



Factbook 31 December 2023

Unaudited

KFI - 5 years

ISK million	2023	2022	2021	2020	2019
Profitability					
Return on equity	13.6%	14.1%	14.7%	6.5%	0.6%
Return on assets	1.7%	1.8%	2.3%	1.1%	0.1%
Return on risk exposure amount	2.8%	3.0%	3.7%	1.7%	0.1%
Operating income / Risk exposure amount	7.1%	6.7%	7.6%	7.0%	6.3%
Earnings per share	17.80	10.65	17.96	7.24	0.61
Net interest margin					
Net interest margin on interest bearing assets	3.1%	3.1%	2.8%	2.9%	2.8%
Net interest margin on total assets	3.0%	2.9%	2.6%	2.7%	2.6%
Net interest income on credit risk	5.7%	5.4%	4.9%	5.0%	4.6%
Efficiency					
Cost-to-core income ratio*	41.4%	42.0%	51.6%	53.3%	62.3%
Cost-to-income ratio*	44.8%	48.8%	44.4%	48.1%	56.0%
Cost-to-total assets ratio	1.9%	1.9%	2.1%	2.1%	2.3%
Number of FTE´s at year end	822	781	751	776	801
Asset quality					
Share of stage 3 loans, gross**	1.7%	1.2%	1.9%	2.6%	2.7%
Risk weighted assets / Total assets	59.7%	60.2%	62.0%	63.6%	66.5%
Financial strength					
Equity as % of total assets	13.1%	12.8%	14.8%	16.9%	17.5%
Liquidity					
Liquidity coverage ratio (LCR)	191.8%	158.5%	202.8%	188.5%	188.3%
Loans-to-deposits ratio	145.4%	143.6%	142.8%	144.8%	157.0%
Loans-to-deposits ratio (without covered bonds)	116.0%	115.4%	111.8%	117.7%	127.5%
Deposits from customers as % of total funding	65.2%	65.1%	64.4%	64.6%	61.3%
Covered bonds as % of total funding	19.2%	18.4%	20.0%	17.5%	18.1%
Capital					
CET 1 ratio	19.7%	18.8%	19.6%	22.3%	21.2%
Tier 1 ratio	21.2%	20.3%	21.2%	24.1%	21.2%
Tier 2 ratio	2.9%	3.7%	2.6%	2.9%	2.8%
Capital adequacy ratio	24.1%	24.0%	23.8%	27.0%	24.0%
Leverage ratio	12.4%	11.8%	12.6%	15.1%	14.1%

*Including expenses from insurance operations

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

Income statement - 5 year summary

ISK million

	2023	2022	2021	2020	2019
Interest income	123,116	83,515	53,958	51,730	58,307
Interest expense	(78,431)	(43,314)	(21,895)	(20,572)	(27,990)
Net interest income	44,685	40,201	32,063	31,158	30,317
Fee and commission income	20,120	18,741	16,706	13,225	11,499
Fee and commission expense	(3,731)	(2,292)	(2,033)	(1,583)	(1,549)
Net fee and commission income	16,389	16,449	14,673	11,642	9,950
Insurance revenue	17,416	15,105	-	-	-
Insurance service expenses	(17,264)	(14,490)	-	-	-
Insurance service results	152	615	-	-	-
Net insurance income	-	-	3,442	3,071	2,886
Net financial (loss) income	1,366	(3,286)	6,220	2,745	3,212
Other operating income	1,589	1,314	1,827	2,148	1,633
Other net operating income / loss	2,955	(1,972)	11,489	7,964	7,731
Operating income	64,181	55,293	58,225	50,764	47,998
Operating expenses	(25,701)	(24,329)	-	-	-
Salaries and related expense	-	-	(14,638)	(12,332)	(14,641)
Other operating expenses	-	-	(11,237)	(12,109)	(12,222)
Operating expenses	(25,701)	(24,329)	(25,875)	(24,441)	(26,863)
Bank Levy	(1,796)	(1,749)	(1,516)	(1,301)	(2,984)
Net impairment	(1,348)	144	3,169	(5,044)	(382)
Earnings before income tax	35,336	29,359	34,003	19,978	17,769
Income tax expense	(9,595)	(9,944)	(6,782)	(3,231)	(3,714)
Net earnings from continuing operations	25,741	19,415	27,221	16,747	14,055
Discontinued operations held for sale, net of income tax	(4)	6,543	1,394	(4,278)	(12,955)
Net earnings	25,737	25,958	28,615	12,469	1,100
Attributable to					
Shareholders of Arion Bank	25,755	25,945	28,607	12,476	1,096
Non-controlling interest	(18)	13	8	20	4
Net earnings	25,737	25,958	28,615	12,496	1,100

Balance sheet - 5 year summary

ISK million

31.12.2023 31.12.2022 31.12.2021 31.12.2020 31.12.2019

Assets

Cash and balances with Central Bank	102,095	114,118	69,057	42,136	95,717
Loans to credit institutions	28,835	45,501	30,272	28,235	17,947
Loans to customers	1,152,789	1,084,757	936,237	822,941	773,955
Financial instruments	205,706	193,329	225,657	227,251	117,406
Investment property	9,493	7,862	6,560	6,132	7,119
Investments in associates	789	787	668	891	852
Intangible assets	8,051	8,783	9,463	9,689	8,367
Tax assets	39	135	2	2	2
Asset and disposal groups held for sale	62	61	16,047	16,811	43,626
Other assets	17,813	10,277	16,747	18,618	16,865
Total assets	1,525,672	1,465,610	1,310,710	1,172,706	1,081,856

Liabilities

Due to credit institutions and Central Bank	2,771	11,697	5,000	13,031	5,984
Deposits	792,710	755,361	655,476	568,424	492,916
Financial liabilities at fair value	11,646	20,997	5,877	5,240	2,570
Tax liabilities	11,169	10,303	7,102	4,262	4,404
Liabilities associated with disposal groups held for sale	-	-	16,935	16,183	28,631
Other liabilities	46,336	39,401	34,914	32,714	32,698
Borrowings	420,460	392,563	356,637	298,947	304,745
Subordinated liabilities	41,279	47,331	35,088	36,060	20,083
Total liabilities	1,326,371	1,277,653	1,117,029	974,861	892,031

Equity

Share capital and share premium	10,634	13,372	22,684	51,331	55,715
Other reserves	12,283	10,672	12,838	11,320	9,493
Retained earnings	175,881	163,264	157,486	135,021	124,436
Total shareholders equity	198,798	187,308	193,008	197,672	189,644
Non-controlling interest	503	649	673	173	181
Total equity	199,301	187,957	193,681	197,845	189,825
Total liabilities and equity	1,525,672	1,465,610	1,310,710	1,172,706	1,081,856

Net interest income - 5 year summary

ISK million	2023	2022	2021	2020	2019
Interest income					
Cash and balances with Central bank	5,747	3,334	573	1,435	4,008
Loans	110,735	77,059	49,166	46,992	52,803
Securities	6,572	2,988	4,029	3,138	1,335
Other	62	134	189	165	161
Interest income	123,116	83,515	53,957	51,730	58,307
Interest expense					
Deposits	(46,268)	(22,751)	(6,820)	(6,644)	(11,949)
Borrowings	(27,365)	(18,027)	(13,065)	(12,030)	(15,473)
Subordinated liabilities	(4,651)	(2,338)	(1,891)	(1,780)	(449)
Other	(147)	(198)	(118)	(118)	(119)
Interest expense	(78,431)	(43,314)	(21,894)	(20,572)	(27,990)
Net interest income	44,685	40,201	32,063	31,158	30,317
Interest bearing assets					
Cash and balances with Central Bank	102,095	114,118	69,057	42,136	95,717
Loans	1,181,624	1,130,258	966,509	851,176	791,902
Securities	159,392	142,064	168,801	192,244	83,343
Interest bearing assets	1,443,111	1,386,440	1,204,367	1,085,556	970,962
Interest bearing liabilities					
Due to credit institutions and Central Bank	2,771	11,697	5,000	13,031	5,984
Deposits	792,710	755,361	655,476	568,424	492,916
Financial liabilities at fair value	11,646	20,997	5,877	5,240	2,570
Borrowings	420,460	392,563	356,637	298,947	304,745
Subordinated liabilities	41,279	47,331	35,088	36,060	20,083
Interest bearing liabilities	1,268,866	1,227,949	1,058,078	921,702	826,298
Interest Gap	174,245	158,491	146,289	163,854	144,664
Net interest margin on interest bearing assets	3.1%	3.1%	2.8%	2.9%	2.8%

Loans to customers - 5 year summary

ISK million

31.12.2023 31.12.2022 31.12.2021 31.12.2020 31.12.2019

Loans to customers

Individuals	609,144	582,371	526,498	433,336	368,569
Corporates	543,645	502,386	409,739	389,605	405,386
Total loans to customers	1,152,789	1,084,757	936,237	822,941	773,955

Ratios:

Share of stage 3 loans, gross*	1.7%	1.2%	1.9%	2.6%	2.7%
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* (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

Loans to individuals

Overdrafts	13,840	14,893	14,255	12,875	14,421
Credit cards	15,972	14,304	13,192	12,260	13,028
Mortgage loans	550,269	514,007	463,895	378,554	310,562
Other loans	31,536	40,942	37,044	32,122	33,105
Provision on loans	(2,473)	(1,775)	(1,888)	(2,475)	(2,547)
Total loans to individuals	609,144	582,371	526,498	433,336	368,569

Loans to customers - 5 year summary

ISK million

31.12.2023 31.12.2022 31.12.2021 31.12.2020 31.12.2019

Loans to corporates

Overdrafts	43,013	33,369	18,301	15,471	18,709
Credit cards	2,062	1,838	1,449	1,086	1,373
Mortgage loans	68,840	60,528	41,588	32,175	23,475
Other loans	435,808	411,792	354,113	350,455	368,453
Provision on loans	(6,078)	(5,141)	(5,712)	(9,582)	(6,624)
Total loans to corporates	543,645	502,386	409,739	389,605	405,386

Loans to corporates specified by sector:

Agriculture and forestry	2.1%	2.3%	2.5%	2.1%	1.9%
Services	4.1%	3.8%	4.2%	3.4%	4.3%
Financial and insurance activities	7.6%	8.2%	11.2%	9.2%	8.3%
Industry, energy and manufacturing	10.1%	8.8%	6.8%	8.0%	9.8%
Information and communication technology	4.8%	4.9%	4.1%	5.3%	4.7%
Public administration, human health and social activities	2.6%	2.1%	1.7%	1.7%	2.1%
Real estate activities and construction	35.3%	31.9%	31.1%	32.8%	32.0%
Fishing industry	15.2%	18.2%	19.1%	20.9%	20.5%
Transportation	1.6%	2.8%	3.5%	3.3%	2.7%
Wholesale and retail trade	16.6%	16.9%	15.9%	13.2%	13.6%
	100.0%	100.0%	100.0%	100.0%	100.0%

Capital and Risk Weighted Assets

ISK million

31.12.2023 31.12.2022 31.12.2021 31.12.2020 31.12.2019

Capital base:

Total equity	199,301	187,956	193,681	197,845	189,825
Deductions related to the consolidated situation	-	-	-	-	(10,159)
Non-controlling interest not eligible for inclusion in CET 1 capital	(503)	(649)	(673)	(173)	(181)

Common Equity Tier 1 capital before regulatory adjustments

Intangible assets	(7,211)	(6,425)	(8,435)	(13,092)	(10,604)
Tax assets	-	-	-	-	(296)
Foreseeable dividend	(12,877)	(15,980)	(26,773)	(17,990)	(14,153)
Adjustment under IFRS 9 transitional arrangements	952	1,142	920	1,890	-
Other statutory deductions	(227)	(224)	(437)	(2,520)	(1,740)

Common equity Tier 1 capital

Non-controlling interest eligible for inclusion in CET1 capital	117	105	133	173	181
Additional Tier 1 capital	13,217	13,396	13,225	13,498	-

Tier 1 capital

Tier 2 instruments	28,062	33,935	21,863	22,562	20,083
Tier 2 instruments of financial sector entities (signif. invest.)	(1,247)	(1,155)	(1,056)	(1,007)	-
General credit risk adjustments	-	-	-	-	-

Tier 2 Capital

	26,815	32,780	20,807	21,555	20,083
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Total own funds

	219,584	212,101	192,448	201,186	172,956
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Risk weighted exposure amount (REA)

Credit Risk, loans*	732,760	707,479	623,395	570,554	561,602
Credit Risk, securities and other	52,032	56,714	69,553	60,813	49,163
Counterparty credit risk	7,442	14,645	7,761	3,462	3,347
Market Risk due to currency imbalance	4,751	1,387	4,691	8,569	10,070
Market Risk Other	11,066	7,493	8,958	13,063	10,609
Credit valuation adjustment	3,680	6,010	2,379	842	1,477
Operational Risk	98,740	89,166	96,085	88,462	83,487

Total risk weighted exposure amount

	910,471	882,894	812,822	745,765	719,755
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Capital ratios*

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

Leverage ratio

On-balance sheet exposures	1,477,968	1,415,353	1,256,916	1,114,450	1,022,521
Derivative exposures	15,953	32,118	4,796	9,124	10,217
Securities financing transaction exposures	10,326	10,174	720	512	577
Off-balance sheet exposures	46,087	59,723	102,016	65,425	52,299

Total exposure

	1,550,334	1,517,368	1,364,448	1,189,511	1,085,614
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Tier 1 capital

	192,769	179,321	171,641	179,631	152,873
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Leverage ratio

	12.4%	77.0%	12.6%	15.1%	14.1%
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Related ratios

Return on REA	2.8%	3.0%	3.7%	1.7%	0.1%
REA/Total assets	59.7%	60.2%	61.9%	63.6%	66.5%

*Capital ratios include interim profit

Quarter summaries



KFI - 9 Quarters

ISK million

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Profitability									
Return on equity	12.7%	12.9%	15.5%	13.7%	10.6%	10.9%	22.6%	12.9%	13.4%
Return on assets	1.6%	1.6%	1.9%	1.7%	1.4%	1.4%	2.9%	1.8%	2.0%
Return on risk exposure amount	2.7%	2.7%	3.1%	2.8%	2.3%	2.3%	4.5%	2.8%	3.3%
Operating income / Risk exposure amount	7.2%	6.6%	7.6%	7.3%	7.1%	6.4%	6.1%	6.9%	7.6%
Net interest margin									
Net interest margin on interest bearing assets	3.1%	3.0%	3.2%	3.1%	3.1%	3.2%	3.1%	3.1%	2.8%
Net interest margin on total assets	3.0%	2.9%	3.0%	3.0%	2.9%	3.0%	2.9%	2.9%	2.6%
Net interest income on credit risk	5.7%	5.5%	5.8%	5.6%	5.6%	5.5%	5.3%	5.3%	5.1%
Efficiency									
Cost-to-core income ratio*	38.2%	39.4%	46.8%	53.4%	37.5%	42.0%	47.4%	47.6%	57.4%
Cost-to-income ratio	53.2%	40.3%	38.9%	46.8%	56.9%	43.0%	50.7%	44.2%	51.6%
Cost-to-total assets ratio	2.3%	1.6%	1.8%	2.0%	2.3%	1.7%	2.0%	1.9%	2.4%
Number of FTE 's at period end	822	800	781	789	781	777	746	753	751
Asset quality									
Share of stage 3 loans, gross**	1.7%	1.6%	1.6%	1.4%	1.2%	1.4%	1.4%	1.6%	1.9%
Risk weighted assets / Total assets	59.7%	58.9%	60.1%	60.4%	60.2%	61.0%	62.3%	64.9%	62.0%

*Including expenses from insurance operations

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

KFI - 9 Quarters

ISK million	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Financial strength									
Equity as % of total assets	13.1%	12.5%	12.3%	12.0%	12.8%	13.1%	13.2%	12.9%	14.8%
Liquidity									
Liquidity coverage ratio (LCR)	191.8%	179.1%	162.9%	173.6%	158.5%	189.3%	163.2%	195.4%	202.8%
Loans-to-deposits ratio	145.4%	141.8%	145.2%	143.8%	143.6%	141.2%	139.0%	143.6%	142.8%
Loans-to-deposits ratio (without covered bonds)	116.0%	112.5%	115.4%	114.4%	115.4%	113.1%	107.8%	110.1%	111.8%
Deposits from customers as % of total funding	65.2%	65.7%	64.6%	65.1%	65.1%	66.0%	66.4%	64.5%	64.4%
Covered bonds as % of total funding	19.2%	19.2%	19.3%	19.1%	18.4%	18.6%	20.8%	21.6%	20.0%
Capital**									
CET 1 ratio	19.7%	19.4%	18.9%	18.6%	18.8%	19.3%	19.7%	18.6%	19.6%
Tier 1 ratio	21.2%	20.5%	20.4%	20.1%	20.3%	20.5%	20.9%	19.7%	21.2%
Tier 2 ratio	2.9%	3.9%	3.5%	3.6%	3.7%	2.5%	2.6%	2.7%	-
Capital adequacy ratio	24.0%	24.6%	23.8%	23.9%	24.0%	23.3%	23.2%	22.4%	23.5%
Leverage ratio	12.4%	11.8%	11.7%	11.3%	11.8%	12.0%	12.7%	12.5%	12.6%

Income statement - 9 quarter summary

ISK million

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Interest income	32,461	30,426	31,060	29,169	22,033	23,446	20,610	17,426	15,224
Interest expense	(21,114)	(19,508)	(19,634)	(18,175)	(11,410)	(13,089)	(10,865)	(7,950)	(6,456)
Net interest income	11,347	10,918	11,426	10,994	10,623	10,357	9,745	9,476	8,768
Fee and commission income	4,882	4,765	5,187	5,286	5,010	4,773	4,972	3,986	4,662
Fee and commission expense	(979)	(917)	(1,000)	(835)	(756)	(716)	(390)	(430)	(583)
Net fee and commission income	3,903	3,848	4,187	4,451	4,254	4,057	4,582	3,556	4,079
Insurance revenue	4,761	4,450	4,207	3,998	3,938	3,739	3,736	3,692	-
Insurance service expenses	(5,045)	(4,055)	(3,445)	(4,719)	(4,170)	(3,252)	(2,812)	(4,256)	-
Insurance service results	(284)	395	762	(721)	(232)	487	924	(564)	-
Net insurance income	-	-	-	-	-	-	-	-	865
Net financial (loss) income	1,370	(183)	(617)	796	(52)	(1,476)	(2,878)	1,120	1,151
Other operating income	(24)	8	1,586	19	52	98	732	432	371
Other net operating income / loss	1,346	(175)	969	815	-	(1,378)	(2,146)	1,552	2,387
Operating income	16,312	14,986	17,344	15,539	14,645	13,523	13,105	14,020	15,234
Operating expenses	(7,830)	(5,392)	(6,009)	(6,470)	(7,474)	(5,222)	(6,056)	(5,577)	-
Salaries and related expense	-	-	-	-	-	-	-	-	(4,893)
Other operating expenses	-	-	-	-	-	-	-	-	(2,974)
Operating expenses	(7,830)	(5,392)	(6,009)	(6,470)	(7,474)	(5,222)	(6,056)	(5,577)	(7,867)
Bank Levy	(422)	(468)	(457)	(449)	(496)	(444)	(416)	(393)	(345)
Net impairment	13	(741)	(568)	(52)	411	42	186	(495)	559
Earnings before income tax	8,073	8,385	10,310	8,568	7,086	7,899	6,819	7,555	7,581
Income tax expense	(1,808)	(2,274)	(3,226)	(2,287)	(1,755)	(2,885)	(3,588)	(1,716)	(1,588)
Net earnings from continuing operations	6,265	6,111	7,084	6,281	5,331	5,014	3,231	5,839	5,993
Discontinued operations held for sale, net of income tax	(41)	20	7	10	(366)	(6)	6,819	96	529
Net earnings	6,224	6,131	7,091	6,291	4,965	5,008	10,050	5,935	6,522
Attributable to									
Shareholders of Arion Bank	6,253	6,136	7,082	6,284	4,959	5,014	10,043	5,929	6,521
Non-controlling interest	(29)	(5)	9	7	6	(6)	7	6	1
Net earnings	6,224	6,131	7,091	6,291	4,965	5,008	10,050	5,935	6,522

Balance sheet - 9 quarter summary

ISK million

31.12.2023 30.09.2023 30.06.2023 31.03.2023 31.12.2022 30.09.2022 30.06.2022 31.03.2022 31.12.2021

Assets

Cash and balances with Central Bank	102,095	80,288	76,499	80,272	114,118	68,149	78,011	64,395	69,057
Loans to credit institutions	28,835	51,302	43,428	62,899	45,501	52,643	40,195	35,868	30,272
Loans to customers	1,152,789	1,143,473	1,134,621	1,114,128	1,084,757	1,045,152	1,010,666	976,383	936,237
Financial instruments	205,706	221,012	225,827	204,996	193,329	223,142	203,740	185,680	225,657
Investment property	9,493	9,461	9,444	7,875	7,862	6,617	6,615	6,586	6,560
Investments in associates	789	844	842	770	787	785	724	700	668
Intangible assets	8,051	8,289	8,486	8,575	8,783	8,816	9,038	9,239	9,463
Tax assets	39	427	383	332	135	2,886	1,247	754	2
Asset and disposal groups held for sale	62	61	61	61	61	2,152	2,126	14,706	16,047
Other assets	17,813	25,512	18,635	20,736	10,276	13,700	26,870	46,704	16,747
Total assets	1,525,672	1,540,669	1,518,226	1,500,644	1,465,609	1,424,042	1,379,232	1,341,015	1,310,710

Liabilities

Due to credit institutions and Central Bank	2,771	13,144	21,702	24,188	11,697	5,099	4,604	4,270	5,000
Deposits	792,710	806,331	781,202	775,023	755,361	739,969	726,948	679,925	655,476
Financial liabilities at fair value	11,646	16,908	18,242	20,692	20,997	21,800	14,353	12,323	5,877
Tax liabilities	11,169	13,499	12,335	10,840	10,303	15,596	11,733	8,080	7,102
Liabilities associated with disposal groups held for sale	-	-	-	-	-	-	-	15,122	16,935
Other liabilities	46,336	43,479	46,379	52,554	39,401	44,796	42,550	44,582	34,914
Borrowings	420,460	407,895	405,572	390,734	392,563	376,540	363,375	370,026	356,637
Subordinated liabilities	41,279	46,853	46,478	46,681	47,331	34,089	33,392	33,674	35,088
Total liabilities	1,326,371	1,348,110	1,331,911	1,320,712	1,277,653	1,237,889	1,196,954	1,168,002	1,117,029

Equity

Share capital and share premium	10,634	10,603	10,603	11,406	13,371	16,765	18,955	18,955	22,684
Other reserves	12,283	11,785	11,558	10,826	10,672	9,675	9,523	11,631	12,838
Retained earnings	175,881	169,510	163,489	157,044	163,264	159,033	153,114	141,747	157,486
Total shareholders equity	198,798	191,898	185,650	179,276	187,307	185,473	181,592	172,333	193,008
Non-controlling interest	503	661	665	656	649	680	686	680	673
Total equity	199,301	192,559	186,315	179,932	187,956	186,153	182,278	173,013	193,681
Total liabilities and equity	1,525,672	1,540,669	1,518,226	1,500,644	1,465,609	1,424,042	1,379,232	1,341,015	1,310,710

Net interest income - 9 quarter summary

ISK million	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Interest income									
Cash and balances with Central bank	1,684	1,363	1,306	1,394	1,228	993	721	392	188
Loans	28,742	27,042	28,294	26,657	20,107	21,488	19,442	16,022	13,930
Securities	1,987	2,009	1,460	1,116	569	967	446	1,006	1,058
Other	48	12	-	2	129	(2)	1	6	48
Interest income	32,461	30,426	31,060	29,169	22,033	23,446	20,610	17,426	15,224
Interest expense									
Deposits	(12,926)	(11,950)	(11,490)	(9,902)	(6,865)	(7,158)	(5,250)	(3,478)	(2,323)
Borrowings	(7,069)	(6,466)	(6,877)	(6,953)	(3,809)	(5,269)	(5,002)	(3,947)	(3,604)
Subordinated loans	(1,094)	(1,066)	(1,220)	(1,271)	(667)	(624)	(565)	(482)	(498)
Other	(25)	(26)	(47)	(49)	(69)	(38)	(48)	(43)	(31)
Interest expense	(21,114)	(19,508)	(19,634)	(18,175)	(11,410)	(13,089)	(10,865)	(7,950)	(6,456)
Net interest income	11,347	10,918	11,426	10,994	10,623	10,357	9,745	9,476	8,768
Interest bearing assets									
Cash and balances with Central Bank	102,095	80,288	76,499	80,272	114,118	68,149	78,011	64,395	69,057
Loans	1,181,624	1,194,775	1,178,049	1,177,027	1,130,258	1,097,795	1,050,861	1,012,251	966,509
Securities	159,392	179,737	183,351	152,487	142,064	164,915	143,174	121,722	168,801
Interest bearing assets	1,443,111	1,454,800	1,437,899	1,409,786	1,386,440	1,330,859	1,272,046	1,198,368	1,204,367
Interest bearing liabilities									
Due to credit institutions and Central Bank	2,771	13,144	21,702	24,188	11,697	5,099	4,604	4,270	5,000
Deposits	792,710	806,331	781,202	775,023	755,361	739,969	726,948	679,925	655,476
Financial liabilities at fair value	11,646	16,908	18,242	20,692	20,997	21,800	14,353	12,323	5,877
Borrowings	420,460	407,895	405,572	390,734	392,563	376,540	363,375	370,026	356,637
Subordinated liabilities	41,279	46,853	46,478	46,681	47,331	34,089	33,392	33,674	35,088
Interest bearing liabilities	1,268,866	1,291,131	1,273,196	1,257,318	1,227,949	1,177,497	1,142,672	1,100,218	1,058,078
Interest Gap	174,245	163,669	164,703	152,468	158,491	153,362	129,374	98,150	146,289
Net interest margin on interest bearing assets	3.1%	3.0%	3.2%	3.1%	3.1%	3.2%	3.1%	3.1%	2.8%

All amounts are in ISK millions

Loans to customers - 9 quarter summary

ISK million

31.12.2023 30.09.2023 30.06.2023 31.03.2023 31.12.2022 30.09.2022 30.06.2022 31.03.2022 31.12.2021

Loans to customers

Individuals	609,144	601,463	592,571	588,989	582,371	571,487	549,524	534,395	526,498
Corporates	543,645	542,010	542,050	525,139	502,386	473,665	461,142	441,988	409,739
Total loans to customers	1,152,789	1,143,473	1,134,621	1,114,128	1,084,757	1,045,152	1,010,666	976,383	936,237

Share of stage 3 loans, gross*	1.7%	1.6%	1.6%	1.4%	1.2%	1.4%	1.4%	1.6%	1.9%
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Loans to individuals

Overdrafts	13,840	14,059	13,988	14,582	14,893	15,008	14,803	15,262	14,255
Credit cards	15,972	14,179	15,754	14,716	14,304	14,605	14,582	13,270	13,192
Mortgage loans	550,269	541,219	530,958	520,421	514,007	502,537	482,196	469,877	463,895
Other loans	31,536	34,393	34,103	41,194	40,942	41,200	39,745	37,856	37,044
Provision on loans	(2,473)	(2,387)	(2,232)	(1,924)	(1,775)	(1,863)	(1,802)	(1,870)	(1,888)
Total loans to individuals	609,144	601,463	592,571	588,989	582,371	571,487	549,524	534,395	526,498

Loans to corporates

Overdrafts	43,013	39,813	40,673	36,921	33,369	28,933	26,675	20,371	18,301
Credit cards	2,062	2,054	1,927	1,976	1,838	1,835	1,750	1,526	1,449
Mortgage loans	68,840	65,583	66,118	57,081	60,528	60,573	54,991	46,508	41,588
Other loans	435,808	440,811	438,718	434,348	411,792	388,476	383,678	379,685	354,113
Provision on loans	(6,078)	(6,251)	(5,386)	(5,187)	(5,141)	(6,152)	(5,952)	(6,102)	(5,712)
Total loans to corporates	543,645	542,010	542,050	525,139	502,386	473,665	461,142	441,988	409,739

Loans to corporates specified by sector:

Agriculture and forestry	2.1%	2.2%	2.9%	2.2%	2.3%	2.5%	2.5%	2.5%	2.5%
Services	4.1%	3.9%	3.7%	3.6%	3.8%	4.1%	4.4%	4.3%	4.2%
Financial and insurance activities	7.6%	7.7%	8.0%	8.1%	8.2%	9.4%	9.8%	10.6%	11.2%
Industry, energy and manufacturing	10.1%	9.7%	9.6%	9.4%	8.8%	8.6%	8.1%	7.9%	6.8%
Information and communication technology	4.8%	4.9%	5.0%	5.3%	4.9%	4.9%	3.9%	5.3%	4.1%
Public administration, human health and social activities	2.6%	2.4%	2.3%	2.2%	2.1%	1.8%	1.6%	1.6%	1.7%
Real estate activities and construction	35.3%	34.8%	33.5%	31.6%	31.9%	32.0%	33.1%	31.0%	31.1%
Fishing industry	15.2%	16.6%	15.0%	17.0%	18.2%	17.9%	18.0%	17.6%	19.1%
Transportation	1.6%	1.5%	2.6%	2.7%	2.8%	3.2%	3.2%	3.0%	3.5%
Wholesale and retail trade	16.6%	16.3%	17.4%	17.9%	16.9%	15.5%	15.4%	16.0%	15.9%
	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

31.12.2023 30.09.2023 30.06.2023 31.03.2023 31.12.2022 30.09.2022 30.06.2022 31.03.2022 31.12.2021

Capital base:

Total equity	199,301	192,560	186,316	179,932	187,956	186,153	182,277	173,013	193,681
Deductions related to the consolidated situation	-	-	-	-	-	-	-	-	-
Unaudited interim net earnings	-	-	-	(6,291)	-	(4,863)	-	(5,818)	-
Non-controlling interest not eligible for inclusion in CET1 capital	(503)	(661)	(665)	(656)	(649)	(680)	(686)	(680)	(673)
Common Equity Tier 1 capital before regulatory adjustments	198,798	191,899	185,657	172,985	187,307	180,610	181,591	166,515	193,008
Intangible assets	(7,211)	(7,073)	(6,888)	(6,601)	(6,425)	(6,055)	(6,011)	(8,490)	(8,435)
Tax assets	-	-	-	-	-	-	-	-	-
Foreseeable dividend	(12,877)	(6,683)	(6,683)	(897)	(15,980)	(10,570)	(7,759)	-	(26,773)
Adjustment under IFRS 9 transitional arrangements	952	1,041	766	687	1,142	1,018	890	1,199	920
Other statutory deductions	(227)	(247)	(4,878)	(37)	(224)	(254)	(227)	4,417	(437)
Common equity Tier 1 capital	179,435	178,937	167,974	166,137	165,820	164,749	168,484	163,641	158,283
Non-controlling interest eligible for inclusion in CET1 capital	117	115	102	103	105	87	91	89	133
Additional Tier 1 capital	13,217	12,932	12,931	12,869	13,396	13,297	12,714	12,315	13,225
Tier 1 capital	192,769	191,984	181,007	179,109	179,321	178,133	181,289	176,045	171,641
Tier 2 instruments	28,061	33,920	33,547	33,812	33,935	20,792	20,678	21,359	21,863
Tier 2 instruments of financial sector entities (signif. invest.)	(1,247)	(1,242)	(1,216)	(1,200)	(1,155)	(1,154)	(1,111)	(1,089)	(1,056)
Tier 2 Capital	26,814	32,678	32,331	32,612	32,780	19,638	19,567	20,270	20,807
Total own funds	219,583	224,662	213,338	211,721	212,101	197,771	200,856	196,315	192,448

Risk weighted exposure amount (REA)

Credit Risk, loans	732,760	737,824	736,432	730,700	707,479	693,037	664,294	664,568	623,395
Credit Risk, securities and other	52,032	55,066	56,425	54,540	56,714	64,164	78,607	72,948	69,553
Counterparty credit risk	7,442	12,567	15,923	16,257	14,645	11,946	9,371	7,505	7,761
Market Risk due to currency imbalance	4,751	1,907	1,417	2,851	1,387	1,778	4,262	8,476	4,691
Market Risk Other	11,066	7,165	8,628	8,647	7,493	10,315	15,678	18,925	8,958
Credit valuation adjustment	3,680	3,494	3,709	4,931	6,010	2,830	1,708	2,171	2,379
Operational Risk	98,740	89,166	89,166	89,166	89,166	84,670	84,670	96,085	96,085
Total risk weighted exposure amount	910,471	907,189	911,700	907,092	882,894	868,740	858,590	870,678	812,822

Capital and Risk Weighted Assets

ISK million

31.12.2023 30.09.2023 30.06.2023 31.03.2023 31.12.2022 30.09.2022 30.06.2022 31.03.2022 31.12.2021

Capital ratios**

CET 1 ratio	19.7%	19.4%	18.9%	18.6%	18.8%	19.3%	19.7%	18.6%	19.6%
Tier 1 ratio	21.2%	20.5%	20.4%	20.1%	20.3%	20.5%	20.9%	19.7%	21.2%
Capital adequacy ratio	24.1%	24.4%	23.9%	23.7%	24.0%	23.1%	23.5%	22.4%	23.8%

Leverage ratio

On-balance sheet exposures	1,477,968	1,490,781	1,475,365	1,457,202	1,415,353	1,380,093	1,340,969	1,313,520	1,256,916
Derivative exposures	15,953	23,872	28,229	30,411	32,118	25,837	18,745	13,737	4,796
Securities financing transaction exposures	10,326	10,020	28,903	39,705	10,174	10,943	10,549	354	720
Off-balance sheet exposures	46,087	52,682	56,058	57,645	59,723	63,019	68,435	76,115	102,016
Total exposure	1,550,334	1,577,355	1,588,555	1,584,963	1,517,368	1,479,892	1,438,698	1,403,726	1,364,448
Tier 1 capital	192,769	187,366	185,822	178,912	179,321	178,133	181,289	176,045	171,641
Leverage ratio	12.4%	11.9%	11.7%	11.3%	11.8%	12.0%	12.6%	12.5%	12.6%

Related ratios

Return on REA	2.8%	2.9%	3.0%	2.8%	3.0%	3.2%	3.7%	2.8%	3.7%
REA/Total assets	59.7%	58.9%	60.1%	60.4%	60.2%	61.0%	62.1%	64.9%	61.9%

*Capital ratios include interim profit in Q1 and Q3 figures

Operating segments - Quarters summary

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Markets and Stefmir:									
Net interest income	264	283	237	227	738	1,103	715	477	248
Net fee and commission income	1,213	1,259	1,460	1,562	1,325	1,434	1,488	1,521	1,699
Insurance service results	-	-	-	-	-	-	-	-	-
Net financial income (loss)	55	(11)	11	19	66	(8)	(67)	(35)	104
Other operating income	1	1	2	2	11	-	-	-	1
Total operating income	1,533	1,532	1,710	1,810	2,140	2,529	2,136	1,963	2,052
Operating expenses	(930)	(543)	(646)	(595)	(792)	(433)	(544)	(513)	(404)
Allocated expenses	(720)	(507)	(536)	(589)	(584)	(442)	(492)	(483)	(435)
Bank levy	(9)	(11)	(13)	(11)	(17)	(16)	(18)	(16)	(23)
Net impairment	-	-	(11)	(2)	1	(1)	1	(1)	1
Earnings before income tax	(126)	471	504	613	748	1,637	1,083	950	1,191
Total assets	96,319	100,054	99,343	102,264	87,985	91,257	88,234	80,834	80,834
Total liabilities	87,502	91,737	91,007	93,034	79,038	83,002	80,791	73,121	73,121
Allocated equity	8,817	8,317	8,336	9,230	8,947	8,255	7,443	7,713	7,713

Corporate & Investment Bank including insurance*:

Net interest income	5,682	5,271	5,075	4,961	5,694	5,543	4,443	4,406	2,758
Net fee and commission income	1,208	941	1,245	1,512	1,247	882	2,162	1,159	1,363
Insurance service results	(246)	46	(151)	(157)	(341)	(167)	94	(225)	
Net insurance income	-	-	-	-	-	-	-	-	-
Net financial income (loss)	442	167	(88)	166	(25)	(162)	(115)	132	460
Other operating income (loss)	(1)	-	3	(9)	2	(2)	114	(4)	21
Total operating income	7,085	6,425	6,084	6,473	6,577	6,094	6,698	5,468	4,594
Operating expenses	(523)	(352)	(264)	(340)	(596)	(288)	(424)	(474)	(328)
Allocated expenses	(1,239)	(868)	(993)	(1,041)	(1,135)	(824)	(1,002)	(825)	(709)
Bank levy	(140)	(154)	(146)	(146)	(161)	(143)	(133)	(120)	(103)
Net impairment	175	(901)	(335)	111	375	(221)	810	(418)	551
Earnings (loss) before income tax	5,358	4,150	4,346	5,057	5,060	4,618	5,949	3,631	4,005
Total assets	486,908	484,780	486,710	472,235	439,461	427,885	410,271	372,152	372,152
Total liabilities	405,484	405,093	403,378	391,699	364,637	354,447	342,611	310,867	310,867
Allocated equity	81,424	79,687	83,332	80,536	74,824	73,437	67,660	61,285	61,285

*From Q1 2022 the operation of Vördur has been split into individuals and corporates and is presented as such as part of Corporate & Investment Banking and Retail banking, respectively

Operating segments - Quarters summary

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Retail Bank including insurance*:									
Net interest income	4,808	4,868	4,845	4,983	5,571	5,085	4,511	4,517	4,079
Net fee and commission income	1,211	1,266	1,123	1,012	1,280	1,452	1,095	1,006	925
Insurance service results	(32)	357	906	(513)	179	656	966	(410)	
Net insurance income	-								-
Net financial income (loss)	631	(94)	(266)	512	16	(511)	(647)	429	-
Other operating income	(6)	18	14	15	52	29	12	33	204
Total operating income	6,612	6,415	6,622	6,009	7,098	6,711	5,937	5,575	5,208
Operating expenses	(1,154)	(779)	(925)	(901)	(1,164)	(852)	(722)	(937)	(1,315)
Allocated expenses	(2,491)	(1,798)	(2,048)	(2,245)	(2,535)	(1,763)	(1,883)	(1,700)	(1,911)
Bank levy	(197)	(212)	(205)	(209)	(233)	(205)	(194)	(185)	(172)
Net impairment	(186)	129	(281)	(188)	(106)	104	265	(78)	367
Earnings before income tax	2,584	3,755	3,163	2,466	3,060	3,995	3,403	2,675	2,177
Total assets	701,794	692,160	680,835	674,966	647,788	625,240	608,236	574,849	574,849
Total liabilities	642,302	635,382	619,437	614,219	589,226	567,556	551,047	527,652	527,652
Allocated equity	59,492	56,778	61,398	60,747	58,562	57,685	57,189	47,197	47,197
Treasury and Market making:									
Net interest income	624	549	1,334	887	(1,212)	(1,312)	65	96	863
Net fee and commission income	186	221	203	161	179	185	214	150	128
Net insurance income	-	-	-	-	-	-	-	-	-
Net financial income (loss)	291	(200)	(405)	223	(158)	(861)	(2,411)	611	115
Other operating income	3	(10)	11	2	1	-	2	(1)	15
Total operating income (loss)	1,104	560	1,143	1,273	(1,190)	(1,988)	(2,130)	856	1,121
Operating expenses	(227)	(150)	(159)	(221)	(152)	(196)	(146)	(152)	(142)
Allocated expenses	(342)	(270)	(294)	(346)	(373)	(270)	(330)	(284)	(236)
Bank levy	(86)	(91)	(93)	(83)	(96)	(80)	(71)	(72)	(90)
Net impairment	-	2	1	3	-	1	1	(2)	4
Earnings (loss) before income tax	449	51	598	626	(1,811)	(2,533)	(2,676)	346	657
Total assets	555,321	584,518	574,141	601,762	534,231	487,621	498,298	499,348	499,348
Total liabilities	514,881	546,407	551,071	581,182	500,807	453,937	476,122	451,638	451,638
Allocated equity	40,440	38,111	23,070	20,580	33,424	33,684	22,176	47,710	47,710

*From Q1 2022 the operation of Vördur has been split into individuals and corporates and is presented as such as part of Corporate & Investment Banking and Retail banking, respectively

Operating segments - Quarters summary

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Vördur*:									
Net interest income	-	-	-	-	-	-	-	-	29
Net fee and commission income (expense)	-	-	-	-	-	-	-	-	(22)
Net insurance income	-	-	-	-	-	-	-	-	998
Net financial income	-	-	-	-	-	-	-	-	623
Share of profit of associates	-	-	-	-	-	-	-	-	-
Other operating income	-	-	-	-	-	-	-	-	8
Total operating income	-	-	-	-	-	-	-	-	1,636
Operating expenses	-	-	-	-	-	-	-	-	(521)
Allocated expenses	-	-	-	-	-	-	-	-	(2)
Bank levy	-	-	-	-	-	-	-	-	-
Net impairment	-	-	-	-	-	-	-	-	-
Earnings before income tax	-	-	-	-	-	-	-	-	1,113
Total assets	-	-	-	-	-	-	-	-	34,279
Total liabilities	-	-	-	-	-	-	-	-	22,198
Allocated equity	-	-	-	-	-	-	-	-	12,081

Subsidiaries excluding Stefnir and Vördur:

Net interest income (expense)	(44)	(74)	(68)	(65)	(58)	(14)	4	3	(19)
Net fee and commission income (expense)	(24)	49	46	98	(45)	(608)	37	24	(203)
Net insurance income	-	-	-	-	-	(2)	-	-	-
Net financial income (loss)	(50)	(38)	147	(124)	207	(66)	525	19	126
Other operating income	52	2	1,565	8	9	10	28	5	526
Total operating income (loss)	(66)	(61)	1,690	(83)	113	(680)	594	51	430
Operating expenses	(105)	(86)	(90)	(116)	(81)	(90)	(75)	(33)	(43)
Allocated expenses	(50)	(3)	6	(20)	-	(29)	(1)	(1)	(1)
Bank levy	-	-	-	-	-	-	-	-	-
Net impairment	20	27	60	21	412	(39)	-	-	(583)
Earnings (loss) before income tax	(201)	(123)	1,666	(198)	444	(838)	518	17	(197)
Total assets	17,733	18,486	18,901	17,039	32,423	31,630	37,015	38,792	38,792
Total liabilities	8,605	8,819	8,721	8,200	21,893	21,380	18,470	20,180	20,180
Allocated equity	9,128	9,667	10,180	8,839	10,530	10,250	18,545	18,612	18,612

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Operating segments - Quarters summary

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Supporting units and eliminations:									
Net interest income (loss)	13	21	4	-	(27)	(48)	11	(27)	(7)
Net fee and commission income (expense)	109	112	108	108	87	712	(519)	(199)	-
Net insurance income (expense)	(6)	(8)	7	(51)	(1)	-	(4)	(61)	(6)
Net financial income (loss)	1	(7)	(15)	(1)	(105)	132	(168)	(31)	(1)
Other operating income (loss)	(73)	(3)	(10)	2	(14)	61	575	400	277
Total operating income (loss)	44	115	94	58	(60)	857	(105)	82	263
Operating expenses	(4,891)	(3,482)	(3,930)	(4,292)	(4,689)	(3,363)	(4,039)	(3,574)	(2,993)
Allocated expenses	4,842	3,446	3,865	4,241	4,627	3,328	3,708	3,293	2,730
Bank levy	10	-	-	-	11	-	-	-	-
Net impairment	4	2	(2)	3	(271)	198	(891)	4	(85)
Earnings (loss) before income tax	9	81	27	10	(382)	1,020	(1,327)	(195)	(85)
Total assets	(332,403)	(339,329)	(341,704)	(367,622)	(314,002)	(280,272)	(301,039)	(286,390)	(286,390)
Total liabilities	(332,403)	(339,329)	(341,704)	(367,622)	(314,002)	(280,272)	(301,039)	(286,390)	(286,390)
Allocated equity	-								

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