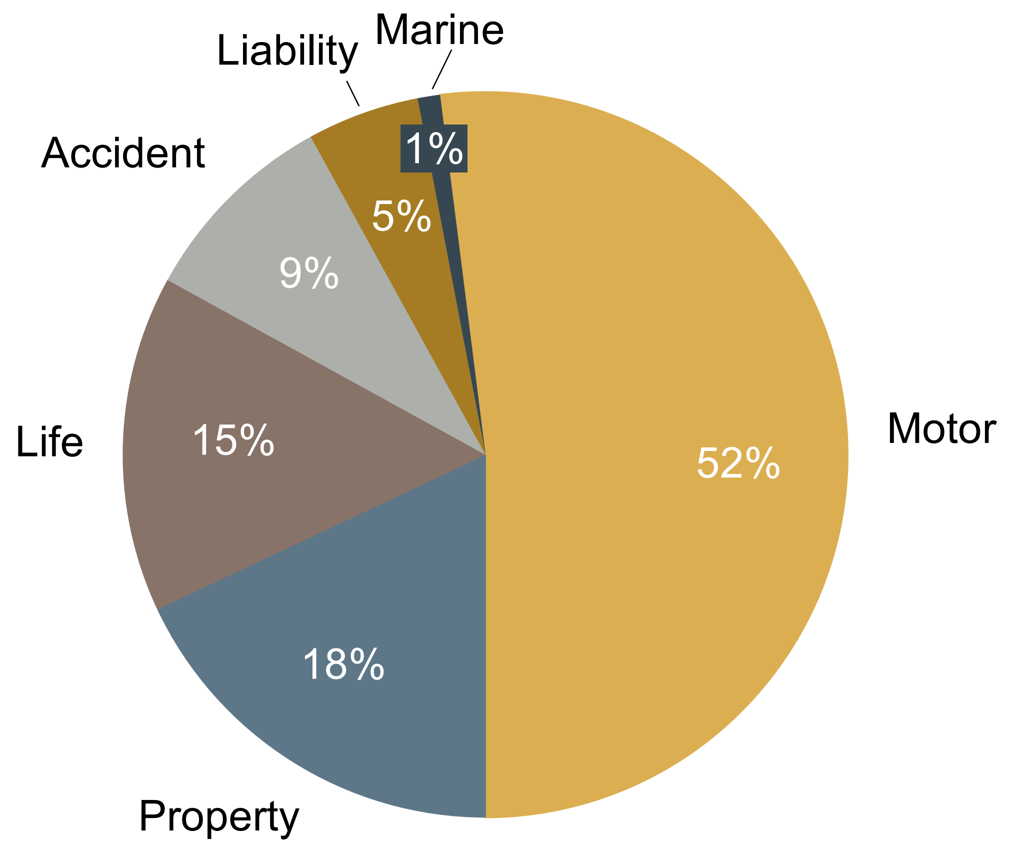
Insurance service result (ISK m)



Insurance revenue (ISK m) **



Insurance revenue by line of business (%)



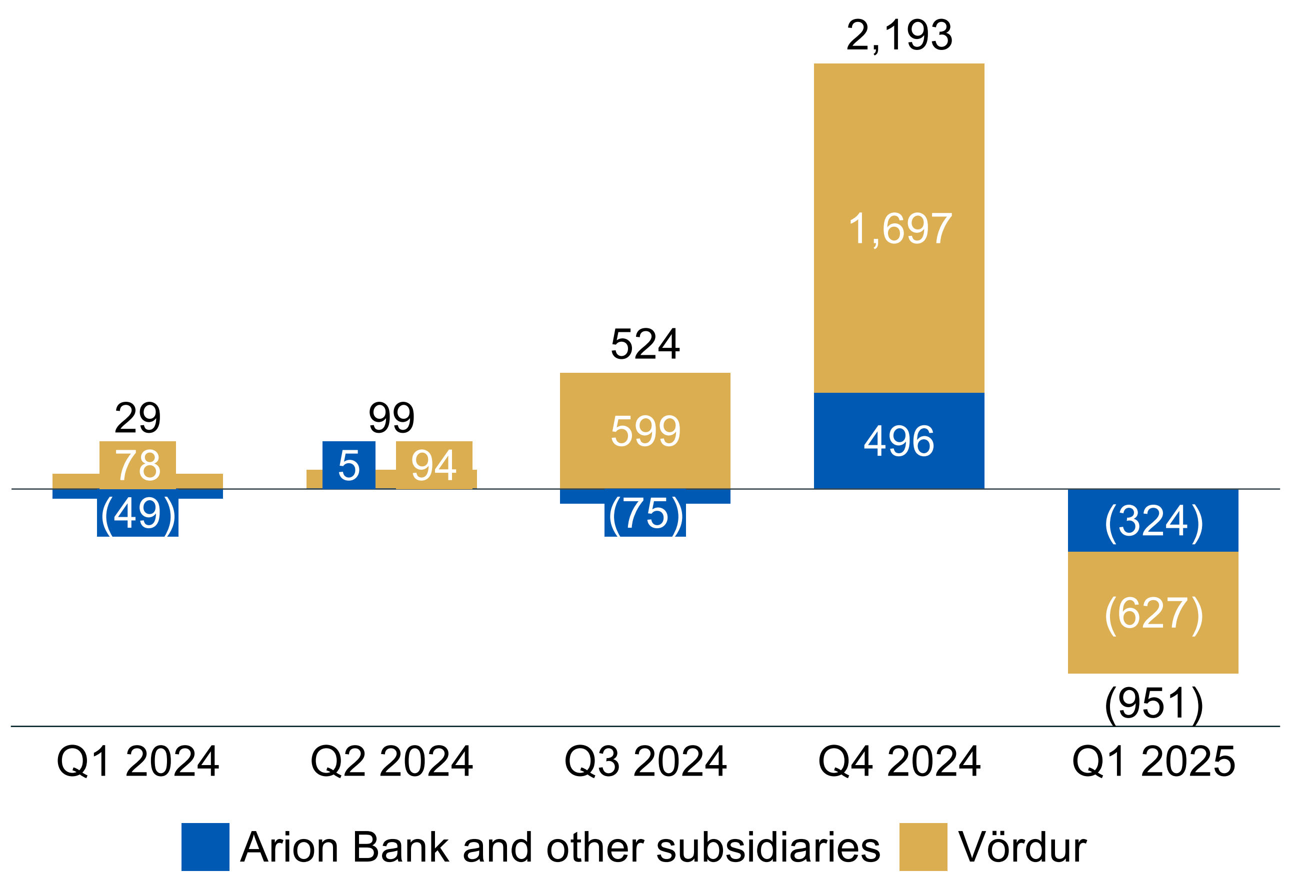
* Figures based on Vördur stand-alone financial results, before elimination within the Group.
** Figures for 2022 have been restated in accordance with IFRS 17 while figures for 2021 have not

Net financial income

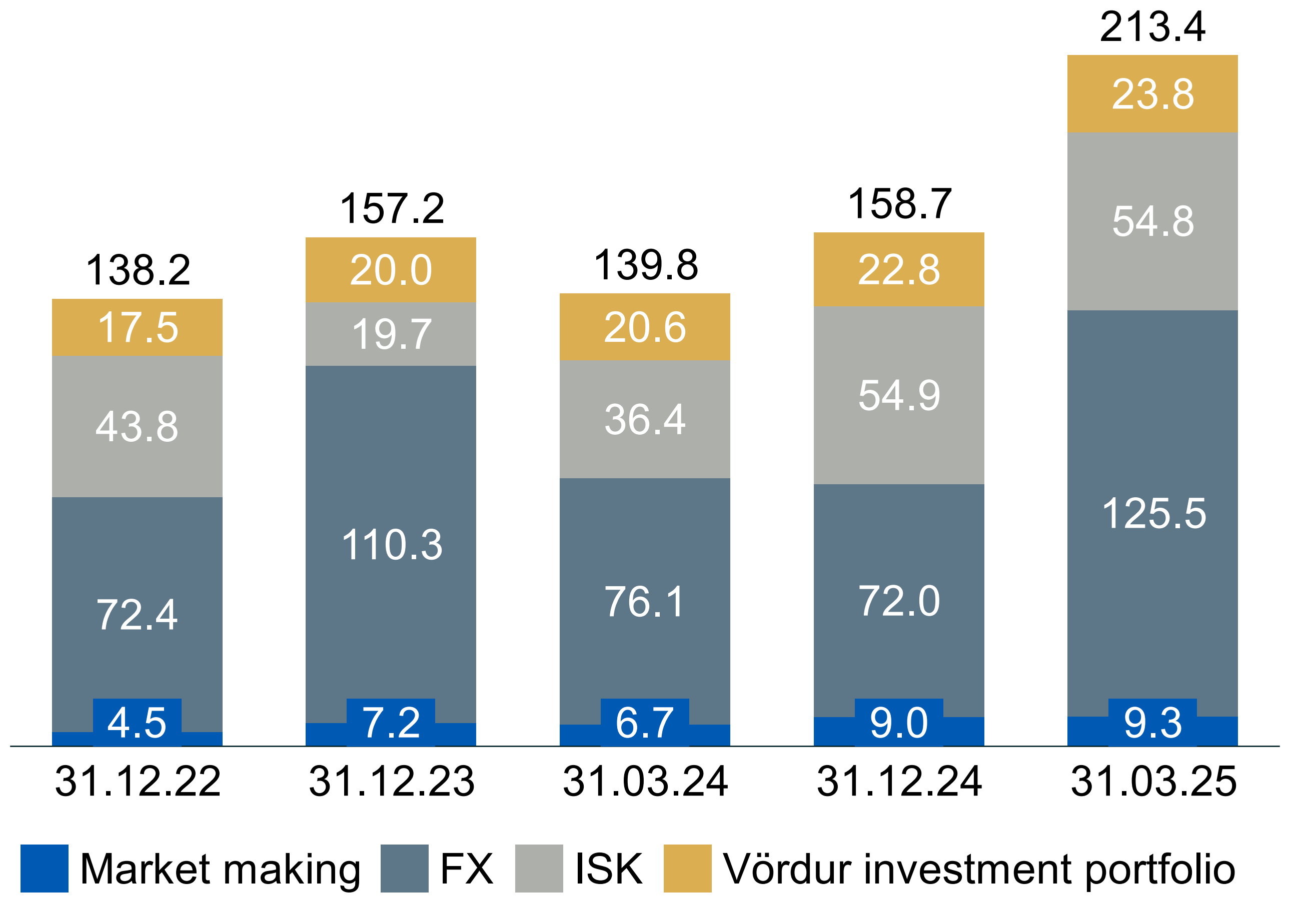
Challenging equity markets

- Total investment portfolio of Vördur is ISK 34.2bn, yielding a loss of ISK 627m in the quarter, including negative net effects from insurance contracts
- Bond holdings fluctuate between quarters in line with liquidity management and funding effort
  - No held-to-maturity (HTM) accounting within bond portfolio, with all market value changes incorporated in capital position
  - Average duration of liquidity portfolio within one year

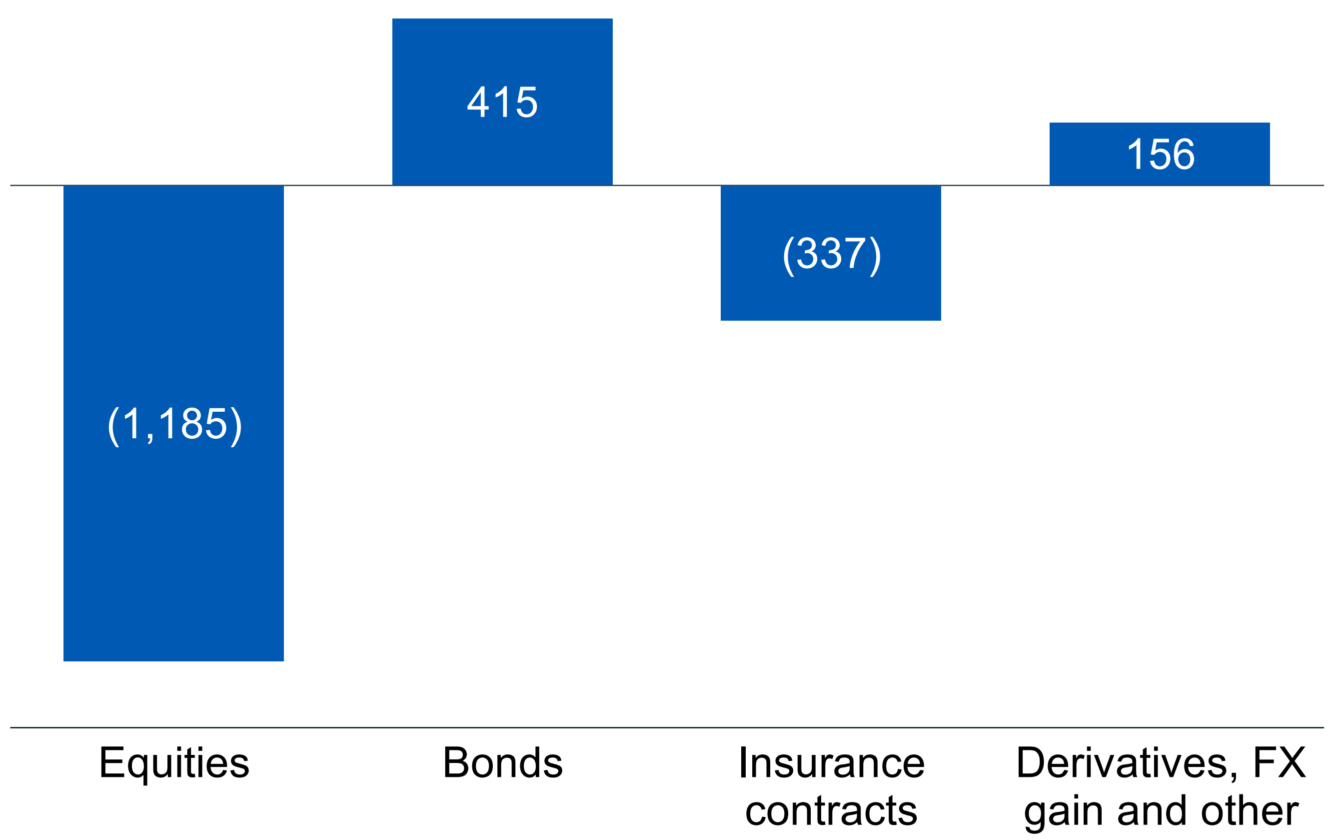
Net financial income (ISK m)



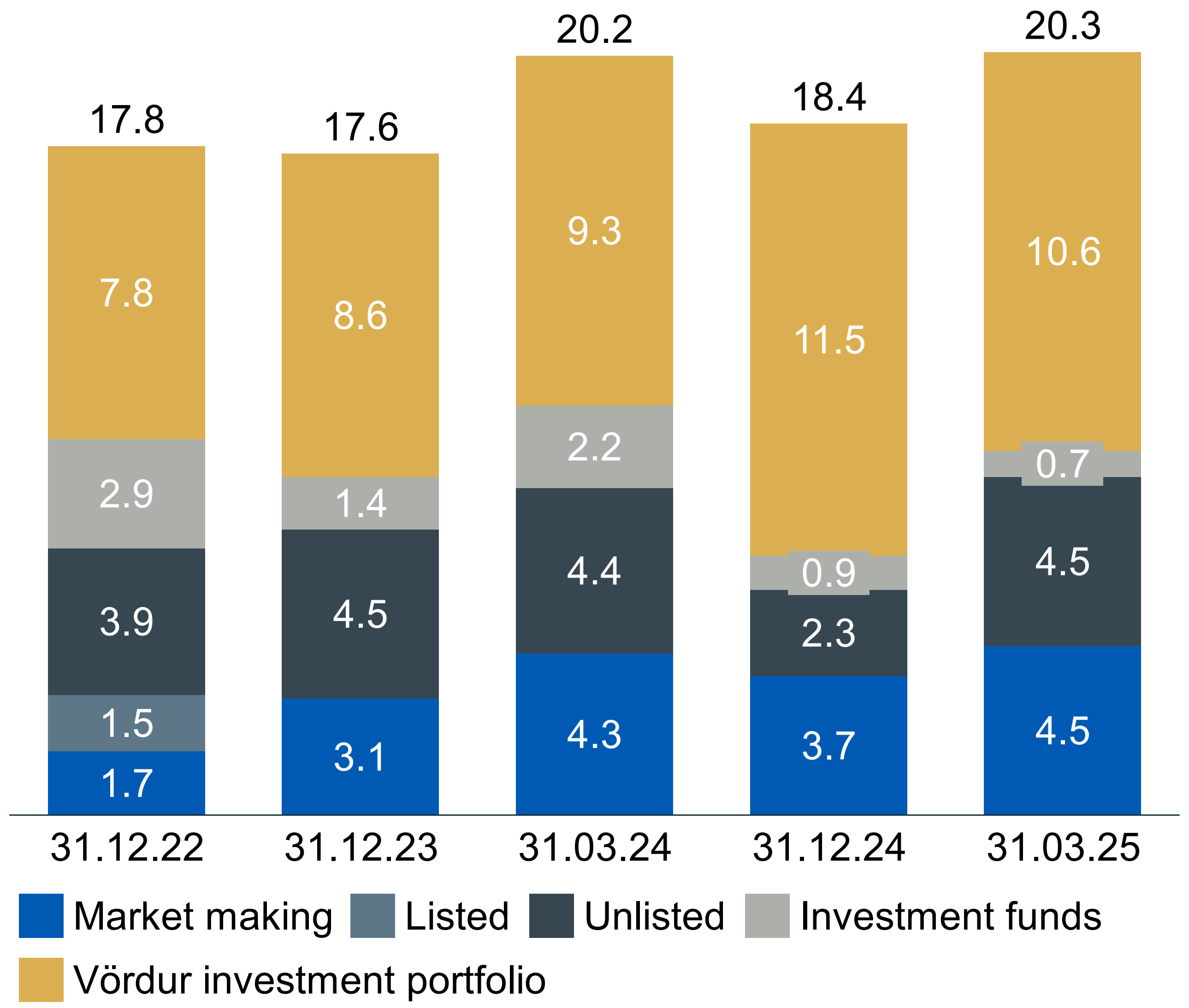
Bond holdings (ISK bn)



Net financial income by type Q1 2025 (ISK m)



Equity holdings (ISK bn)

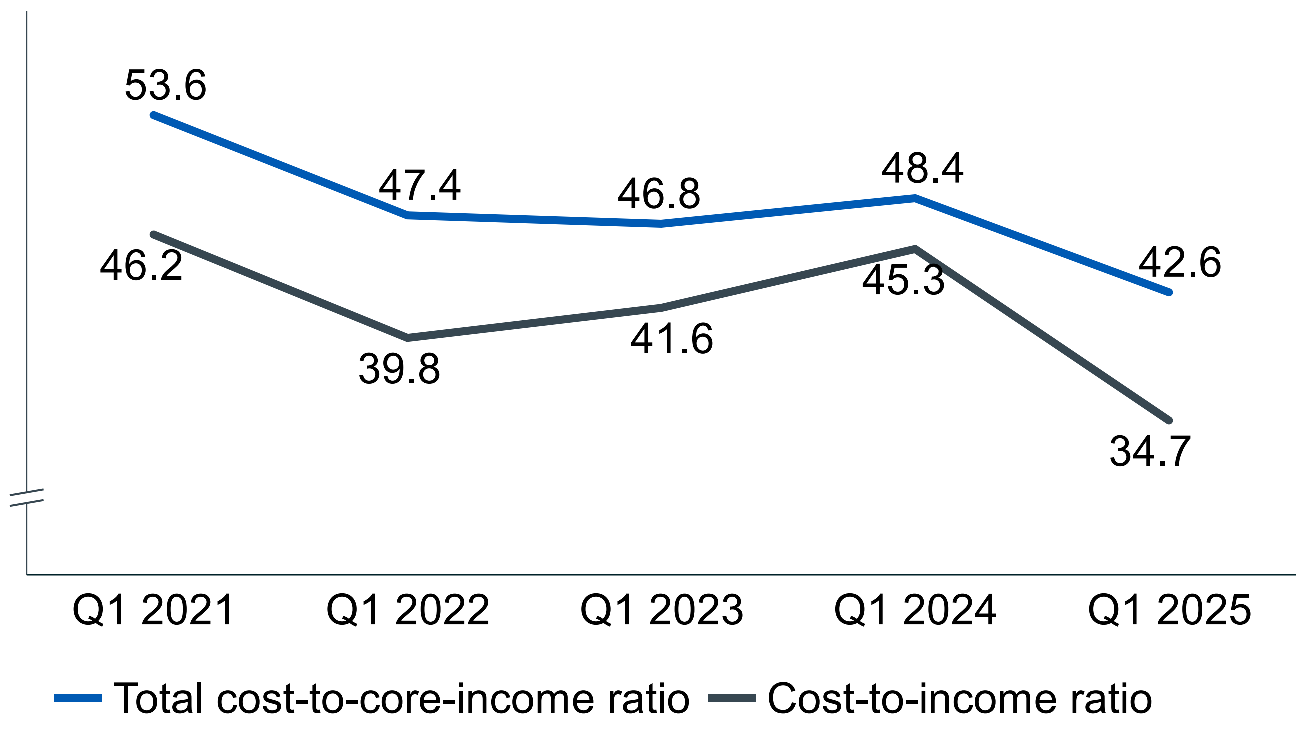


Operating expenses*

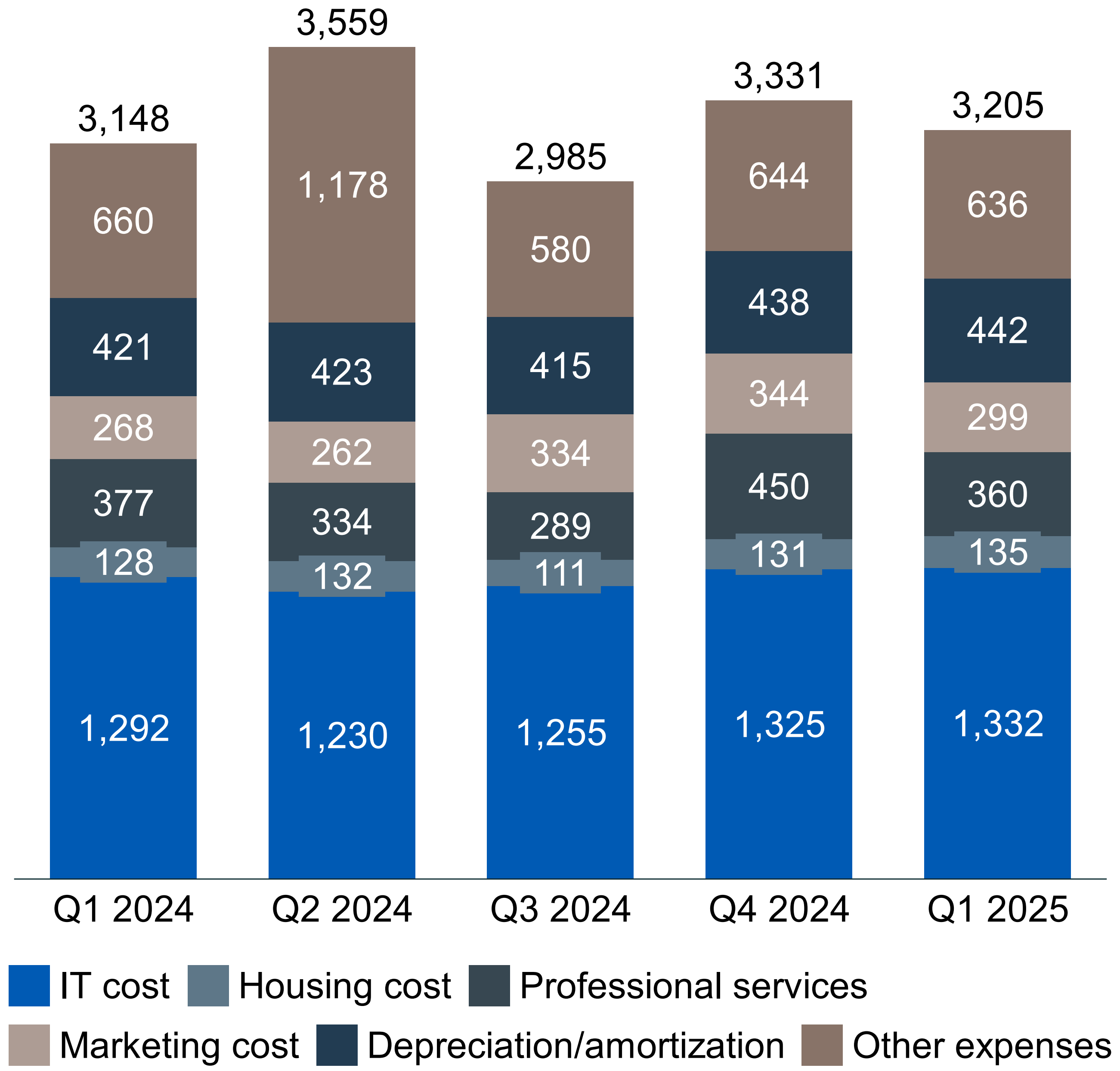
Stable cost base

- Total operating expenses outlined here include costs related to insurance business which is accounted for through insurance service results post IFRS17
- The increase of total operating expenses from Q1 2024 was ISK 113m or 1.5%
  - Salaries and related expenses increased by ISK 58m or 1.4%
  - Included are reversed expense for the incentive scheme from prior years of ISK 319m
  - The increase in FTE during the first quarter is mainly in IT in line with investment strategy

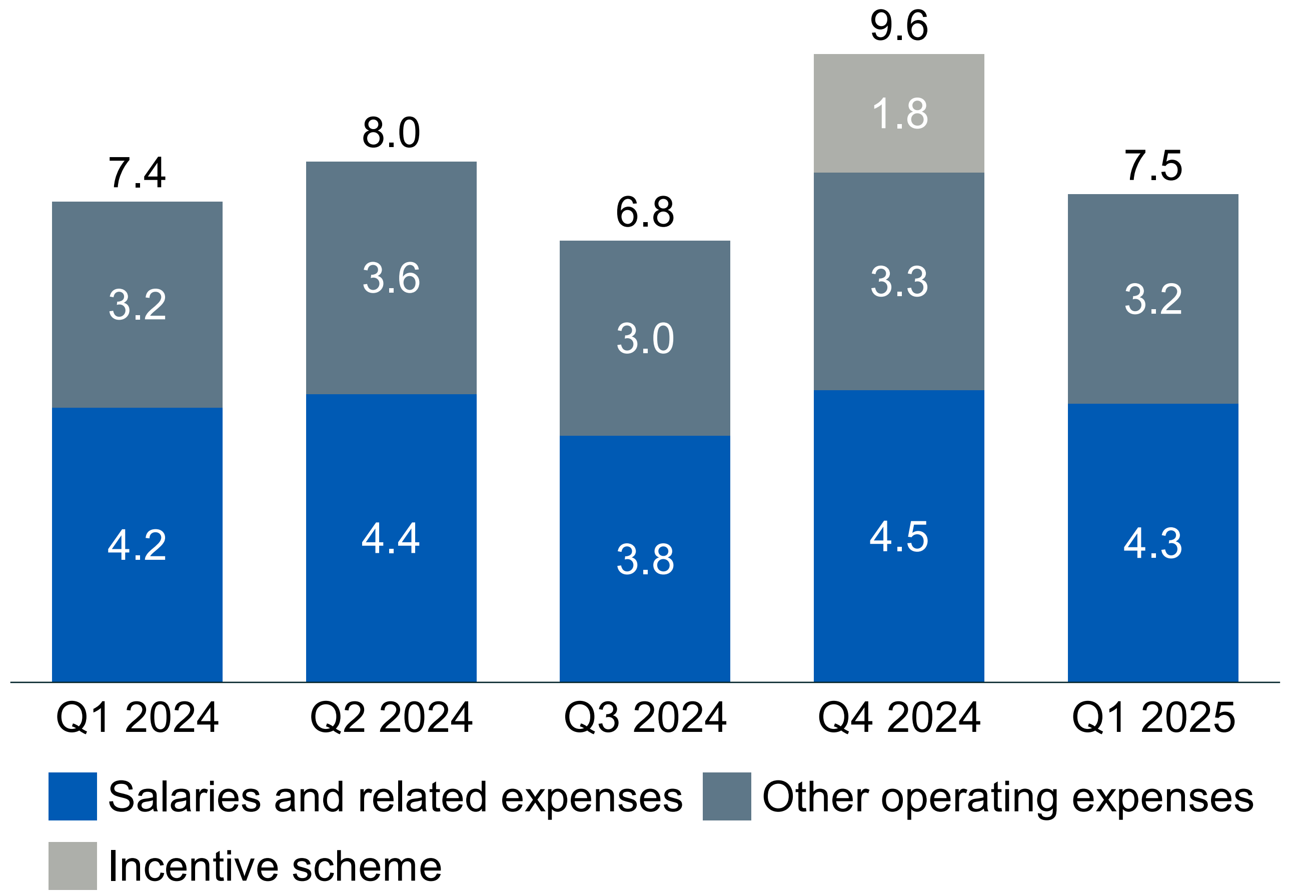
Cost ratios (%)



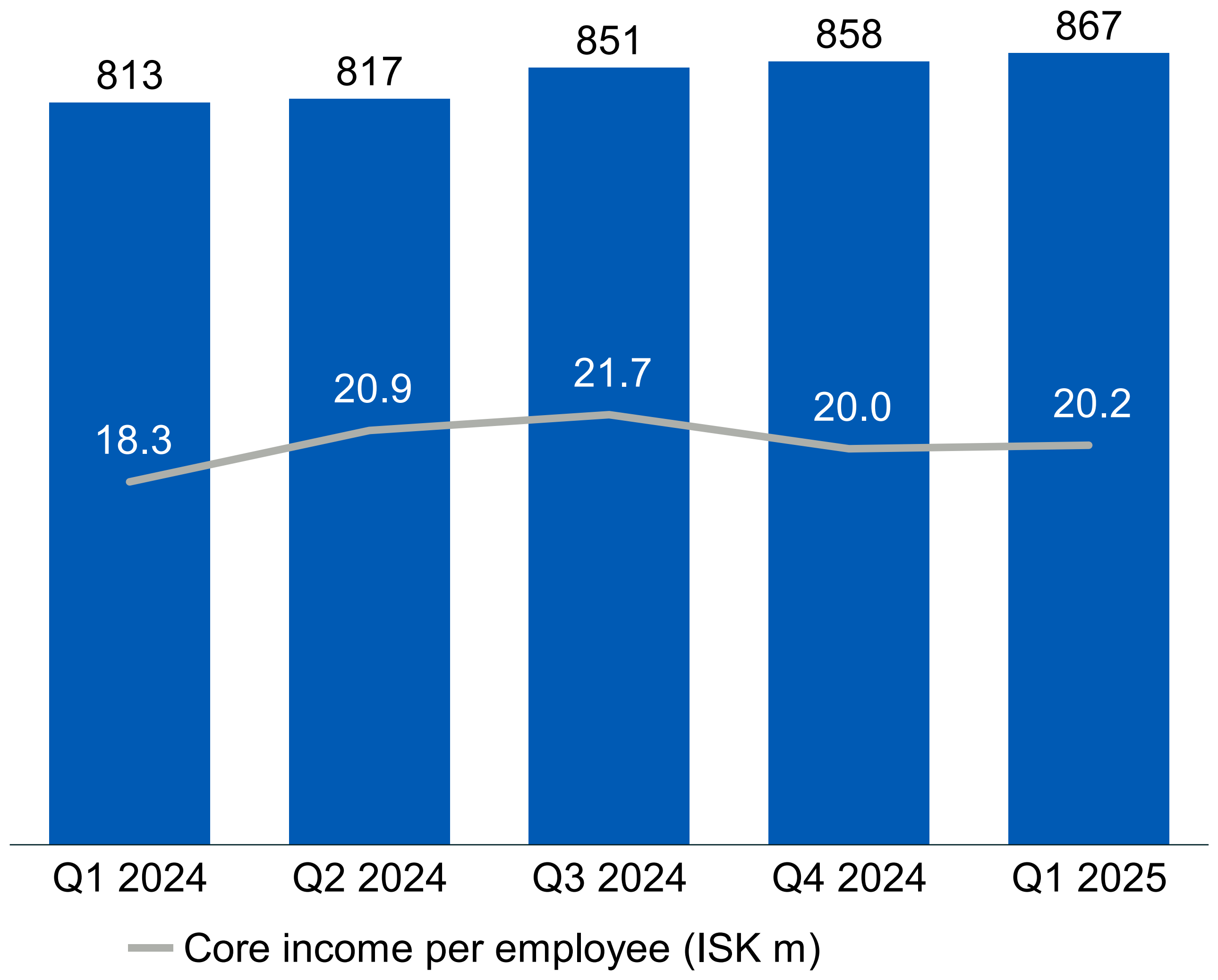
Other operating expenses (ISK m)



Total operating expenses (ISK bn)



Number of FTE



*Operating expenses from insurance operations are included in all figures for comparative purposes
Total cost to core income: Operating expenses including opex from insurance operations / Core operating income excluding opex from insurance operations
Cost to income ratio: Operating income / Operating expenses

Balance sheet

Robust and relatively simple

- Loans to customers increased by ISK 3.9bn or 0.3% in Q1
- Deposits increase by ISK 27.2bn or 3.2% in Q1
  - Loans to deposits ratio of 139.5%. 110.8% without loans financed by covered bonds
- Very strong liquidity position:
  - Liquidity coverage ratio (LCR) of 186% (127% in ISK)
  - Net stable funding ratio (NSFR) of 122%

Assets	31.03.2025	31.12.2024	Diff.	31.03.2024	31.12.2023	31.12.2022
Cash & balances with CB	125	124	1%	102	102	114
Loans to credit institutions	27	26	6%	34	29	46
Loans to customers	1,234	1,230	0%	1,179	1,153	1,085
Financial assets	261	206	26%	196	206	193
Investment property	13	9	37%	10	9	8
Other assets	27	23	18%	24	27	20
Total Assets	**1,687**	**1,618**	4%	**1,544**	**1,526**	**1,466**

Liabilities and Equity						
Due to credit institutions & CB	6	7	(13%)	3	3	12
Deposits from customers	885	857	3%	802	793	755
Other liabilities	69	69	(0%)	73	69	71
Borrowings	497	433	15%	433	420	393
Subordinated liabilities	33	45	(25%)	42	41	47
Total Liabilities	**1,490**	**1,411**	6%	**1,353**	**1,326**	**1,278**
Shareholders equity	195	207	(6%)	191	199	187
Non-controlling interest	2	1	277%	0	1	1
Total equity	**197**	**207**	**(5%)**	**191**	**199**	**188**
Total Liabilities and Equity	**1,687**	**1,618**	4%	**1,544**	**1,526**	**1,466**

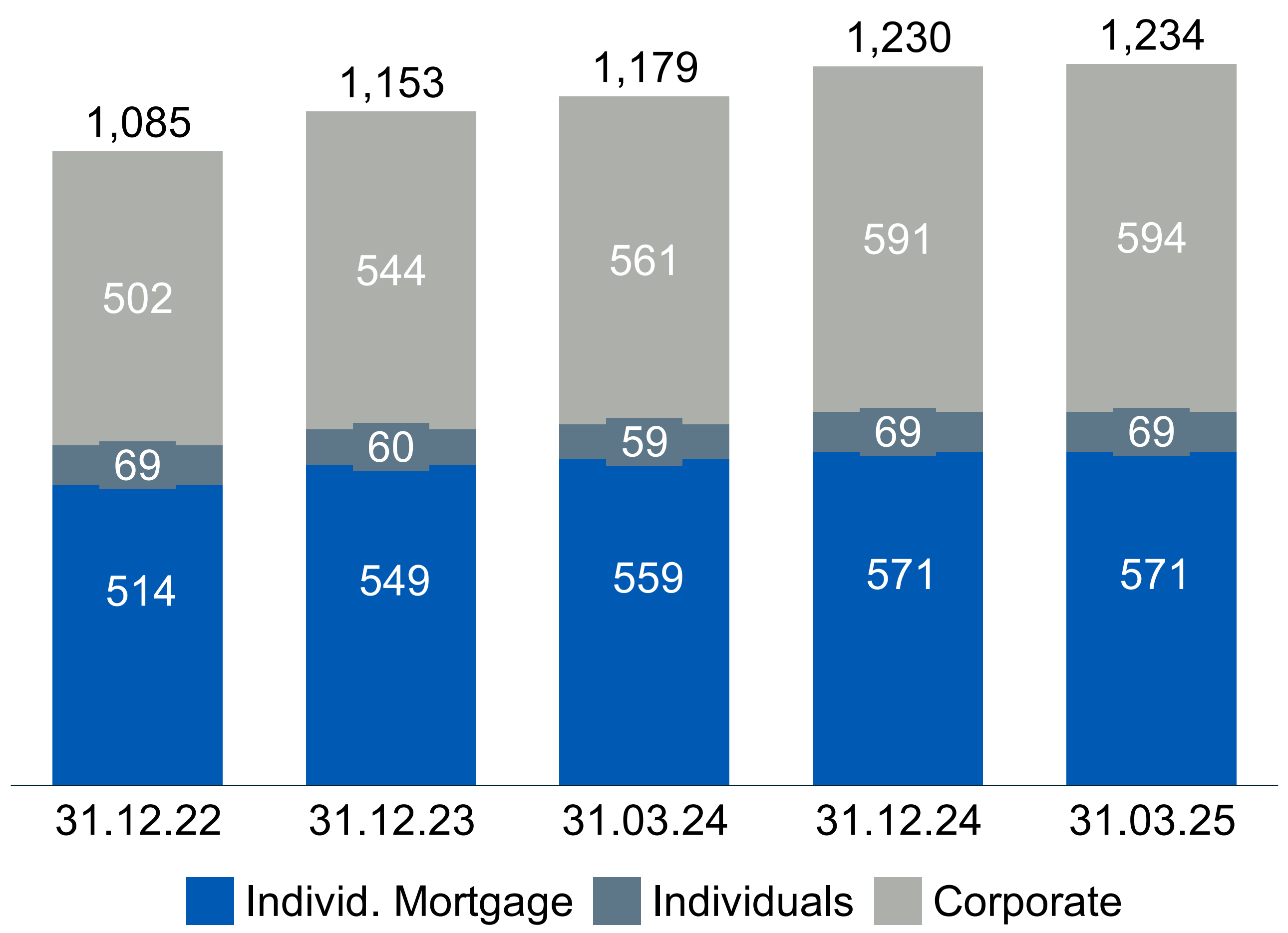
All amounts in ISK billion

Loans to customers

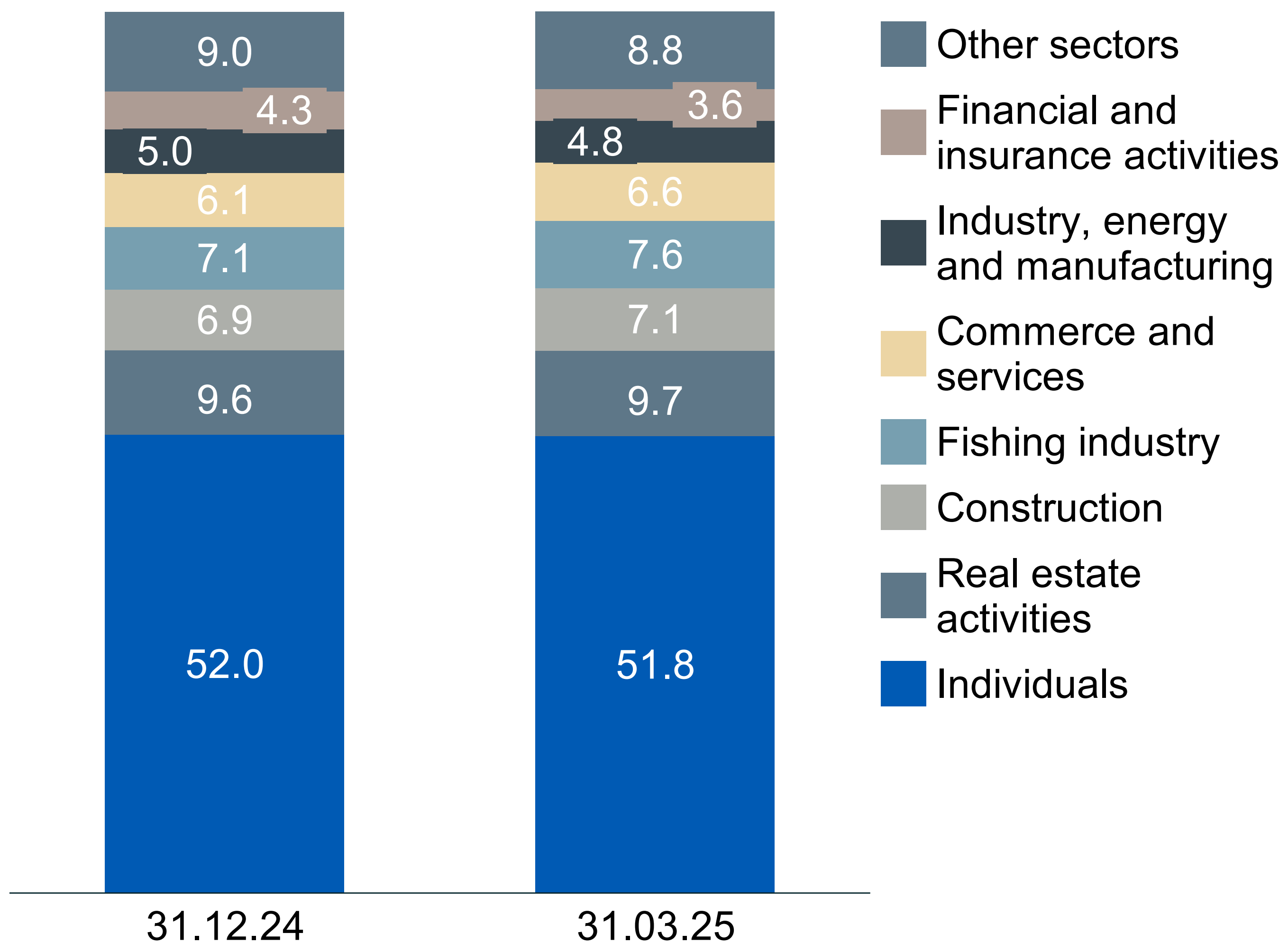
Balanced loan portfolio

- Loans to customers total ISK 1,234bn at the end of the quarter, increasing by ISK 3.9bn or 0.3% during the quarter. Changes in FX decreased the loan book by ISK 3.8bn and CPI changes increased book value by ISK 3.9bn
- The diversification in terms of sector and single name concentration of the corporate loan book continues to be good and in line with the Bank's credit strategy
- The sustainable loan book was ISK 193bn at period-end compared with ISK 191bn at year-end 2024

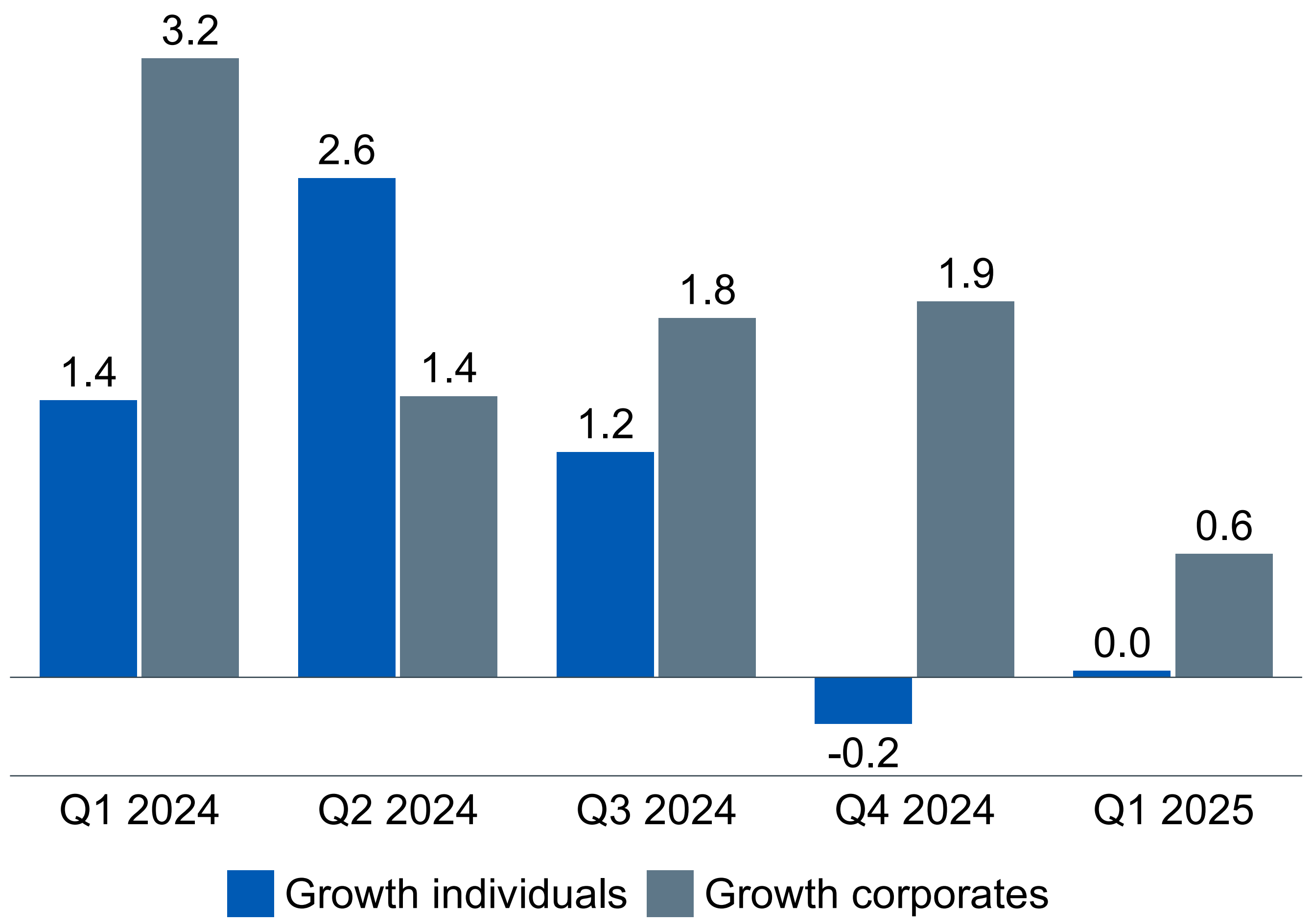
Loans to customers (ISK bn)



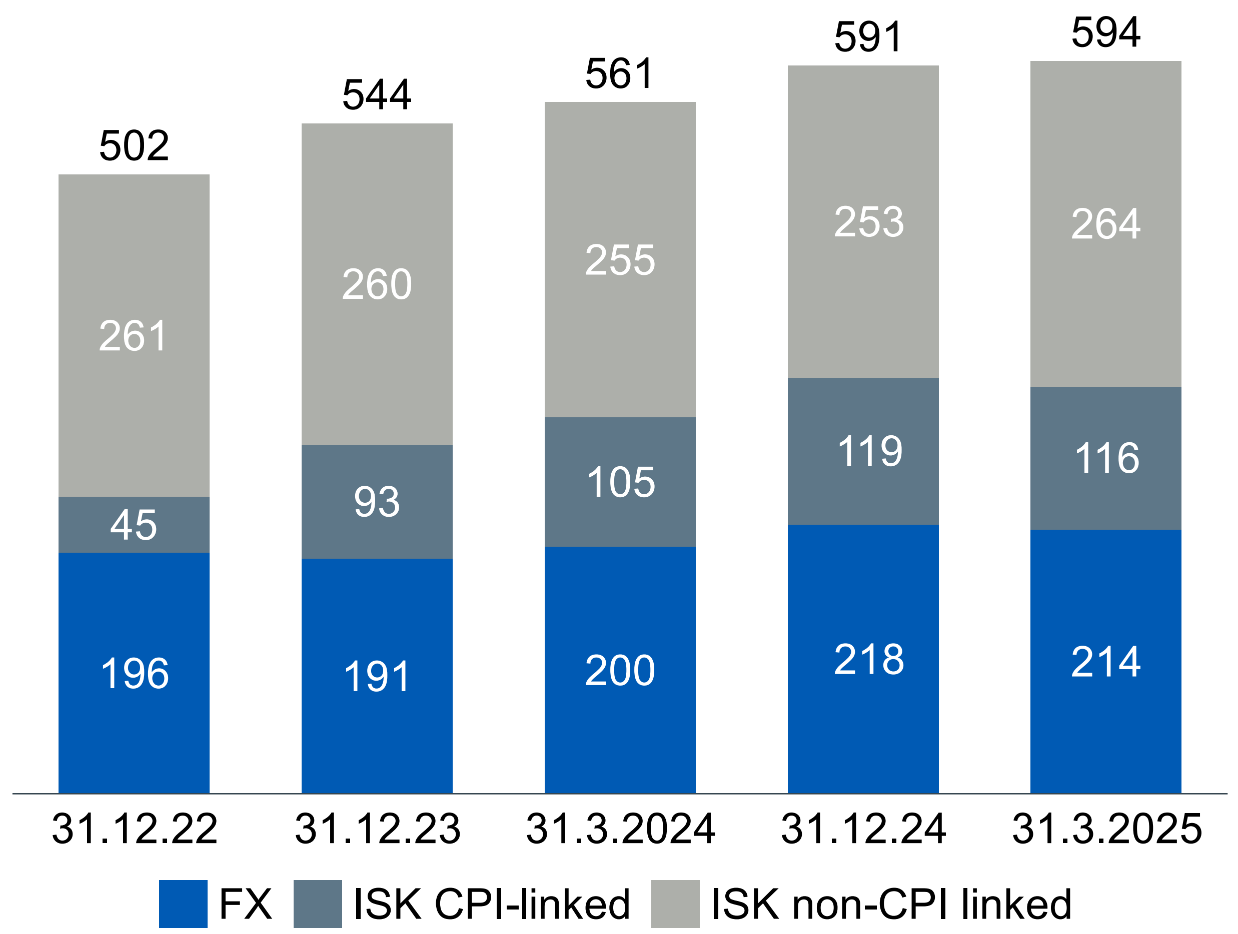
Loans to customers by sector (%)



Loan growth (%)



Loans to corporates by type (ISK bn)



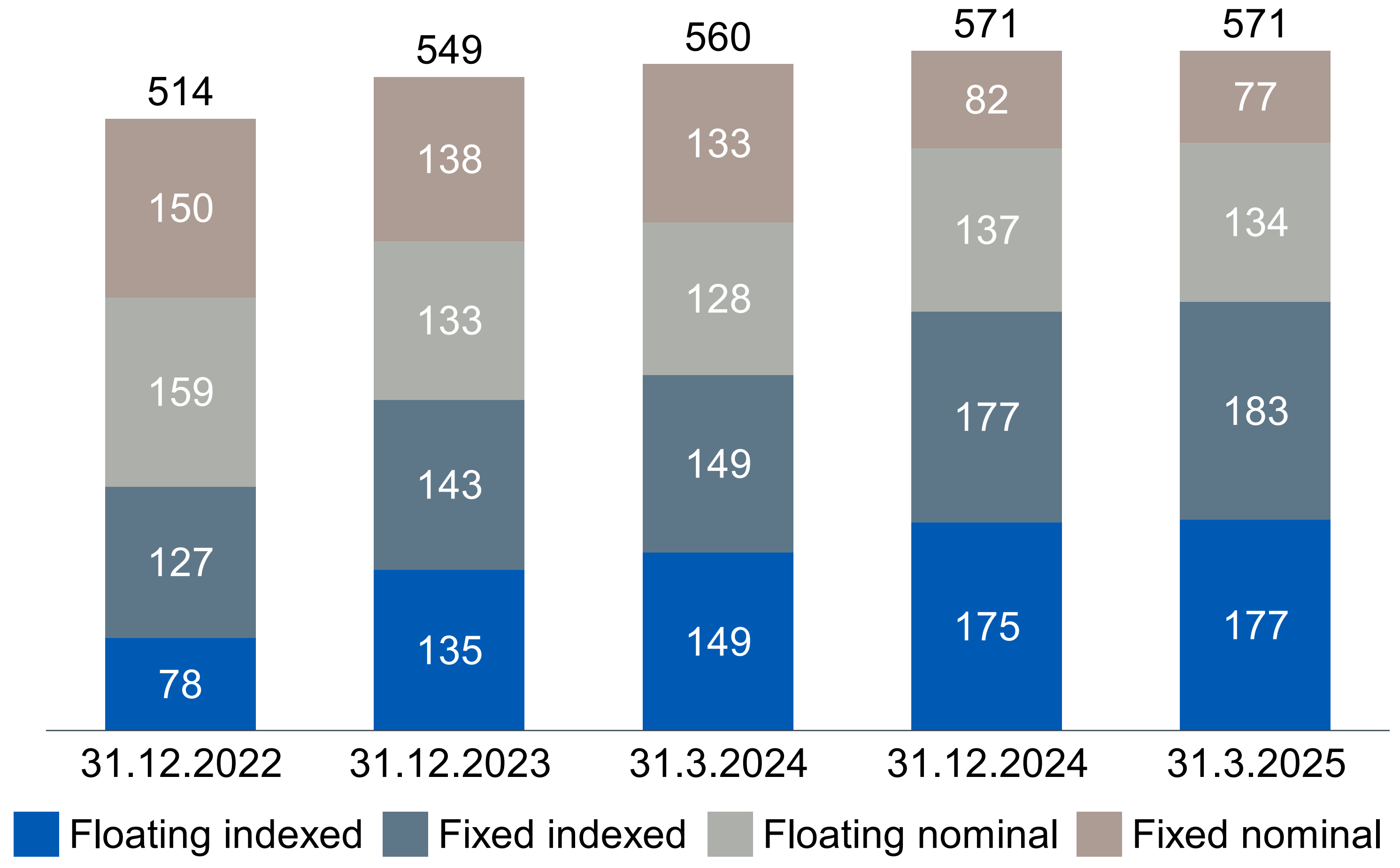
Residential mortgages

Low default rates and comfortable LTV levels, but rising costs for borrowers

- The average loan-to-value of the mortgage portfolio is 47.1%
- The problem loans ratio was 1.5%, which is below the historical average
- The Bank has adjusted its criteria for household expenditures in its customer payment assessment, considering the rising cost of living
- As a result of high-interest rate levels, there has been a shift towards indexed mortgages, which offer lower monthly payments
- A significant portion of fixed nominal rate mortgages were reset in 2024 without material impact on default rates. This is in line with the Bank's credit quality analysis performed on a regular basis since the start of 2023 in response to rising interest rates

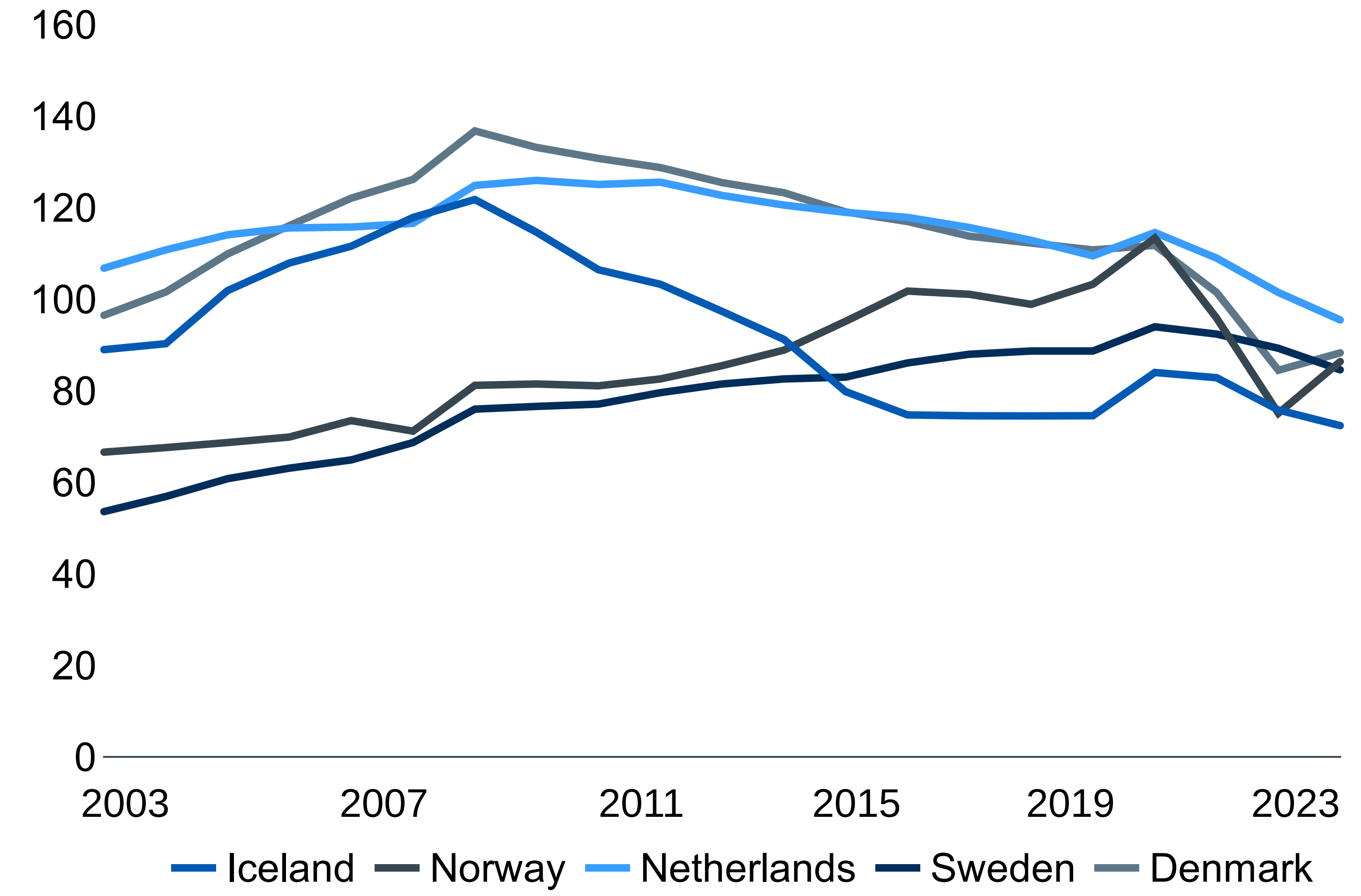
Residential mortgages by interest rate type (ISK bn)

Indexed mortgages were 63% of the portfolio at 31.03.2025



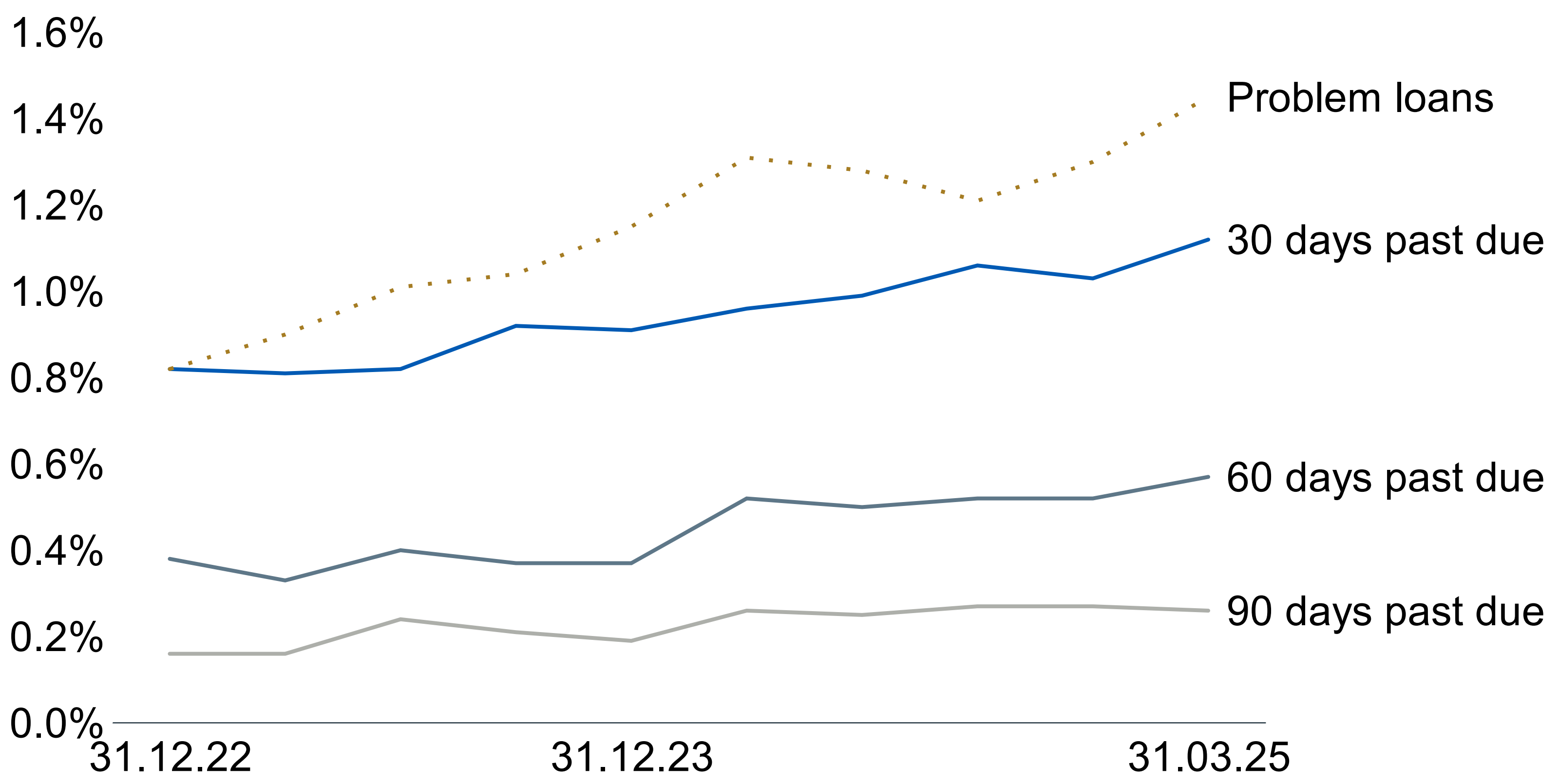
Household debt to GDP (%)

Relatively low household debt



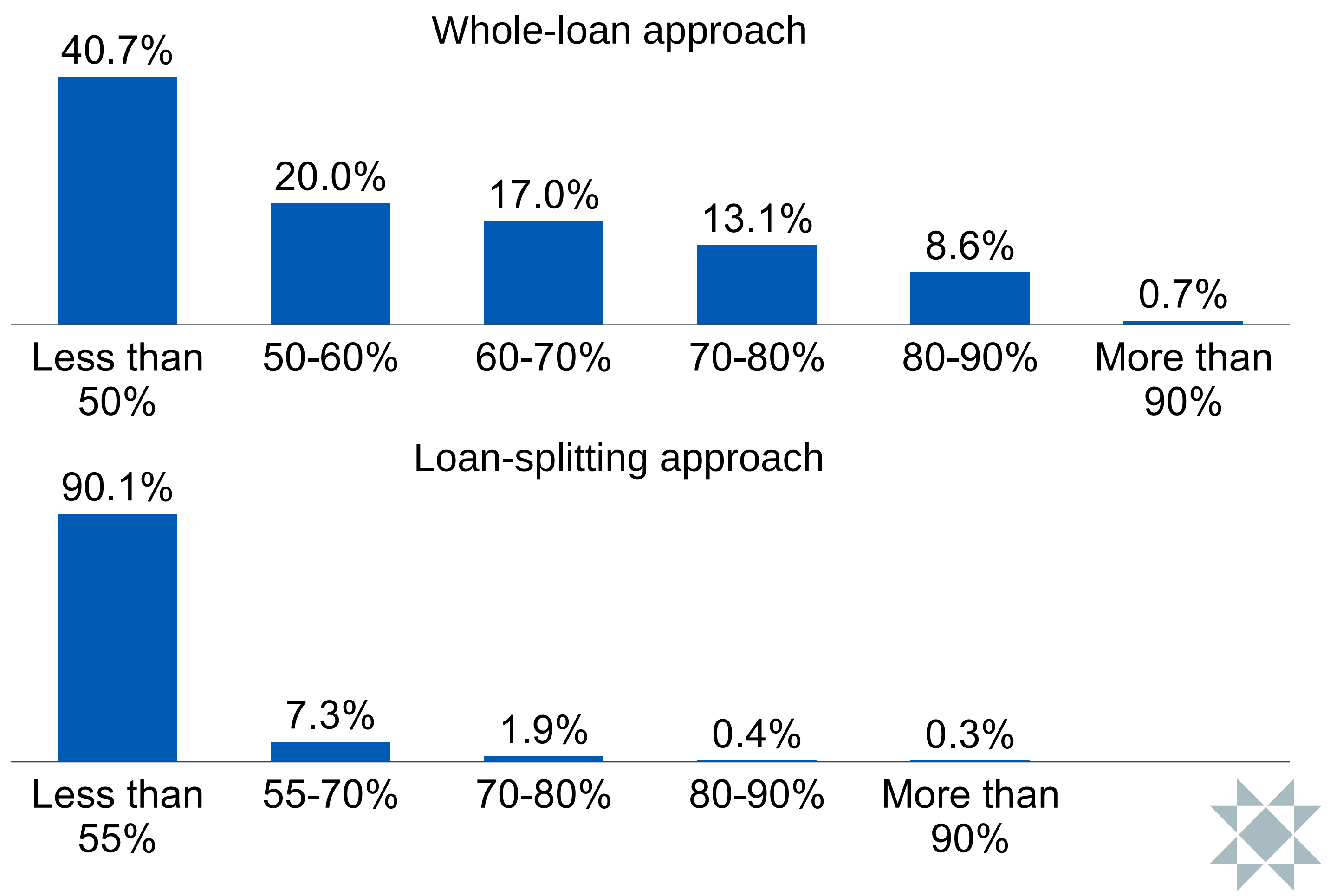
Rate of defaults and payments past due

Problem loans are 1.5% of the mortgage portfolio with a slight trend upwards from YE 2022



Loan to value distribution

Around 91% of mortgage exposures have LTV below 80%



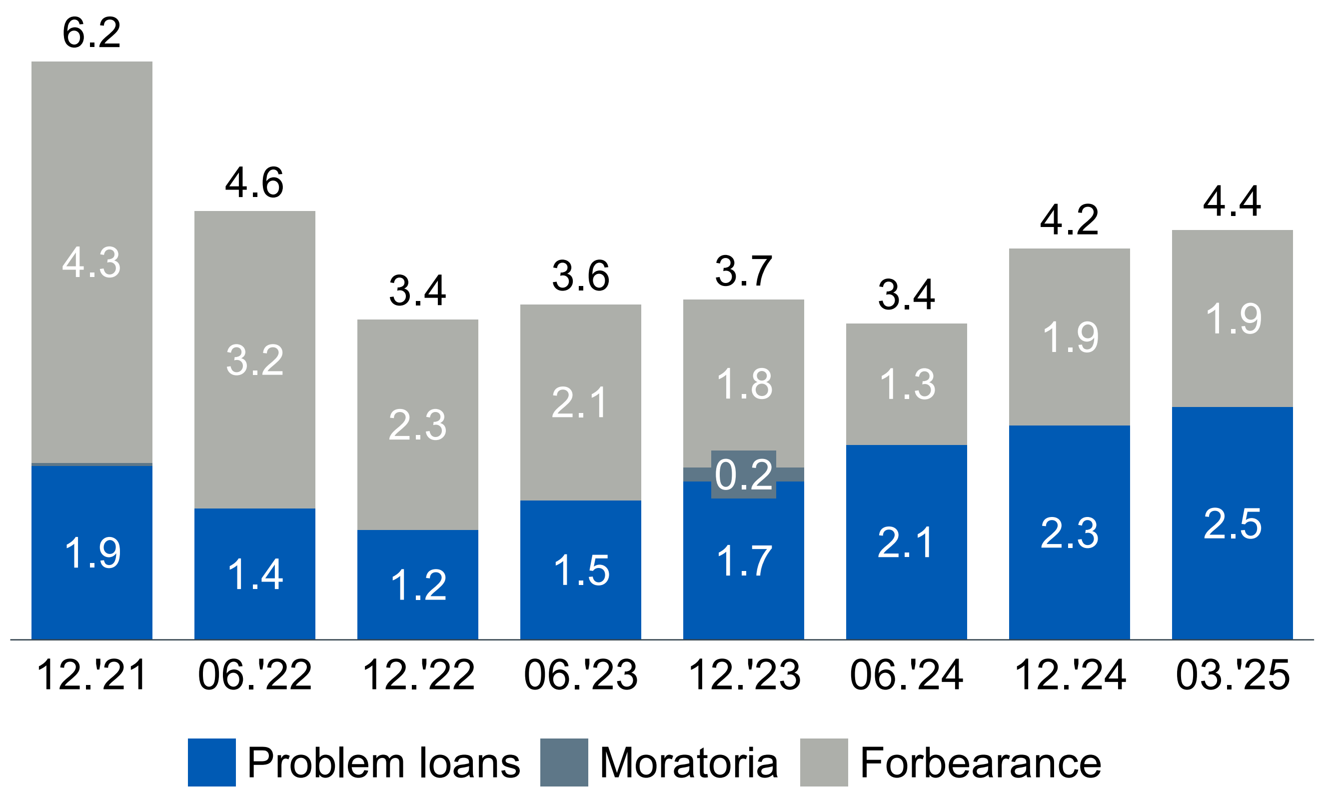
Risk profile

Strong credit quality indicators while the problem loans ratio has recently trended upwards

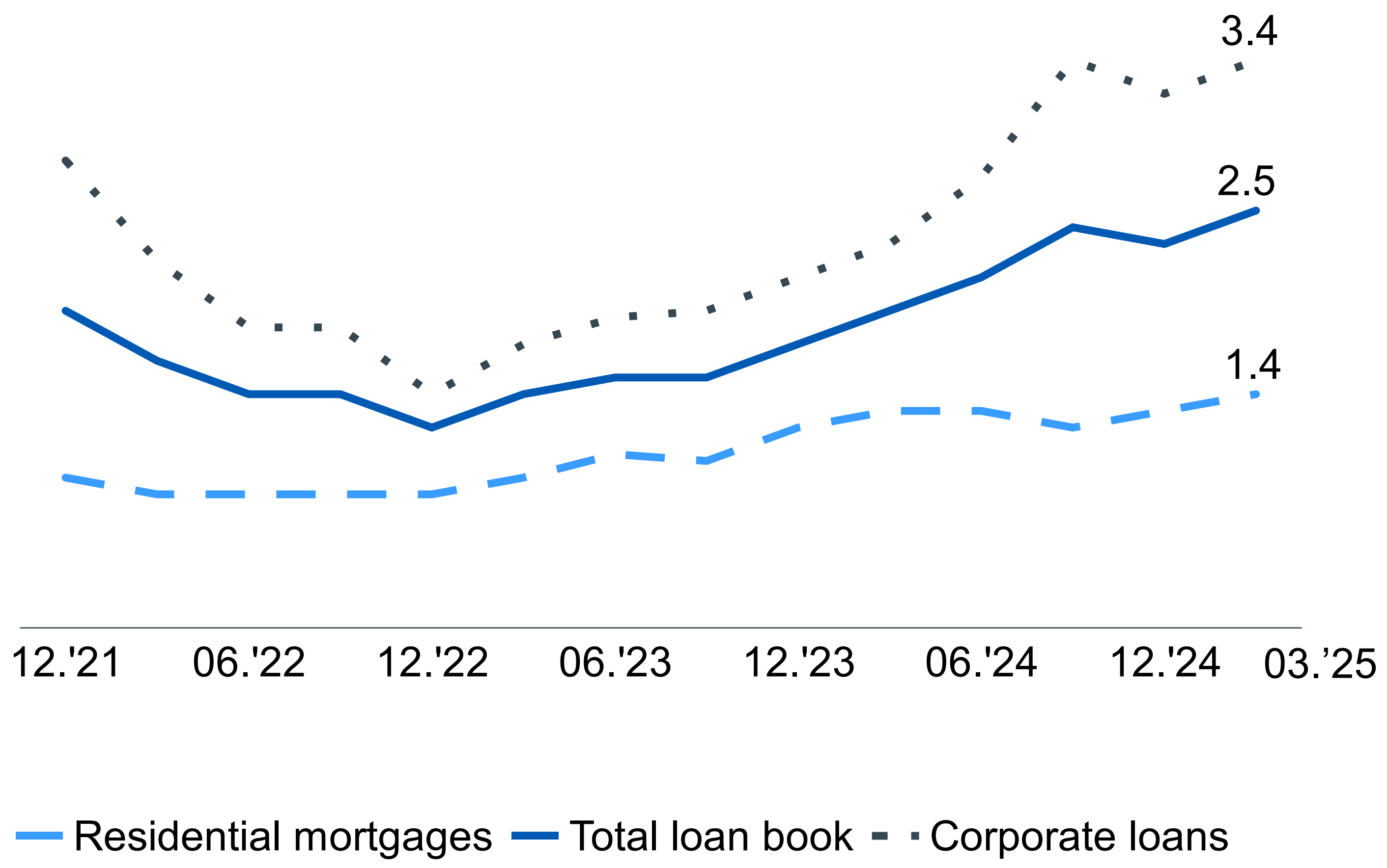
- The problem loans ratio has trended upwards since the start of 2023. The development is correlated with changes to the policy rate and future development is likely to depend on the pace of monetary easing
- The increase in corporate problem loans is mainly concentrated in the construction sector, which is impacted by elevated funding costs amid a slowing housing market
- Problem loans generally have good collateral coverage, as reflected in a Stage 3 coverage ratio of 17.7%
- Forborne exposures that are not in Stage 3 represent 1.9% of loans to customers at Q1 2025, which is the same as at year end 2024
- Total expected credit loss is anticipated to approach between 20-25bps in the long term based on current loan book composition. At the end of Q1 the 12-month expected credit loss ratio of 28bps reflects management's prudent view given current economic conditions

Problem loans: Loans in Stage 3 according to IFRS 9

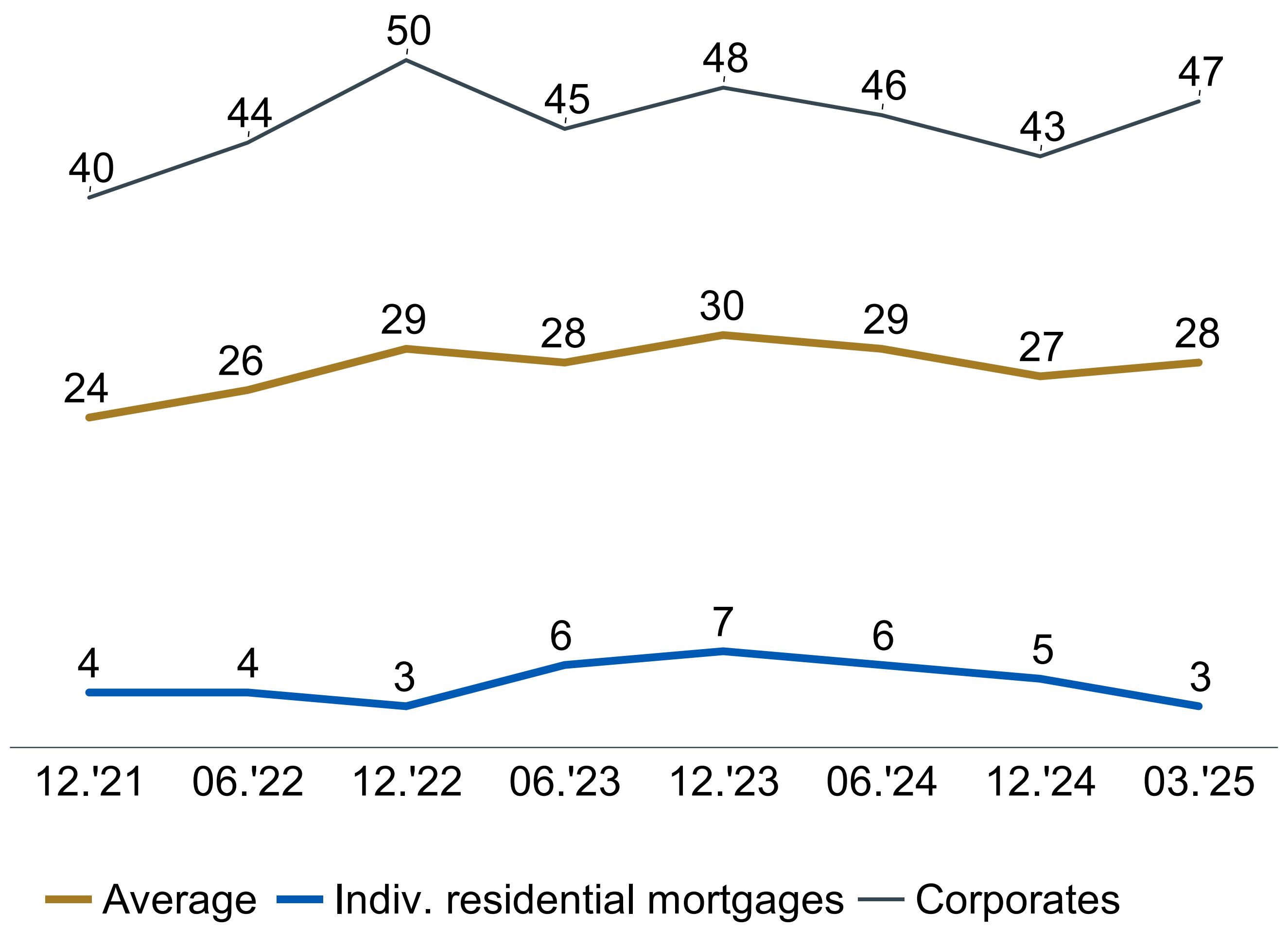
Development of problem loans, moratoria and forbearance
(% of total loan book)



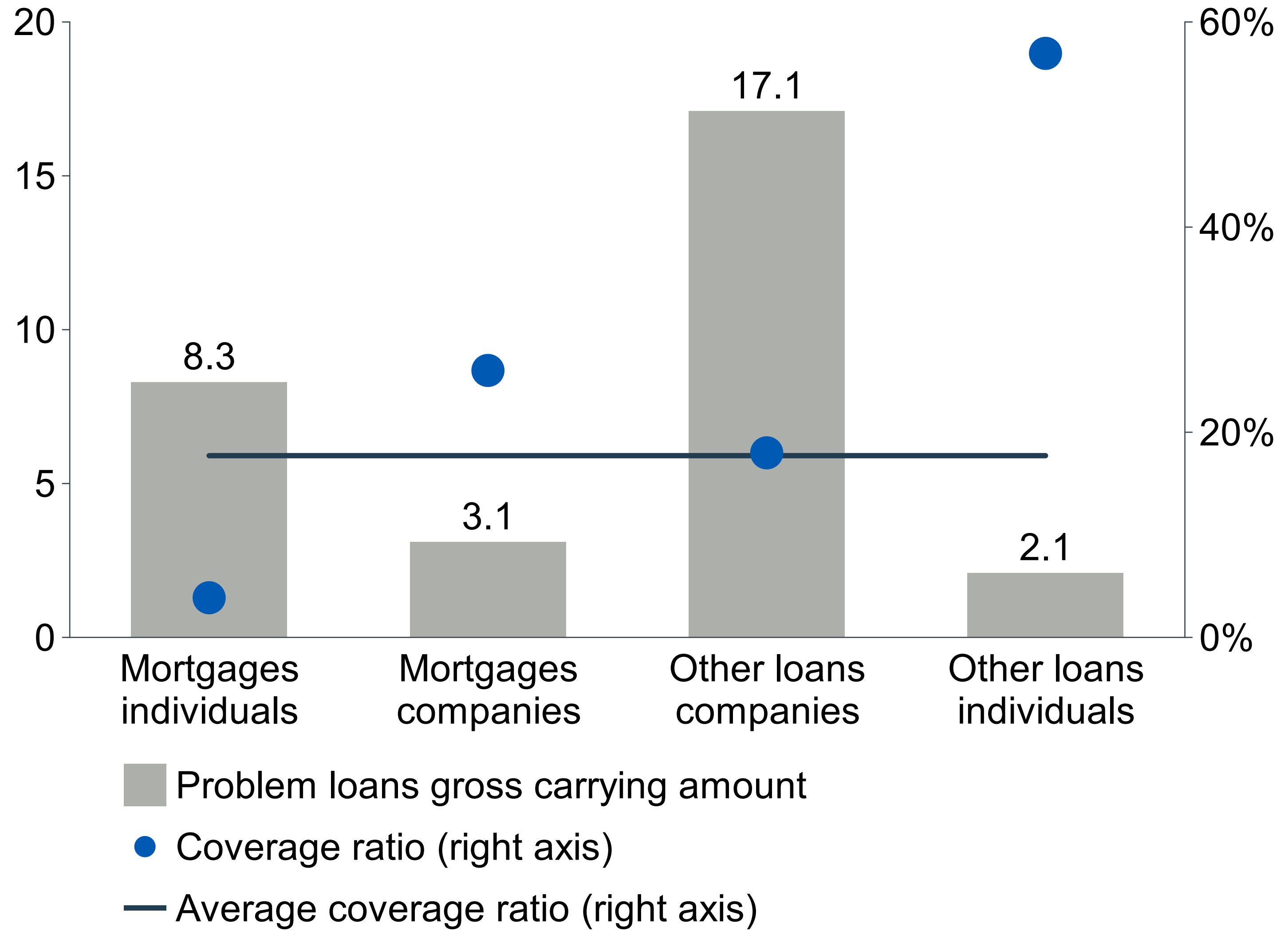
Development of problem loans ratio for loan portfolios
(% of relevant loan book)



12-month expected credit loss for performing loans to customers (on balance sheet) (bps)



Problem loan coverage breakdown* (ISK bn)

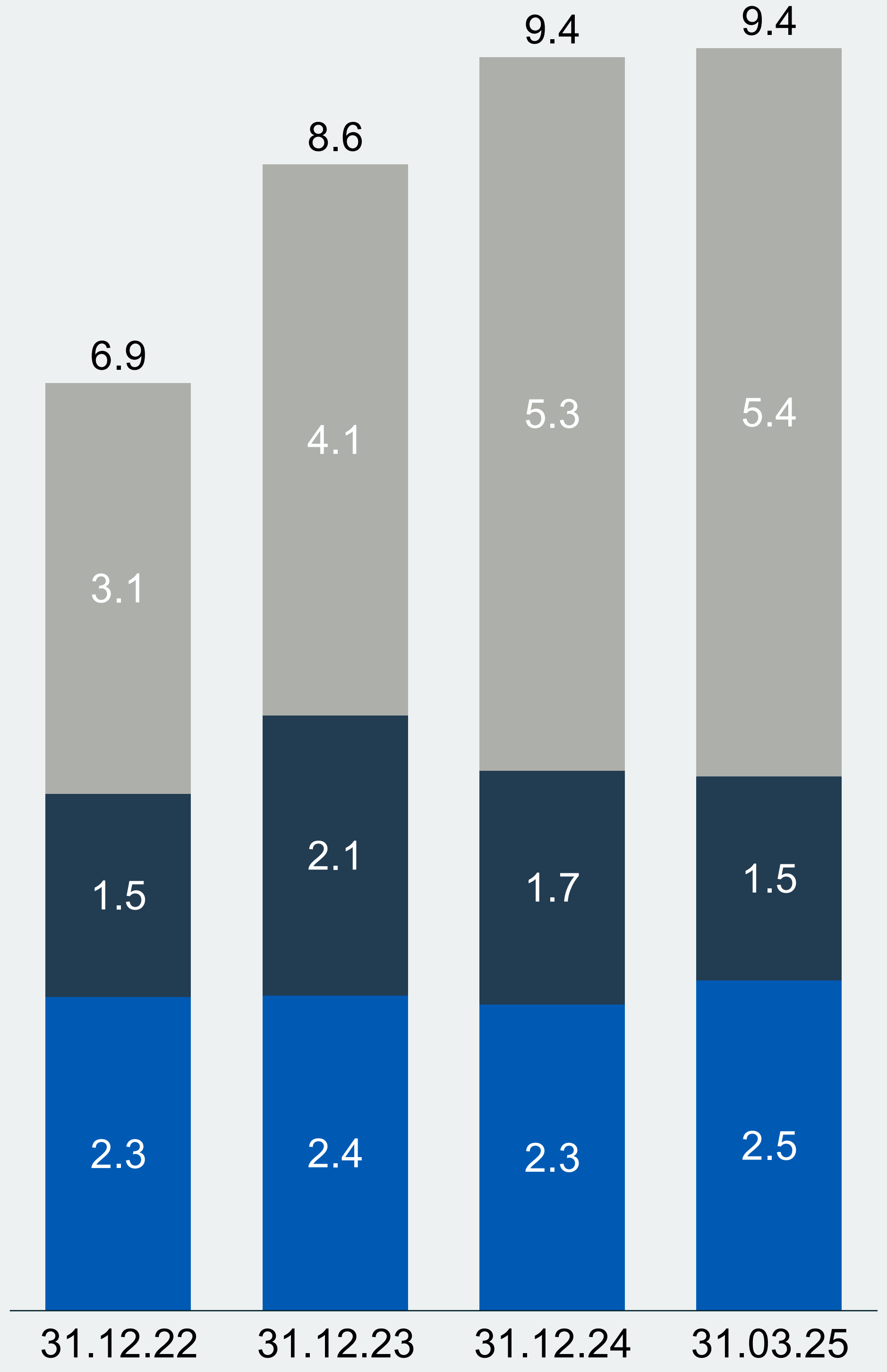


*Residential property development or secured by residential real estate or land

Loss allowance by IFRS 9 stages

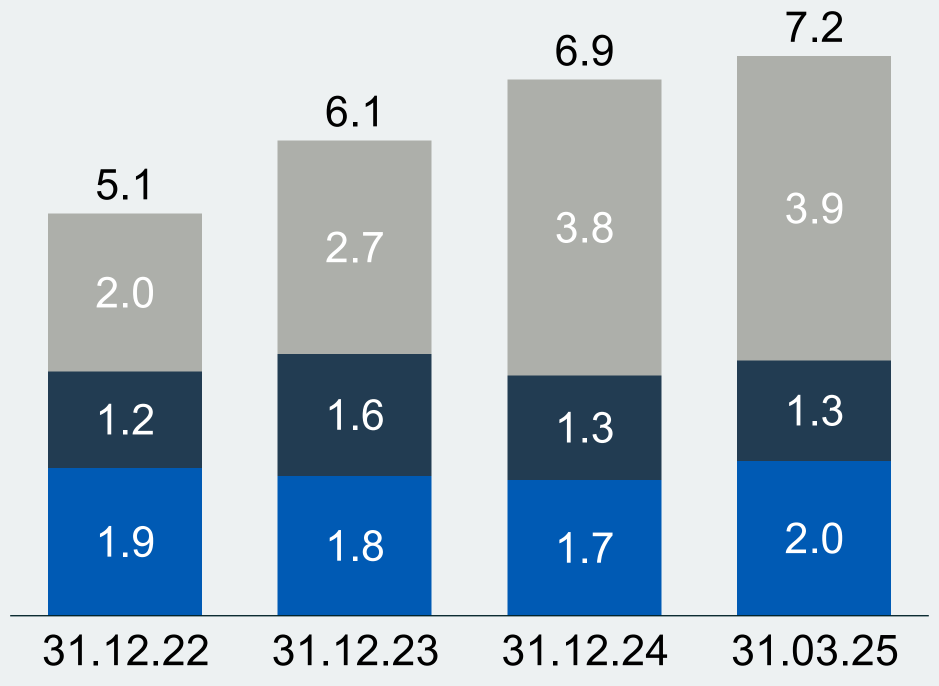
On loans to customers total (ISK bn)

Loans to customers are 0.76% provisioned at end of Q1, 0.75% at YE 2024



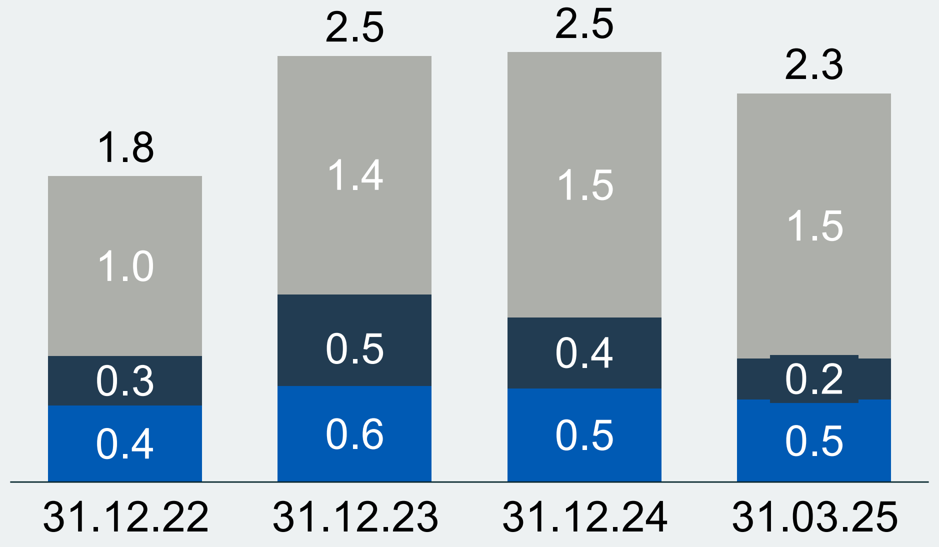
On loans to corporates (ISK bn)

Loans to corporates are 1.19% provisioned at end of Q1



On loans to individuals (ISK bn)

Loans to individuals are 0.35% provisioned at end of Q1



Stage 1 Stage 2 Stage 3

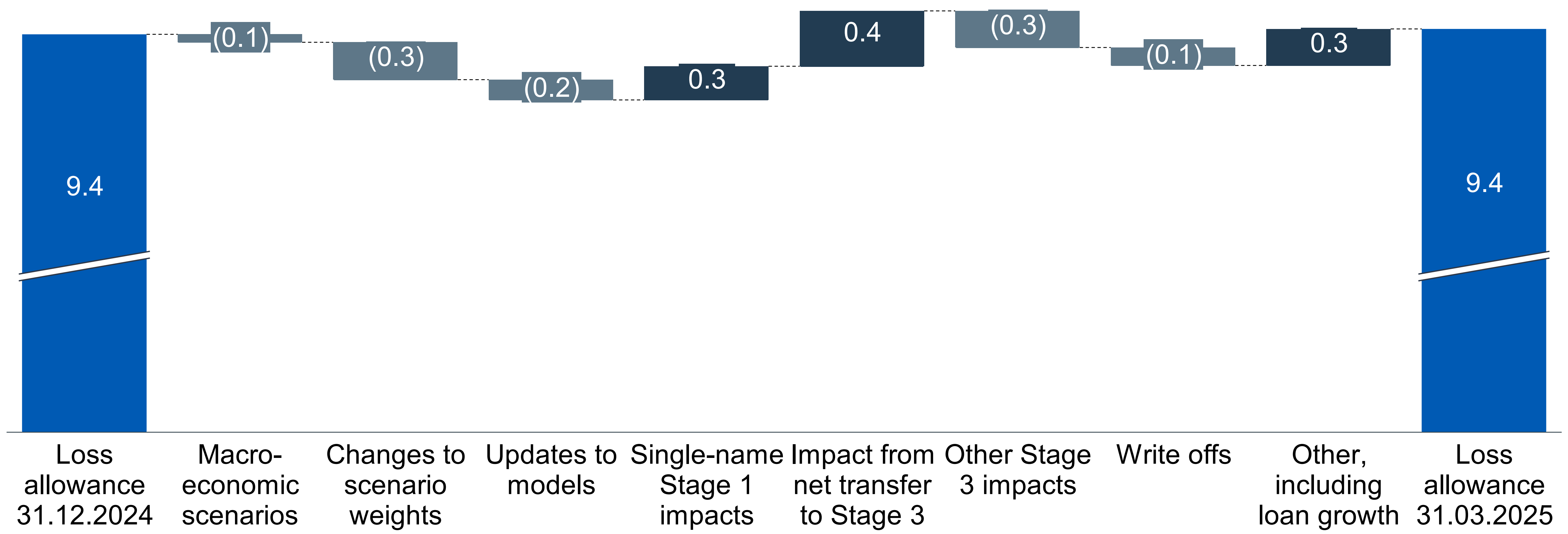
IFRS 9 economic scenarios and assumptions

As a result of receding inflation and monetary easing, the Bank has lowered the pessimistic scenario weight by 5% with corresponding increase to optimistic scenario weight. The weighting is still tilted toward the pessimistic scenario which is appropriate in light of trade war uncertainties

IFRS9 scenario likelihood	YE 2022	YE 2023	YE 2024	Q1 2025
Optimistic	10%	10%	10%	15%
Base case	65%	60%	60%	60%
Pessimistic	25%	30%	30%	25%

Changes to loss allowance on loans to customers YTD (ISK bn)

Included are FX changes and calculated interest on Stage 3 provision, which are not reflected in Net impairment line in the Income Statement. Off-balance impairments and effect of payments of loans previously written off are excluded from this analysis

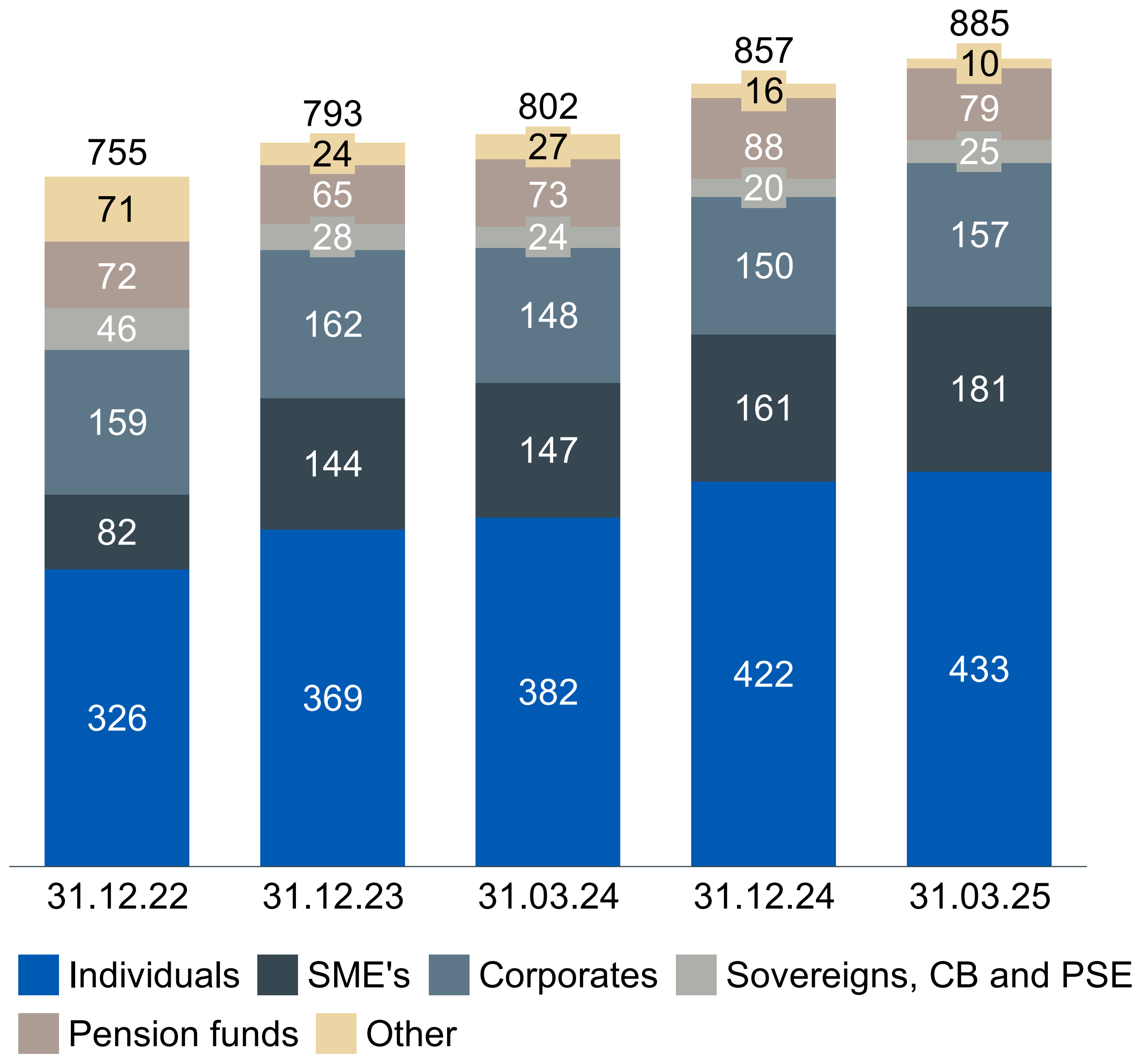


Deposits from customers

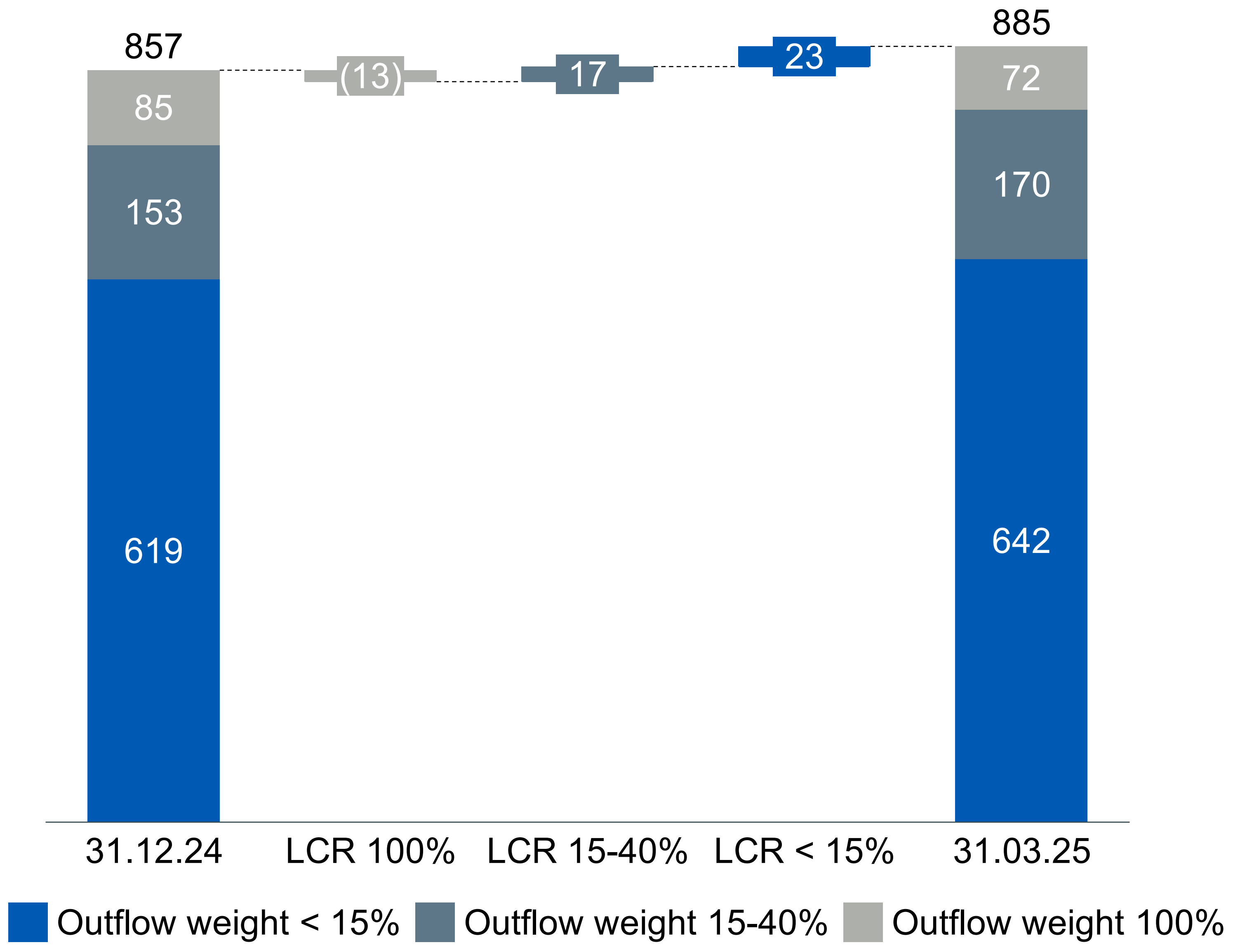
Continued momentum in stable deposits

- Deposits from customers of ISK 885bn represent 59% of the Bank's total liabilities
- YoY growth has primarily been in "stable" LCR categories and term deposits, reflecting the strategic focus
- Loans to deposits ratio of 139% at the end of the quarter and has been relatively stable over the last few years

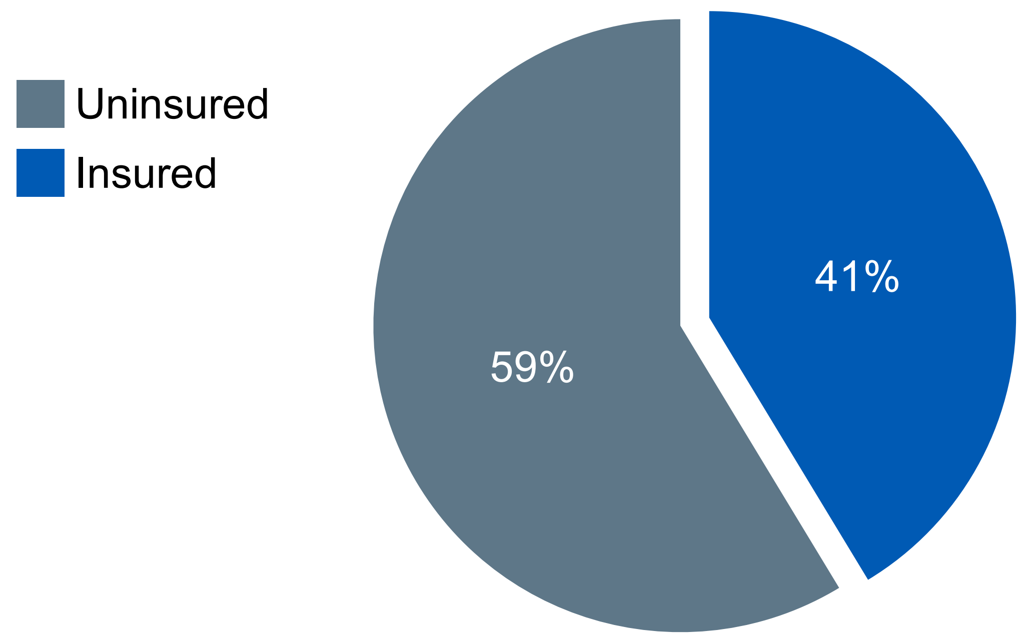
Deposits (ISK bn)



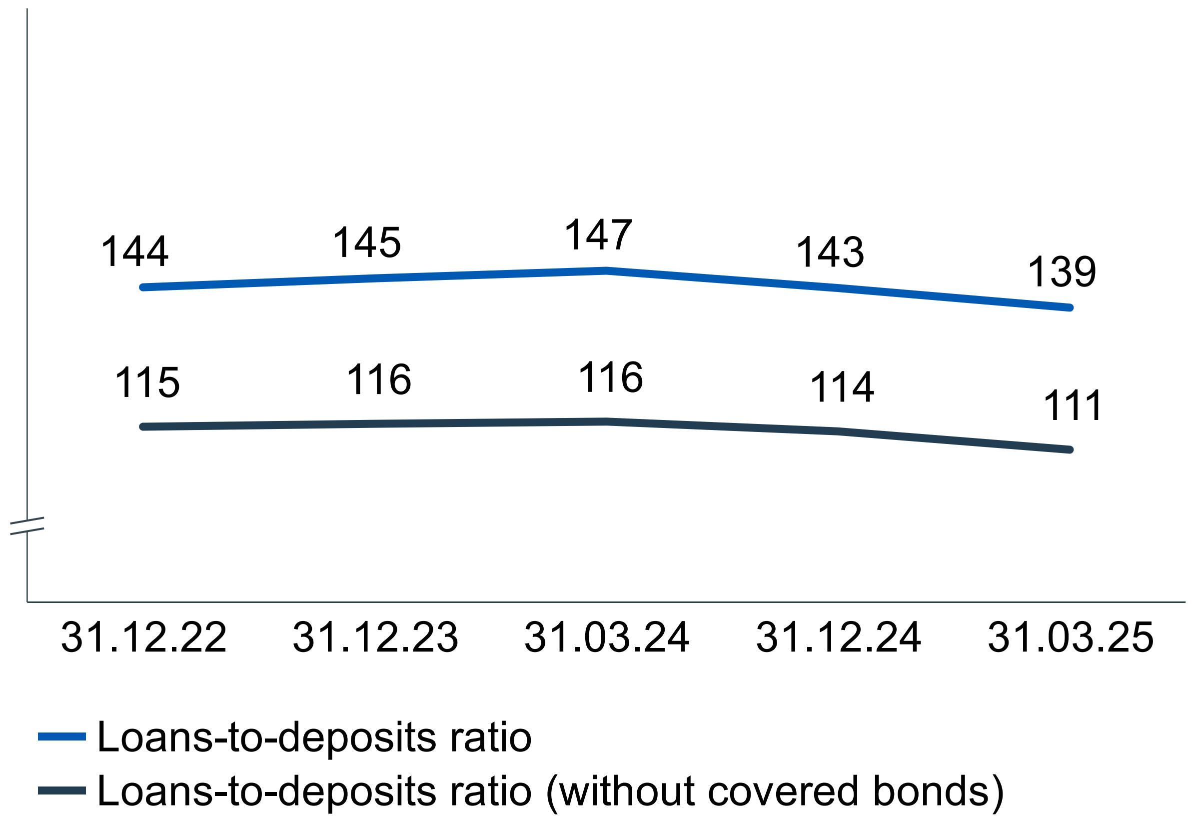
Deposit growth by LCR outflow category (ISK bn)



Deposits by insurance scheme



Loans to deposits ratio (%)

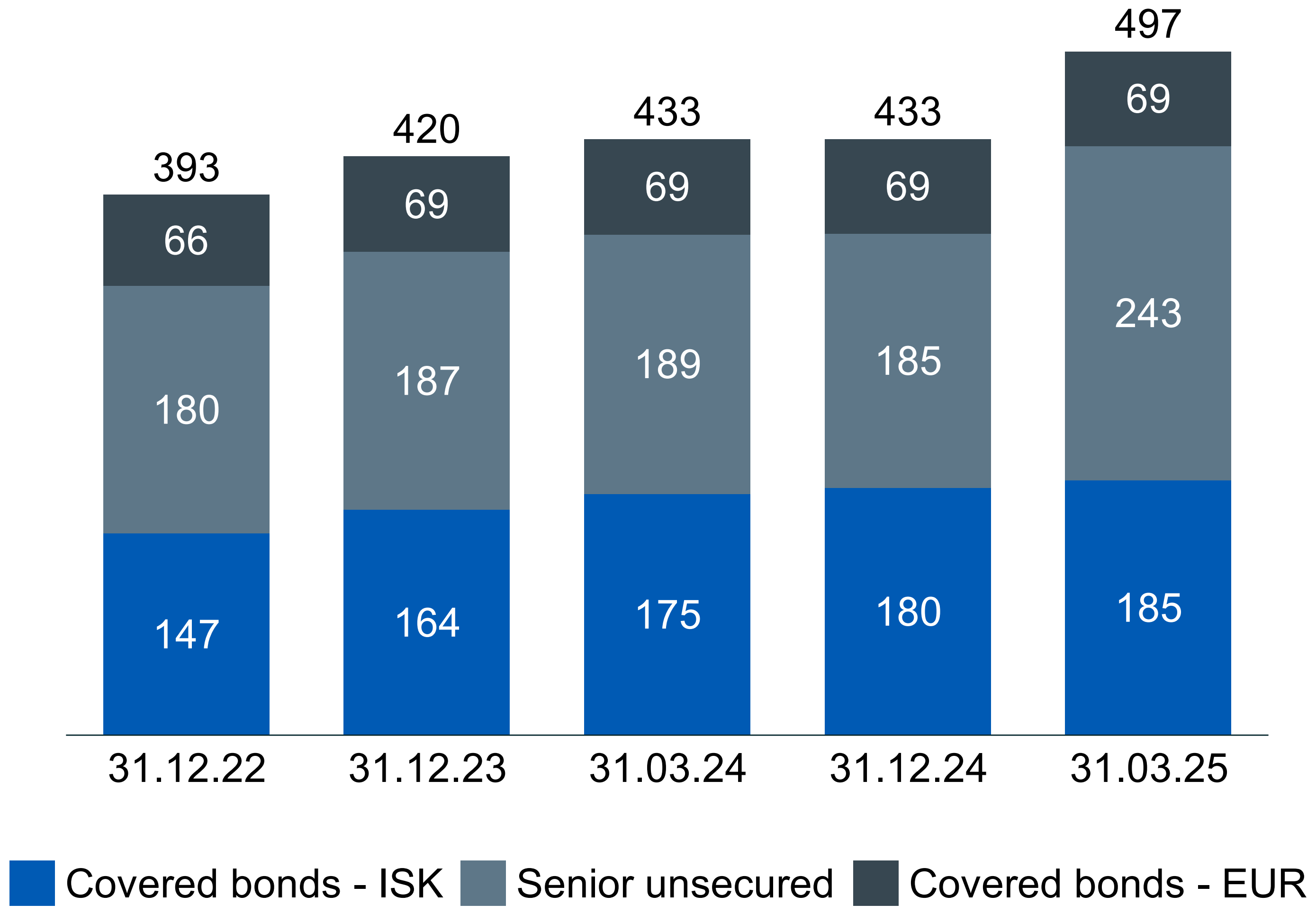


Funding and rating

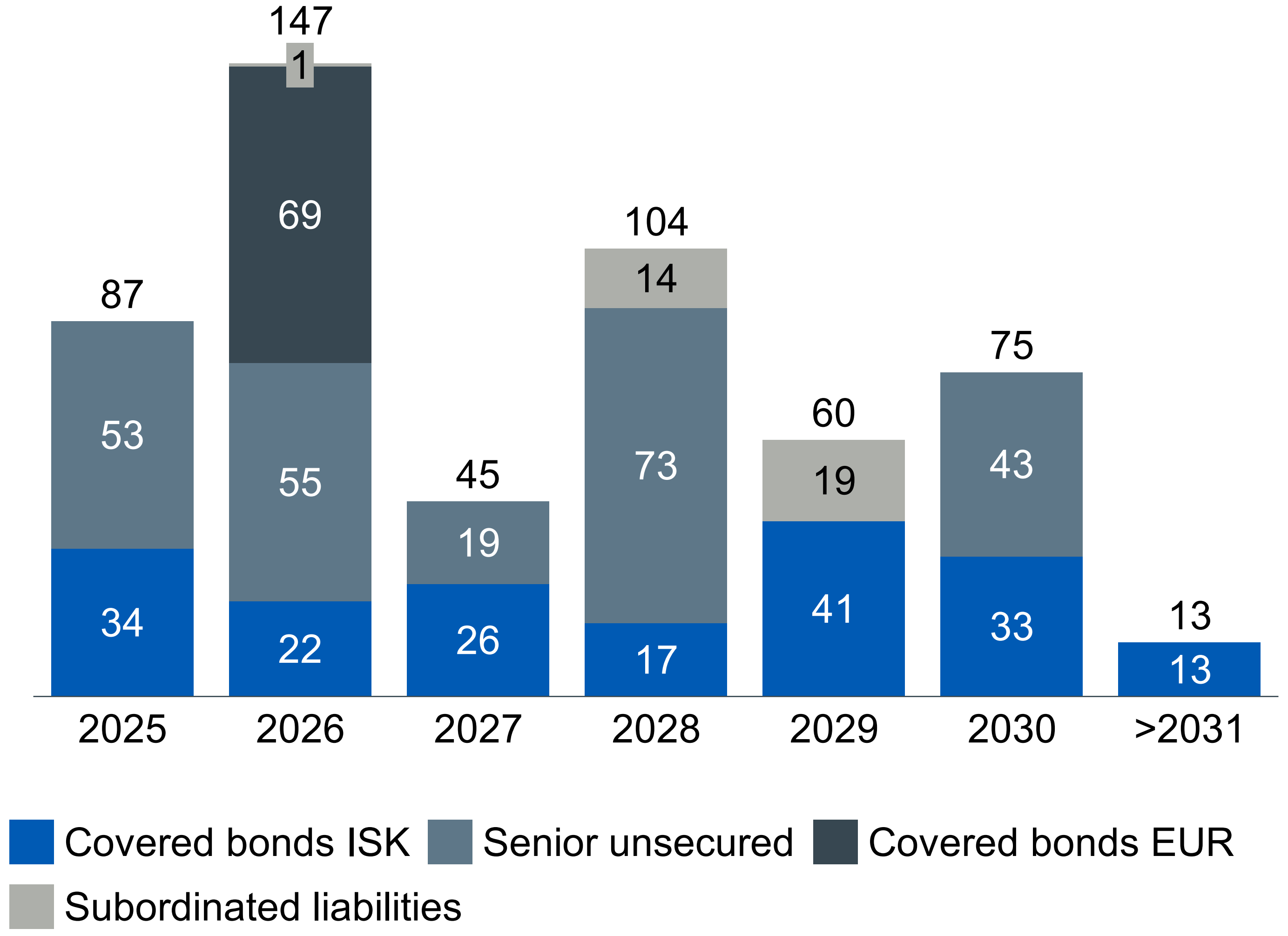
Majority of 2025 FX funding plan completed in the quarter

- Successful issuance of EUR 300m senior preferred notes in February
- In January, the Bank issued NOK 350 million and SEK 250 million senior preferred notes with a 3-year maturity
- Total issuance of ISK covered bonds in Q1 was ISK 4.1bn and total issuance of ISK senior preferred bonds was ISK 4.9bn

Borrowings by type (ISK bn)



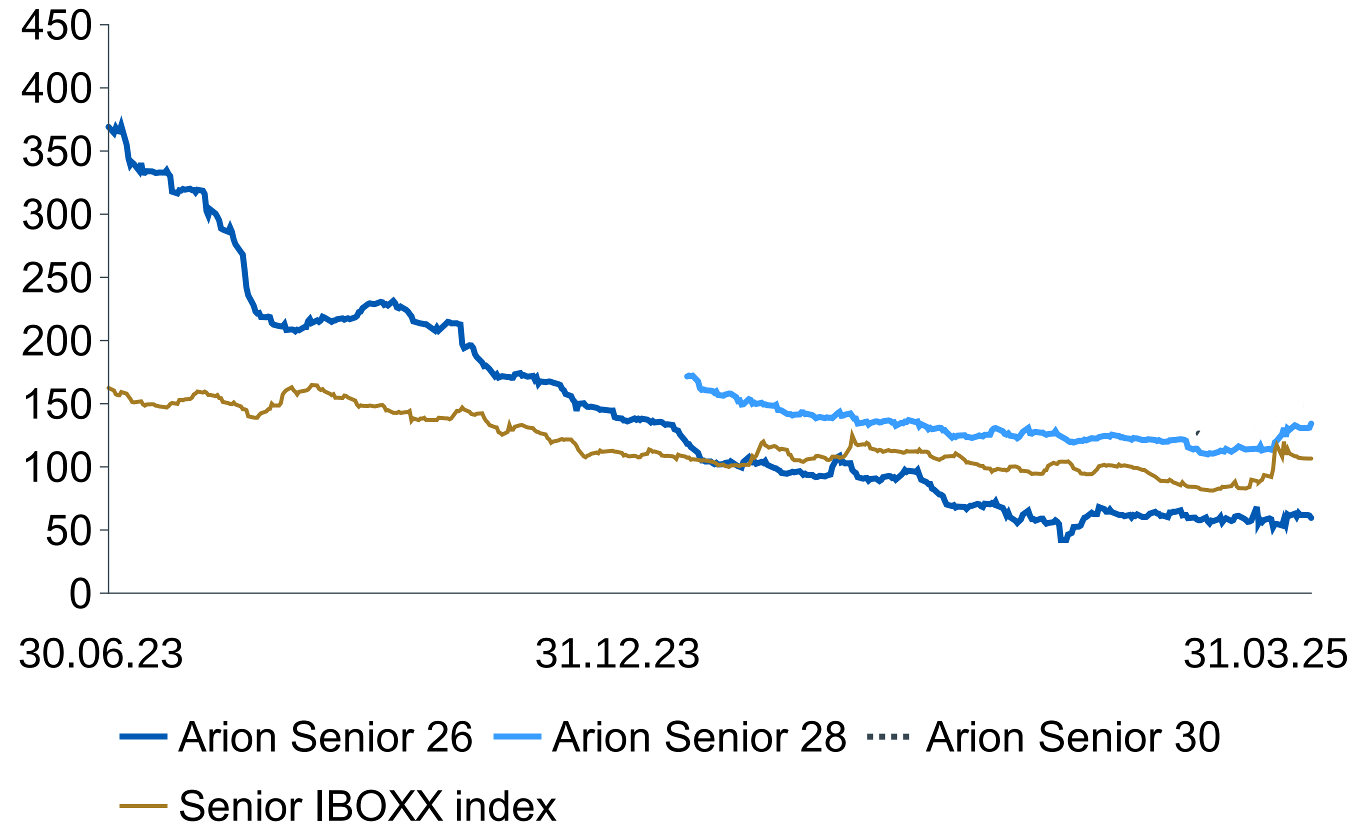
Maturities of borrowings and call dates on subordinated liabilities (ISK bn)



Ratings

MOODY'S		
Issuer - long term	A3	A1
Covered bond	Aa1	N/A
Outlook	Stable	Stable

Development of EUR funding spreads (bps)

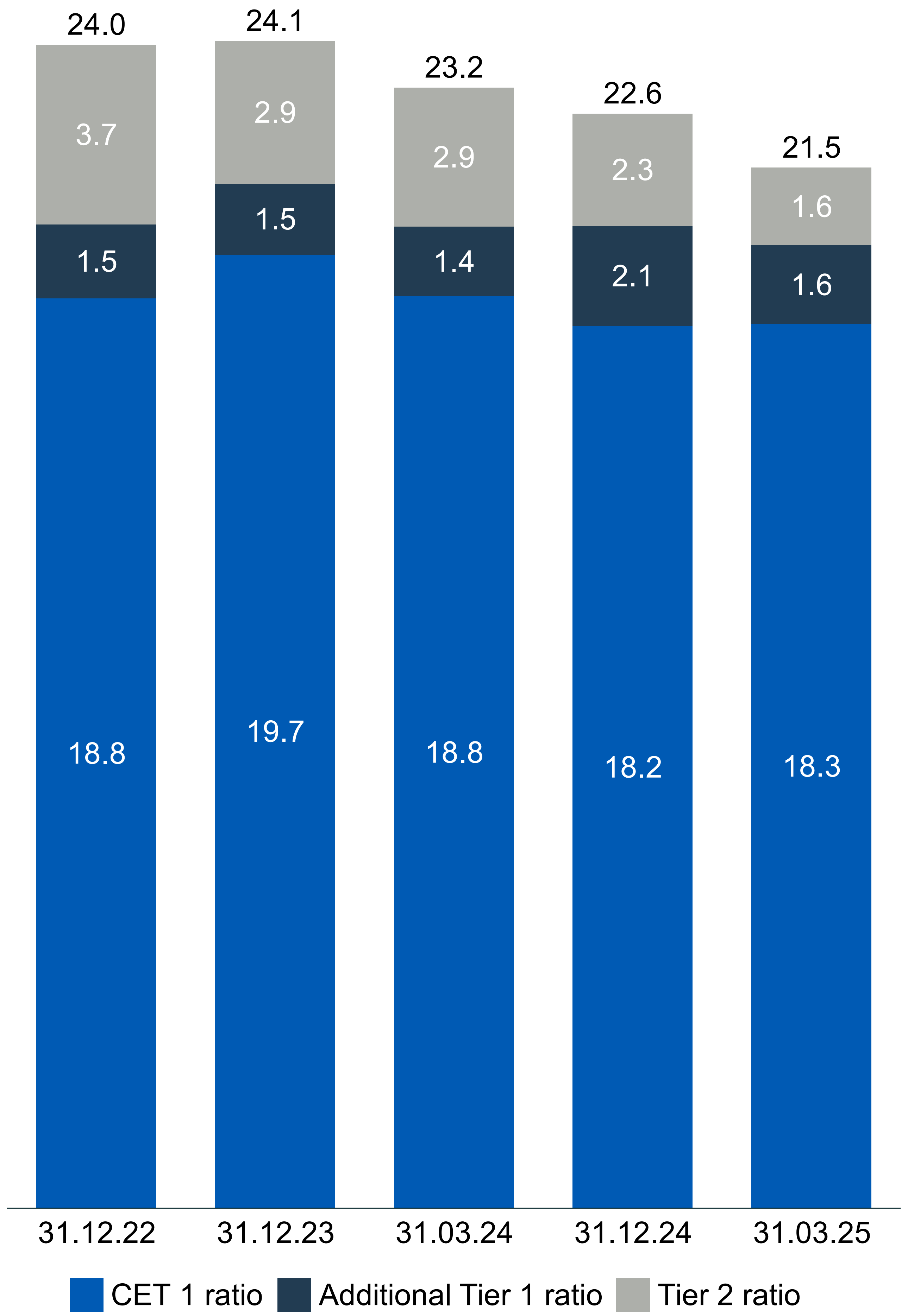


Own funds

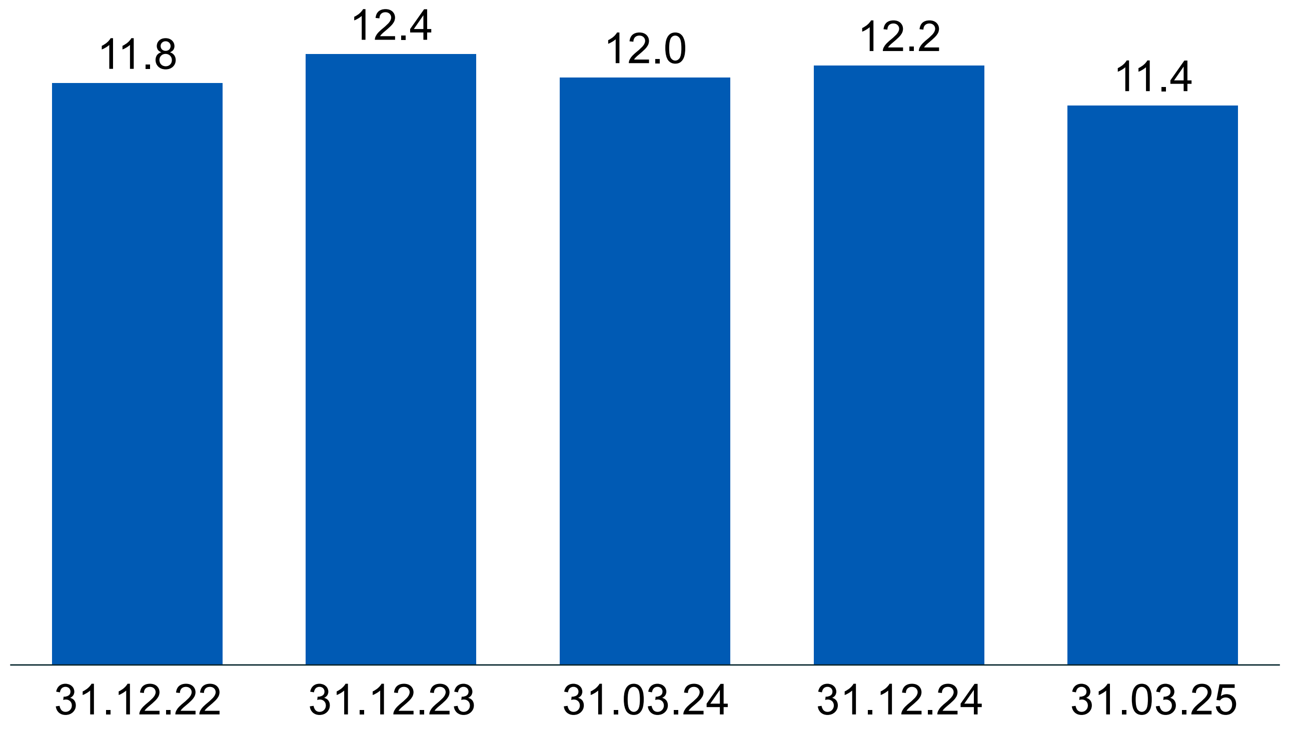
Strong capital position

- CET1 position is 297bps above regulatory requirement
- Leverage ratio of 11.4% significantly above most international peers
- The Resolution Authority of the Central Bank of Iceland presented the Bank with updated MREL requirements in October 2024
  - The MREL requirements are 19.6% of REA
  - At the end of the quarter the ratio was 29.9%
  - Additionally, the Resolution Authority has introduced a subordinated MREL requirement of 13.5% which will apply to the Bank from Q3 2027

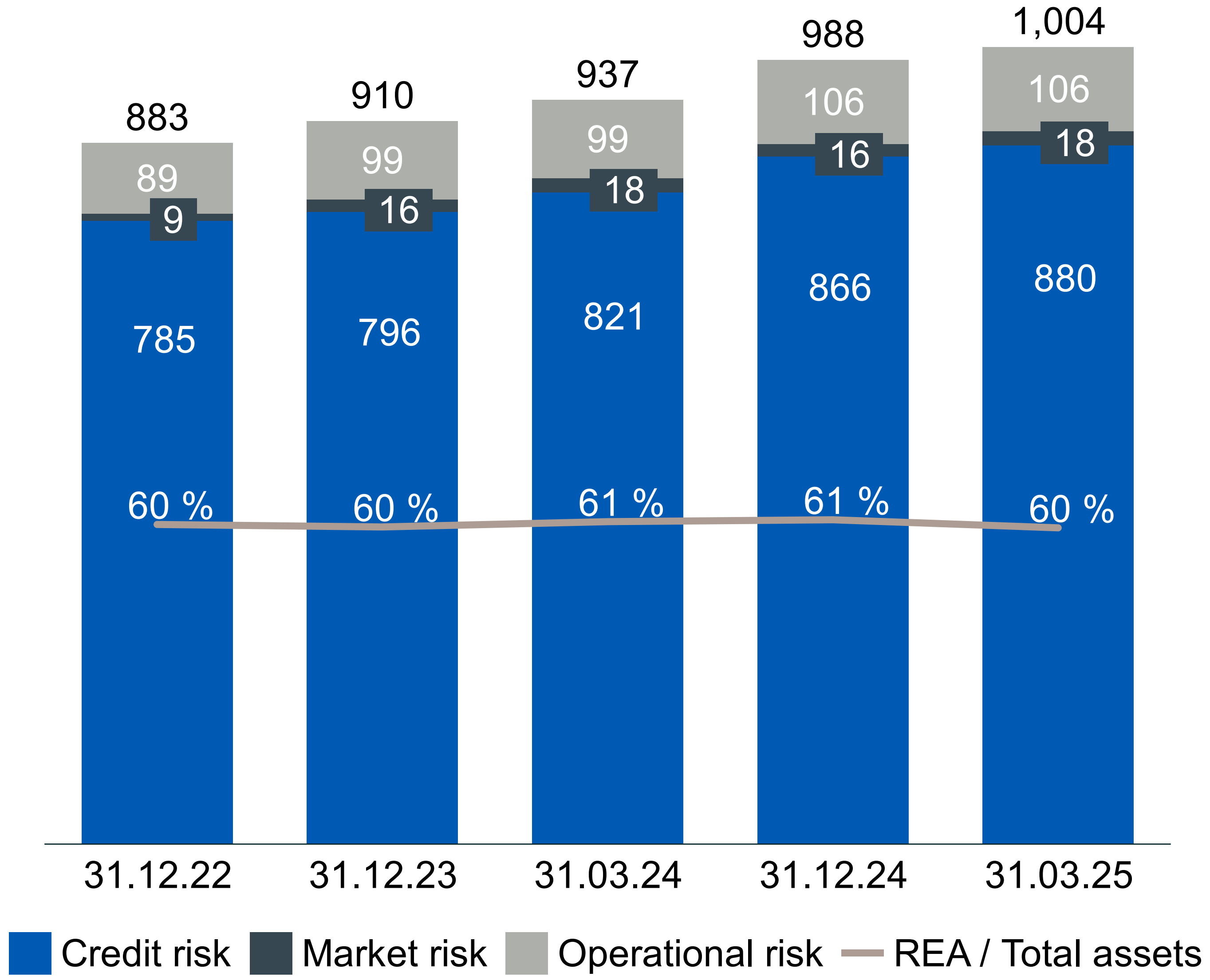
Capital ratio (%)



Leverage ratio (%)



Risk-weighted exposure amount (ISK bn)

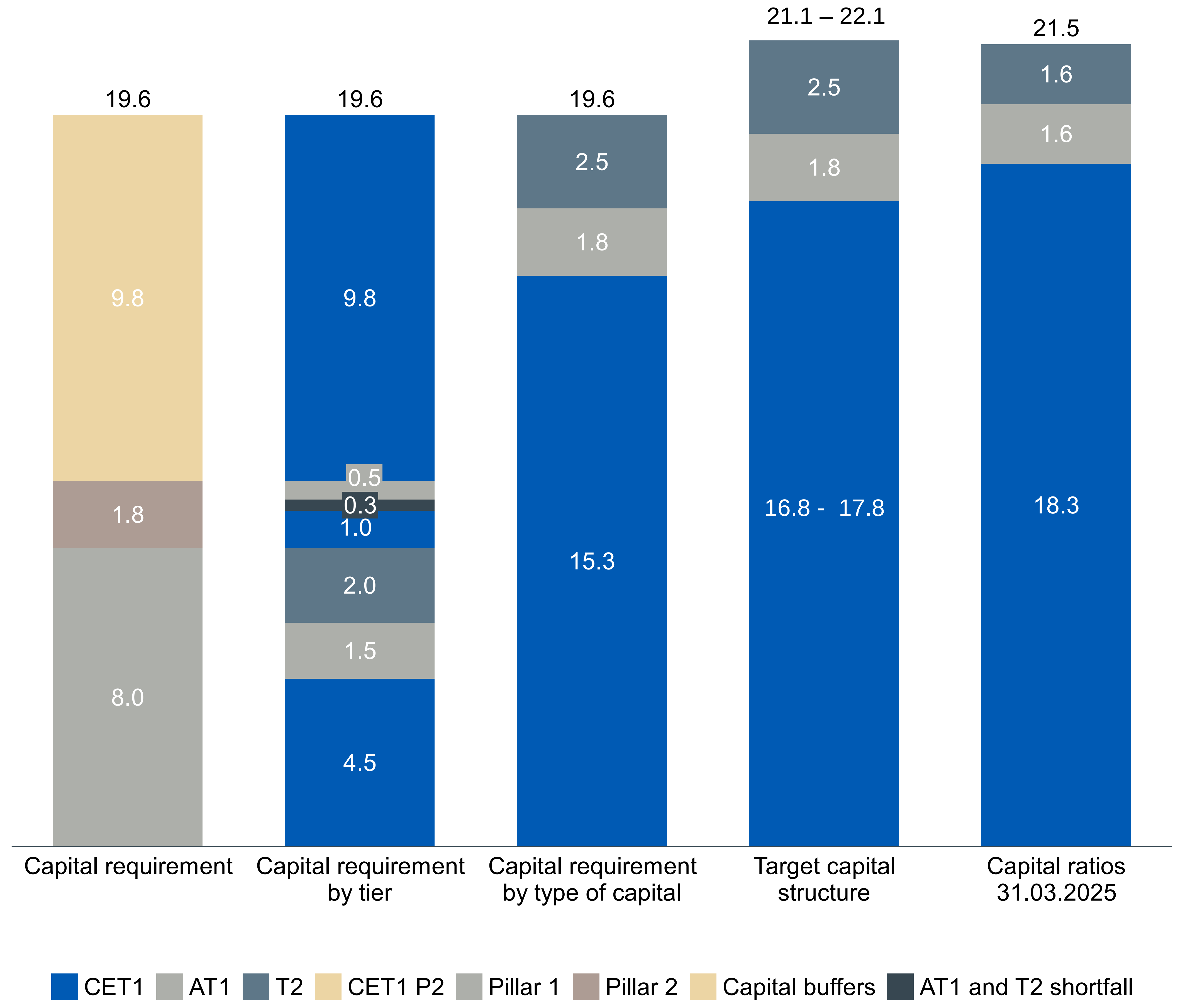


Own funds

Capital optimization progressing

- Q1 net earnings and foreseeable dividends of 50% of earnings are included in the capital ratios presented
- The Pillar 2 requirement is 1.8% as a result of the SREP process based on year-end 2023 financials
- The countercyclical buffer in Iceland is 2.5% as of 16 March 2024
- In December 2024, the systemic risk buffer was lowered from 3% to 2% and the buffer for systemically important institutions raised from 2% to 3%
- The medium-term capital management buffer target is around 150-250bps over regulatory requirements which considers the capital benchmarks of credit rating agencies
- There is capacity for further Tier 2 issuance which is expected to be utilized in parallel with further optimization of CET1 level
- The solvency ratio of Vördur insurance is 165.4%

Own funds and capital requirements (%)

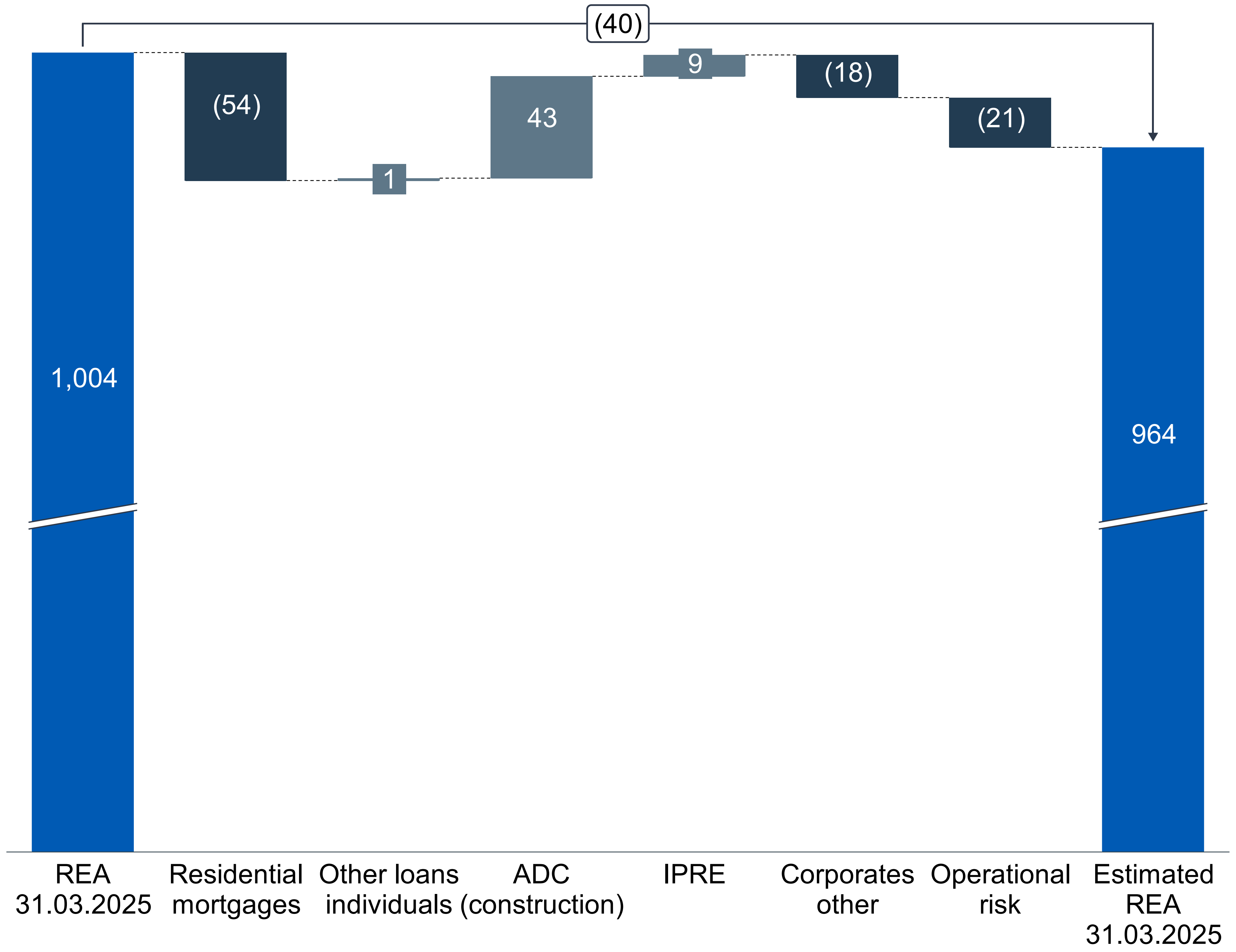


CRR3

Immediate reduction in REA estimated at around ISK 40bn as of Q2 2025*

- Primary drivers:
  - Increased risk-sensitivity for exposures secured by real estate. Risk weights for residential mortgages with LTV below 55% are reduced from 35% to 20%
  - Construction exposure (ADC) will for the most part incur 150% risk weight as per EBA's draft on risk-mitigation conditions for residential property. It is possible that some ADCs will receive 100% risk weight, but EBA has not published its final report
  - For IPRE (income producing real estate), the whole loan approach is used. It is possible that the split loan approach will be allowed at some point in Iceland, which would result in capital relief for the segment
  - For other corporates, there will be less restrictions to use real estate collateral for credit risk mitigation and lower risk weights for specialized lending under certain conditions
  - For operational risk, the business indicator will be multiplied by 12% due to the small size of the Bank and the contribution from net interest income is capped
  - Changes to market risk have been postponed so an estimate for that is not included
- Several further changes will then entail increased capital requirements that are transitioned over time. Therefore, the long-term impact is likely lower than the initial decrease
- The long-term impact is influenced by balance sheet development and may also result in a lower Pillar 2 requirements so net result still uncertain. For example:
  - REA relief for real estate backed loans will be reduced over time as revaluation of real estate collateral is restricted unless when loan is refinanced
  - REA for equity positions in the banking book to increase from 100% to 250% over 5 years
  - REA for off-balance sheet items will increase over 8 years or longer

Estimated initial effect of CRR3 implementation on REA (ISK bn)



* Some uncertainty remains regarding several aspects of the implementation of CRR3, so these numbers are still best estimates.

Going forward

Operational momentum

- Solid start to the year demonstrates good momentum in core earnings
- The Group benefits from diversified and seasoned businesses and has demonstrated ability to deliver on targets through the cycle

External environment

- Cautious stance as to evolving external rate and economic environment
- Positive milestones in lowering policy rates and reduced inflation

Balance sheet

- Very strong balance sheet position with ability to capture growth opportunities
- Strong milestones in capital optimization and expect to reach target levels over the coming year

Key figures*

Operations	Q1 2025	Q1 2024	Q1 2023	Q1 2022	Q1 2021	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Net interest income	12,166	11,245	10,994	9,476	7,342	12,166	11,246	11,863	11,948	11,245
Net commission income	4,536	3,365	4,451	3,556	3,277	4,536	4,136	3,880	3,979	3,365
Operating income	19,041	14,474	15,539	14,020	13,097	19,041	17,906	17,486	16,585	14,474
Operating expenses	(6,601)	(6,554)	(6,470)	(12,420)	(12,602)	(6,601)	(8,601)	(6,021)	(7,152)	(6,554)
Net earnings attributable to shareholders	6,421	4,444	6,286	5,928	6,038	6,421	8,290	7,871	5,505	4,444
Return on equity**	12.8%	9.1%	13.7%	13.0%	12.5%	12.8%	16.4%	16.1%	11.5%	9.1%
Net interest margin	3.1%	3.1%	3.1%	3.1%	2.7%	3.1%	2.9%	3.1%	3.2%	3.1%
Return on assets	1.9%	1.2%	1.7%	1.8%	2.1%	1.9%	2.1%	2.0%	1.4%	1.2%
Cost-to-core income ratio	42.6%	48.4%	46.8%	47.4%	53.6%	42.6%	57.5%	37.5%	46.2%	48.4%
Cost-to-income ratio	34.7%	45.3%	41.6%	39.8%	46.2%	34.7%	48.0%	34.4%	43.1%	45.3%
Cost-to-total assets	1.6%	1.7%	1.7%	1.7%	2.1%	1.6%	2.1%	1.5%	1.8%	1.7%

Balance Sheet	31.03.2025	31.12.2024	31.12.2023	31.12.2022	31.12.2021	31.03.2025	31.12.2024	30.09.2024	30.06.2024	31.03.2024
Total assets	1,686,655	1,618,267	1,525,672	1,465,609	1,310,710	1,686,655	1,618,267	1,605,717	1,568,789	1,544,432
Loans to customers	1,234,006	1,230,058	1,152,789	1,084,757	936,237	1,234,006	1,230,058	1,220,424	1,202,616	1,178,700
Mortgages	570,860	570,842	549,371	513,605	463,457	570,860	570,842	580,813	575,229	558,692
Share of stage 3 loans, gross	2.5%	2.3%	1.7%	1.2%	1.9%	2.5%	2.3%	2.4%	2.1%	1.9%
REA/ Total assets	59.5%	61.0%	59.7%	60.1%	61.9%	59.5%	61.0%	60.4%	60.7%	60.7%
CET 1 ratio	18.3%	18.2%	19.7%	18.8%	19.6%	18.3%	18.2%	18.8%	18.5%	18.8%
Leverage ratio	11.4%	12.2%	12.4%	11.8%	12.7%	11.4%	12.2%	12.0%	11.9%	12.0%
Liquidity coverage ratio	186.4%	180.6%	191.8%	158.5%	202.8%	186.4%	180.6%	178.6%	154.4%	143.6%
Loans to deposits ratio	139.5%	143.5%	145.4%	143.6%	142.8%	139.5%	143.5%	143.8%	142.0%	147.0%

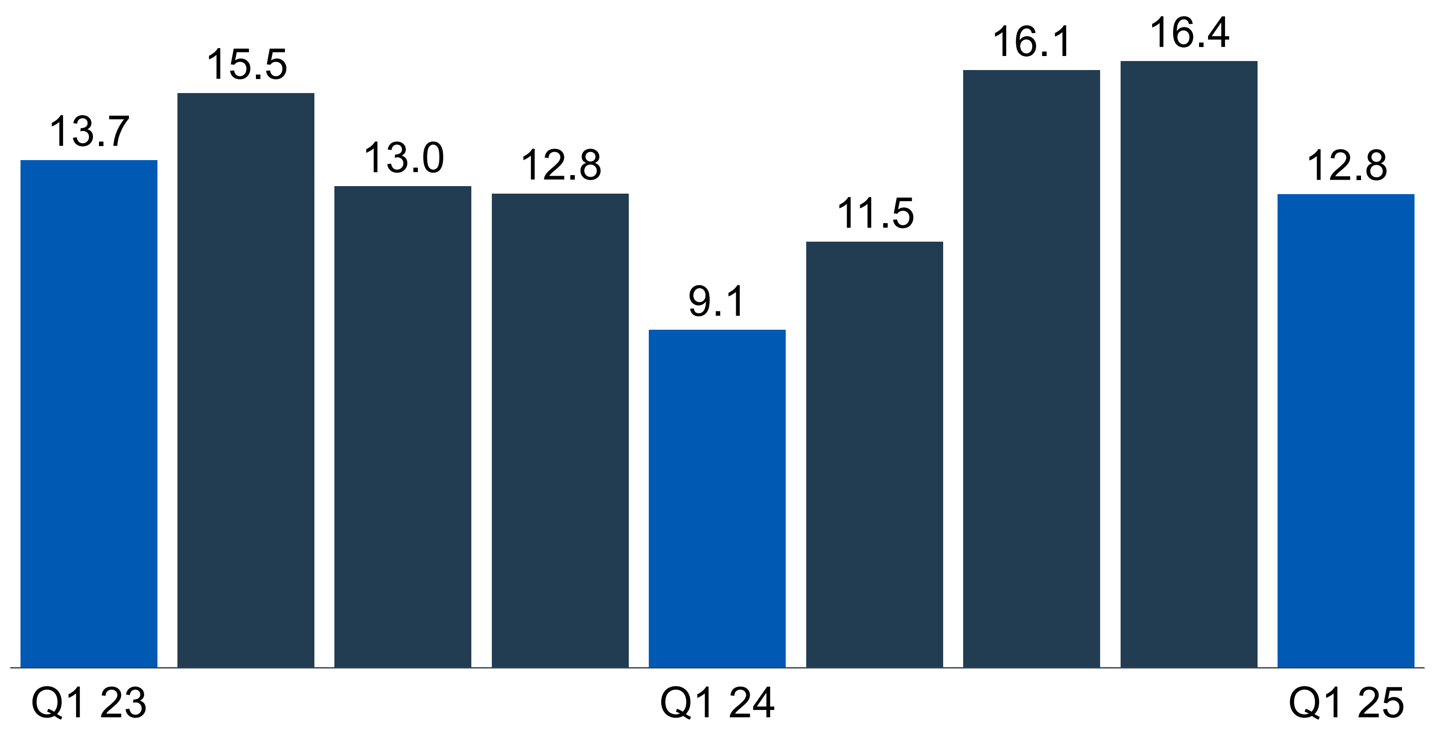
*Figures for periods prior to 2022 have not been restated according to IFRS 17

**Attributable to shareholders of Arion Bank

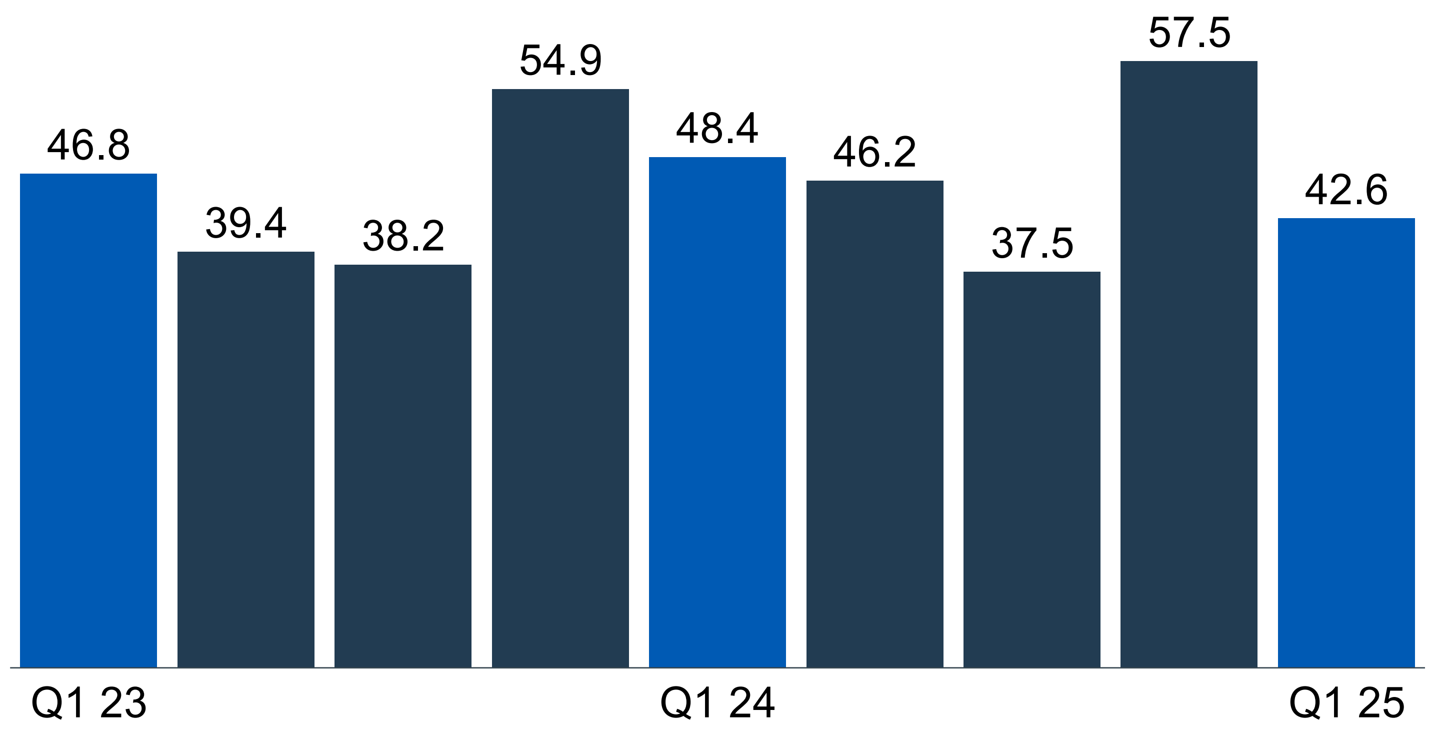
All amounts in ISK million

Key financial indicators - quarterly

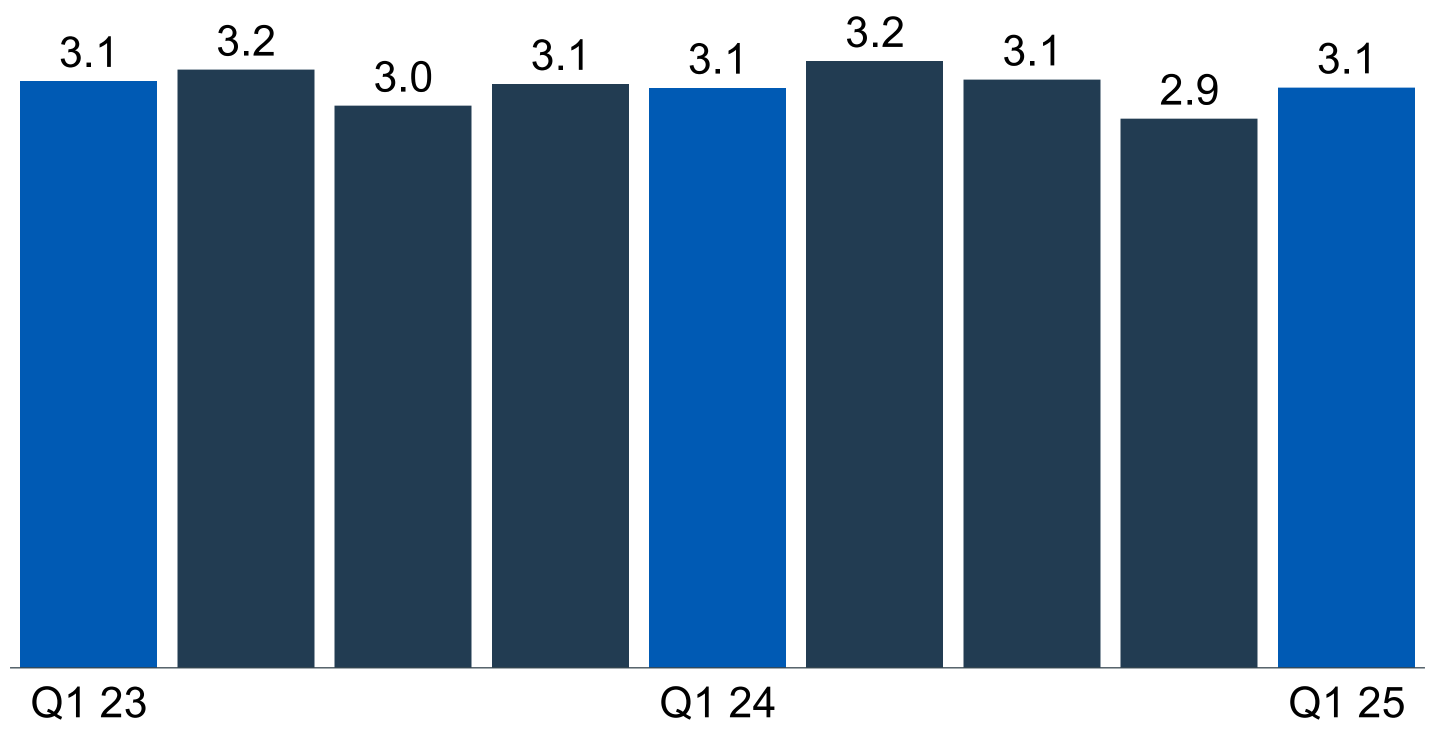
Return on equity (%)



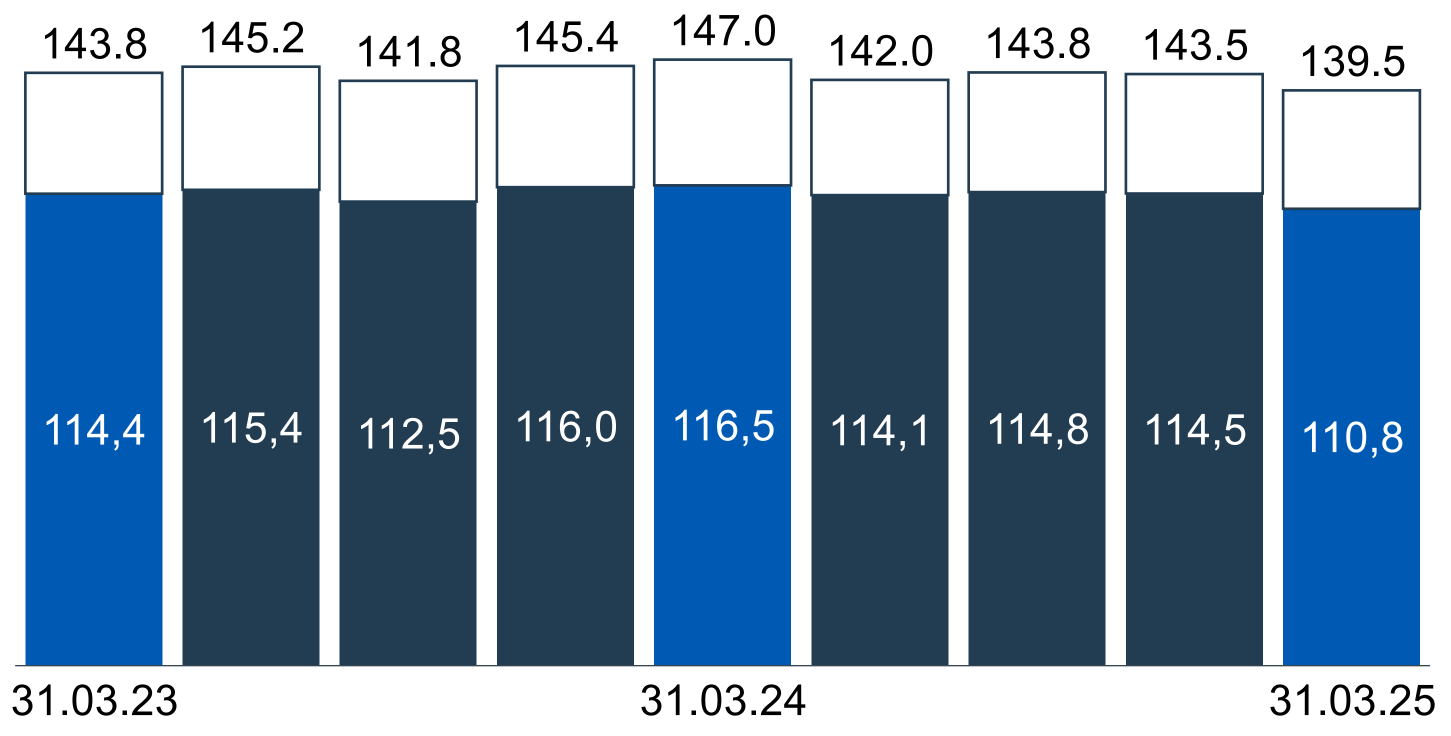
Total cost-to-Core income ratio (%)



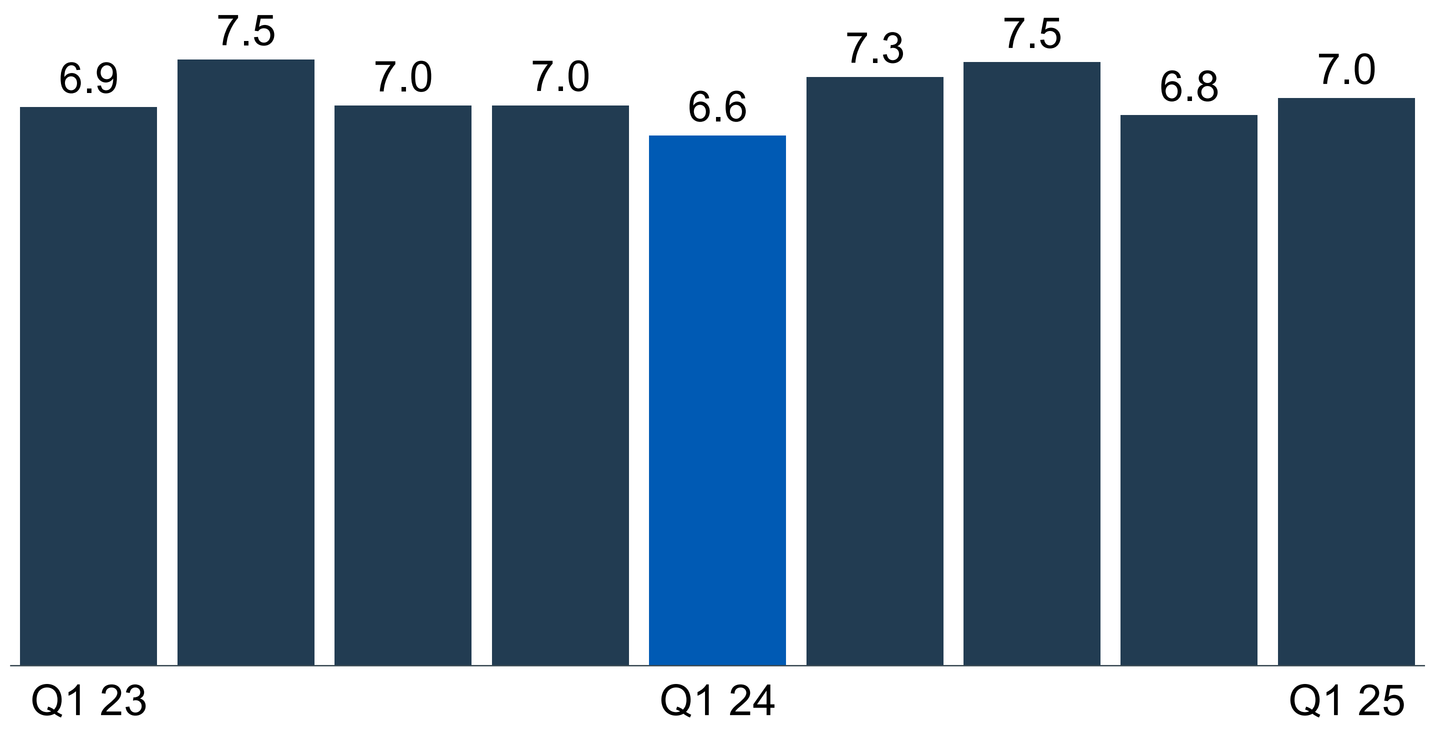
Net interest margin (%)



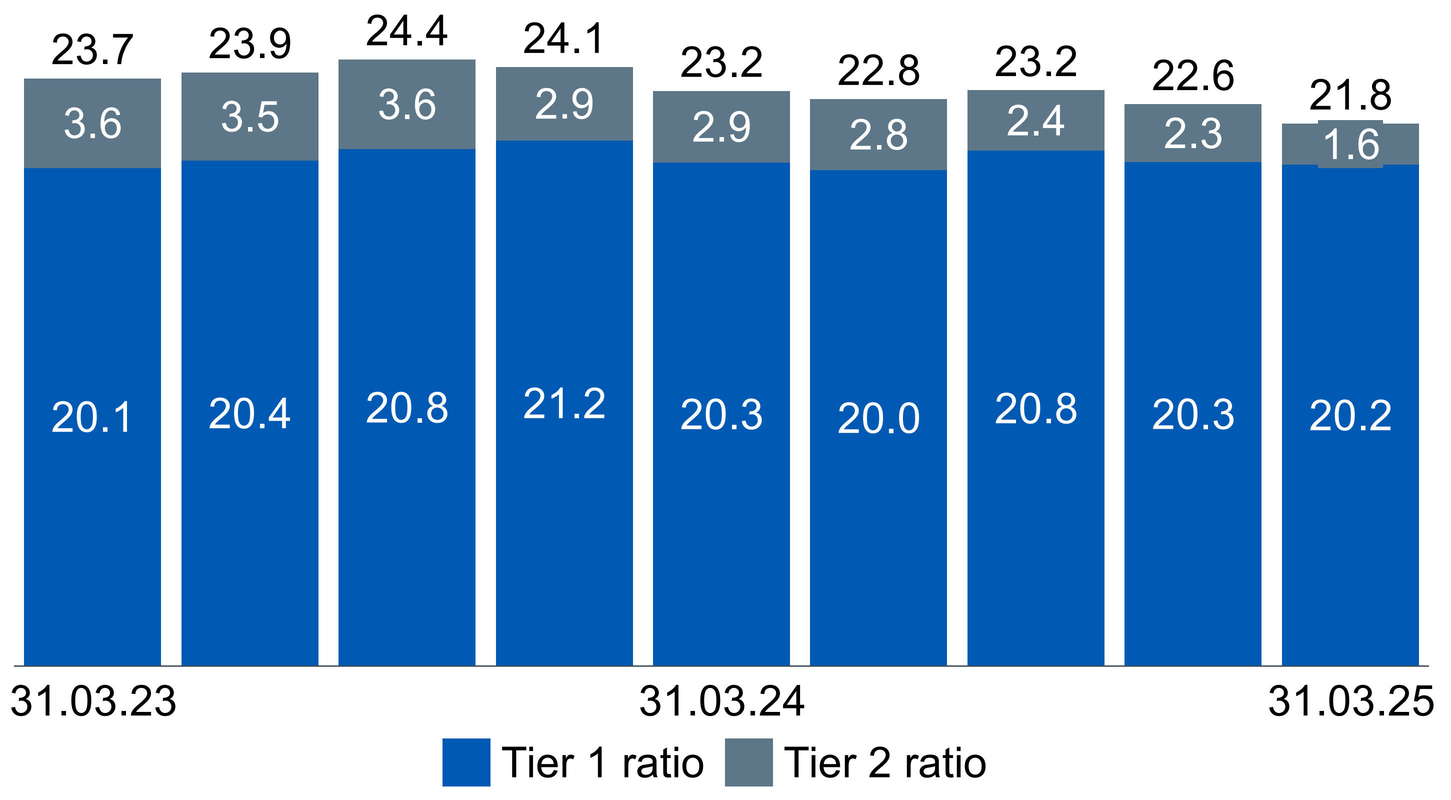
Loans to deposits ratio (%)
(without loans financed by covered bonds)



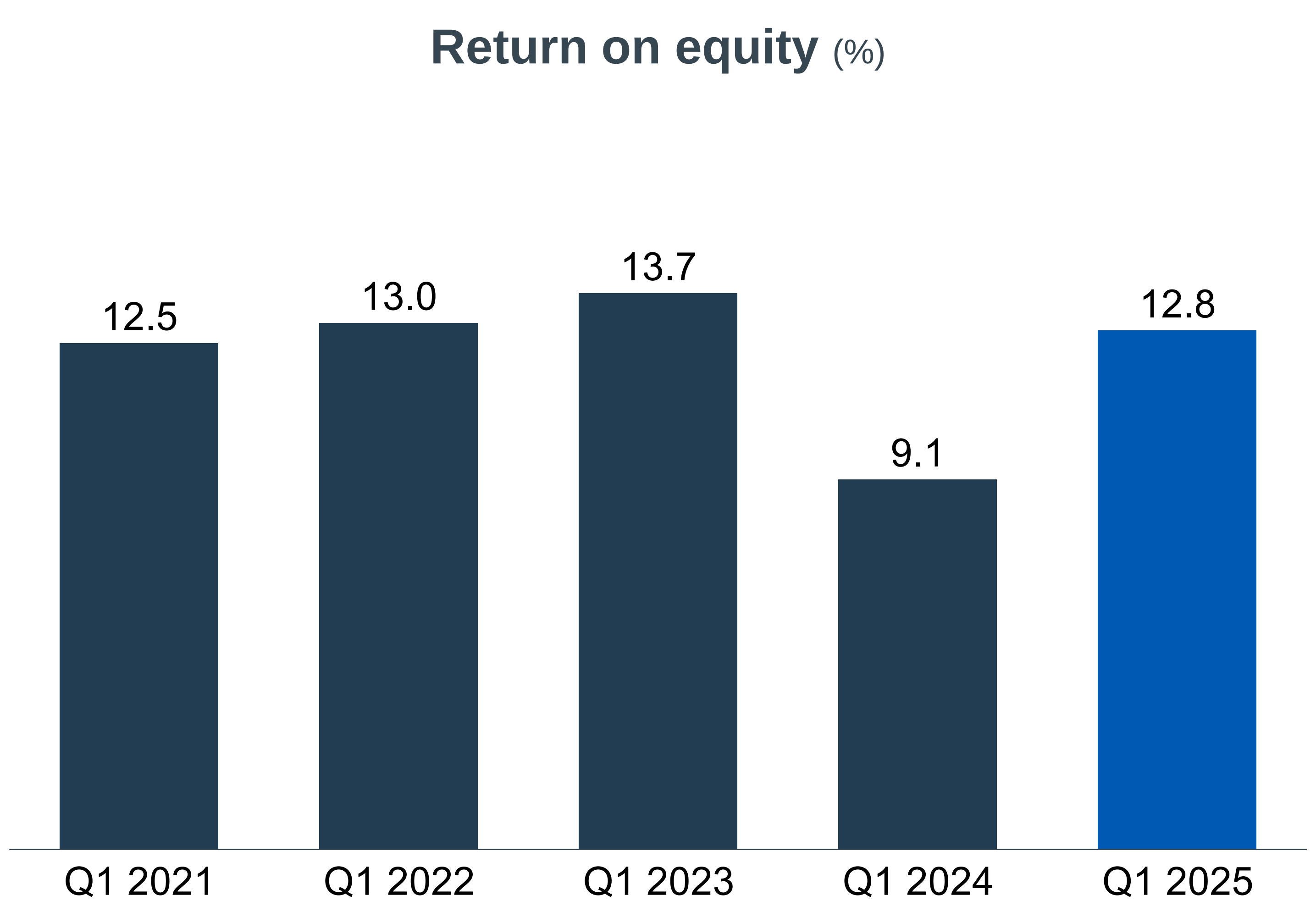
Core operating income / REA (%)

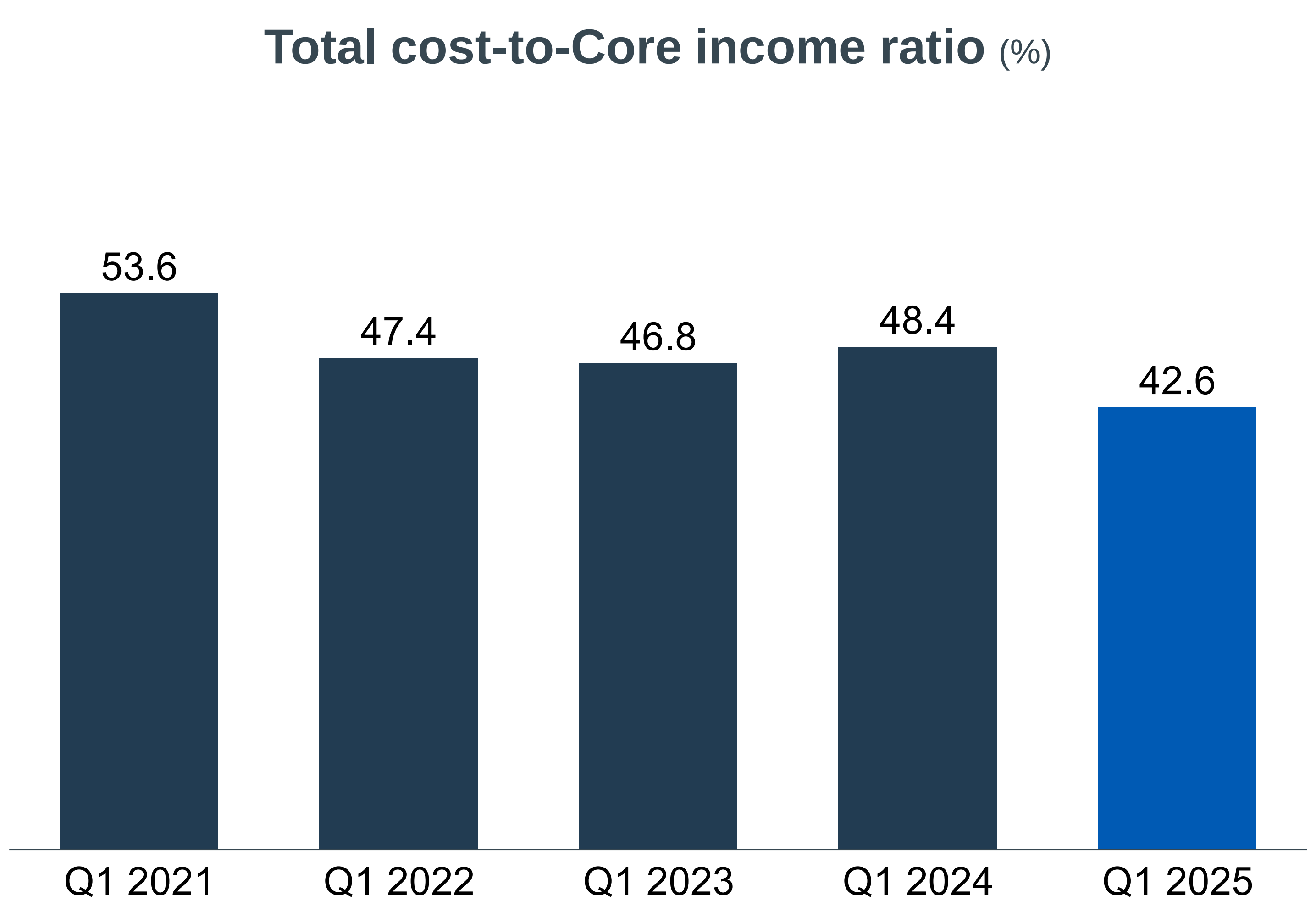


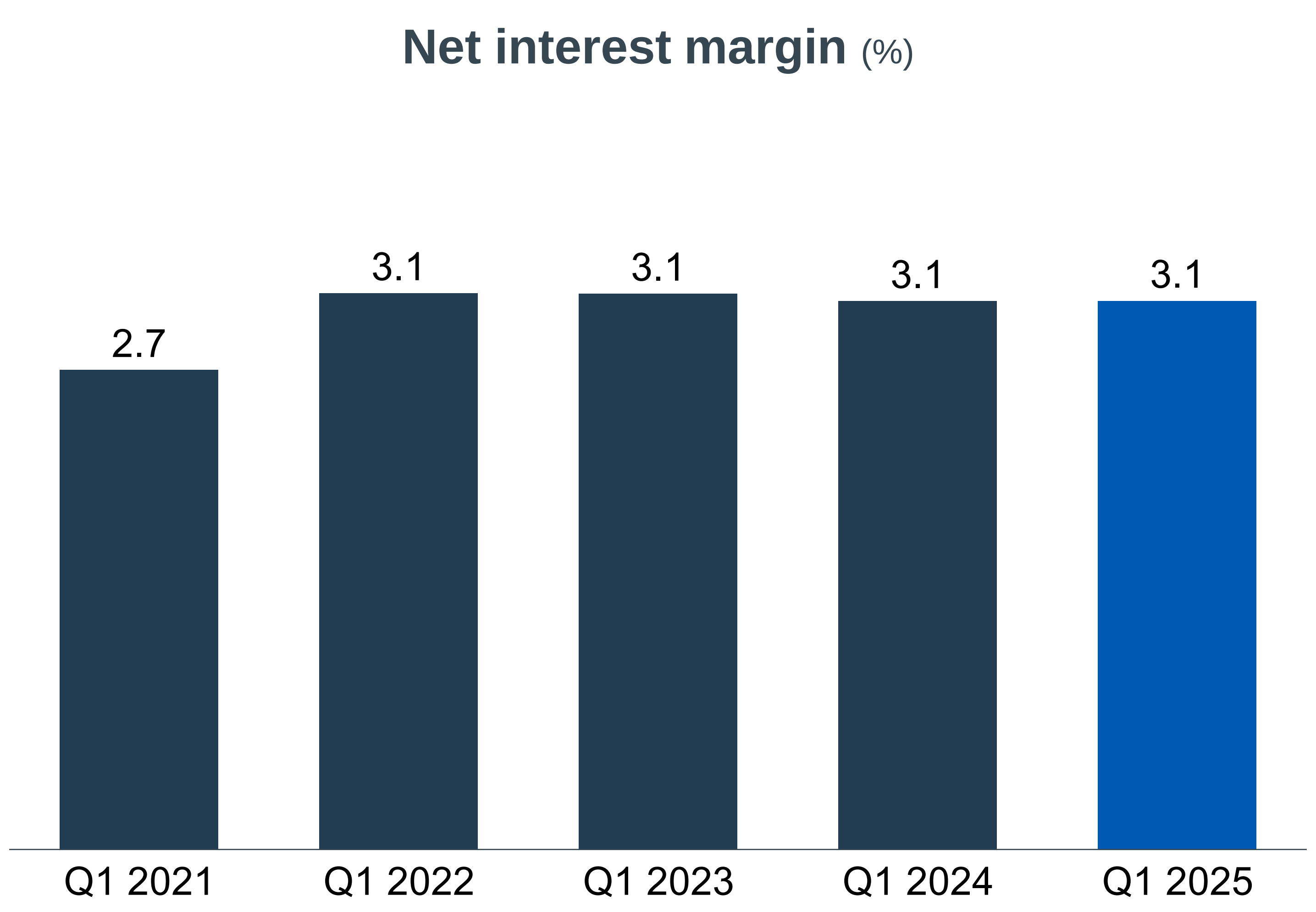
Capital ratio (%)

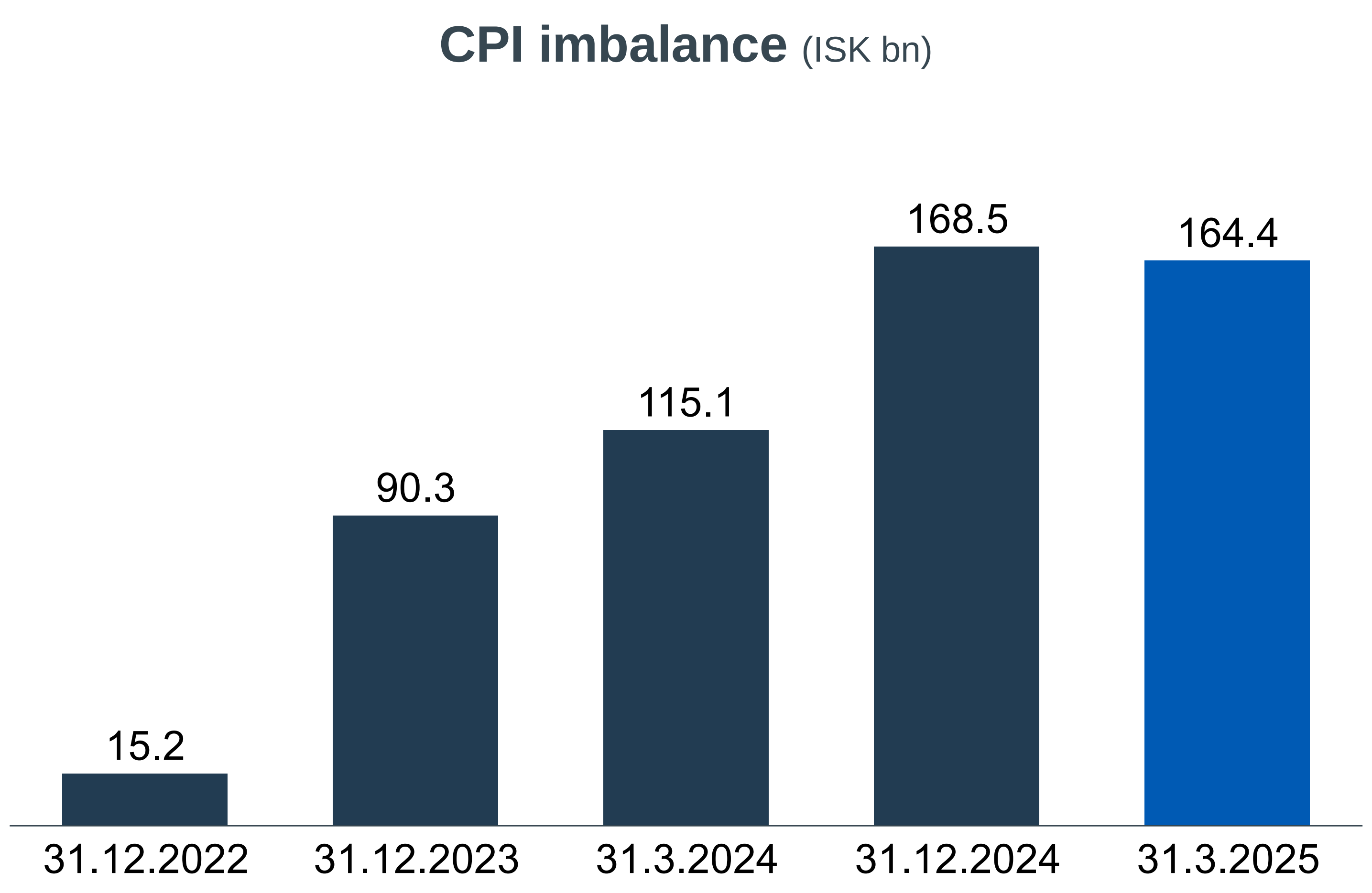


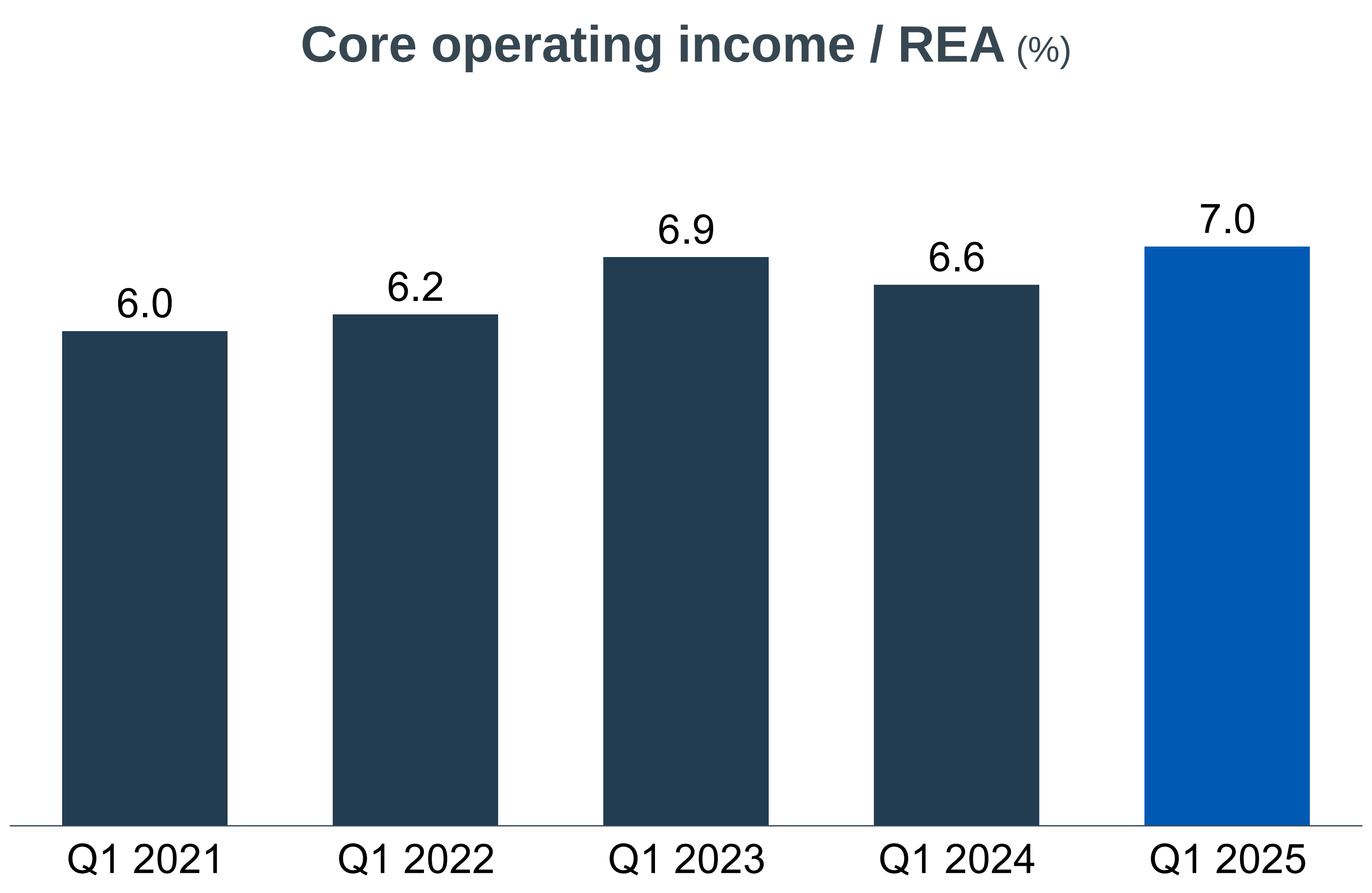
Key financial indicators - annual

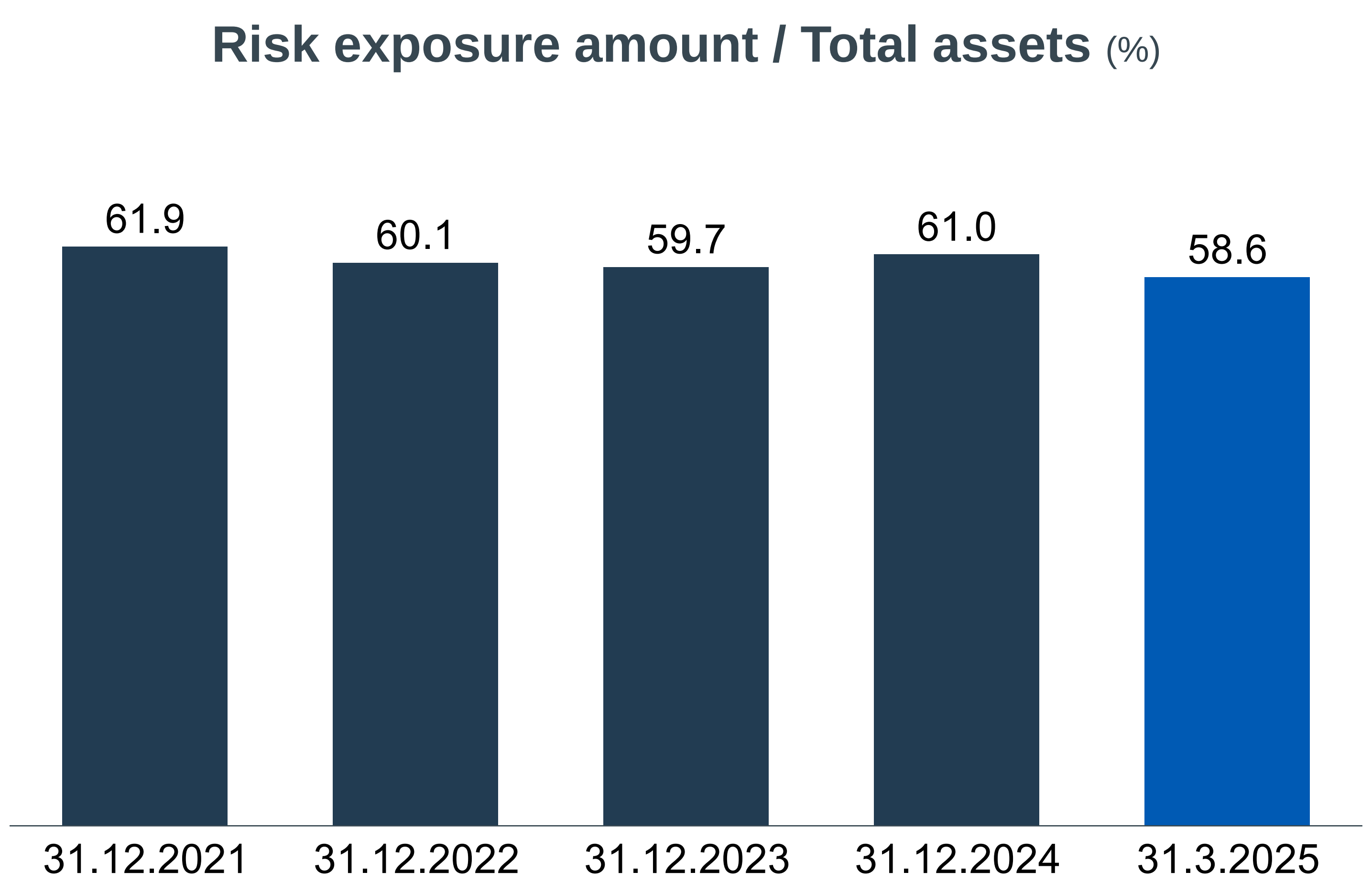












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