



# Arion Bank Factbook 31 December 2021

Unaudited

## KFI - 5 years

ISK million	2021	2020	2019	2018	2017
<b>Profitability</b>					
Return on equity	14.7%	6.5%	0.6%	3.7%	6.6%
Return on assets	2.3%	1.1%	0.1%	0.7%	1.3%
Return on risk exposure amount	3.7%	1.7%	0.1%	1.0%	1.9%
Operating income / Risk exposure amount	7.8%	7.0%	6.1%	5.9%	6.2%
Earnings per share	17.96	7.24	0.61	3.86	7.20
Earnings per share from continuing operations	17.08	7.77	7.77	4.49	6.99
<b>Net interest margin</b>					
Net interest margin on interest bearing assets	2.8%	2.9%	2.8%	2.7%	2.9%
Net interest margin on total assets	2.6%	2.7%	2.6%	2.5%	2.6%
Net interest income on credit risk	4.9%	5.0%	4.6%	4.3%	4.5%
<b>Efficiency</b>					
Cost-to-income ratio	44.4%	48.1%	56.0%	56.9%	48.9%
Cost-to-total assets ratio	2.1%	2.1%	2.3%	2.3%	2.1%
Number of FTE 's at year end	751	776	801	904	941
<b>Asset quality</b>					
Share of stage 3 loans, gross*	1.9%	2.6%	2.7%	2.6%	-
Risk weighted assets / Total assets	61.9%	63.6%	66.5%	68.4%	66.8%
<b>Financial strength</b>					
Equity as % of total assets	14.8%	16.9%	17.5%	17.3%	19.7%
<b>Liquidity</b>					
Liquidity coverage ratio (LCR)	202.8%	188.5%	188.3%	164.4%	221.0%
Loans-to-deposits ratio	142.8%	144.8%	157.0%	178.9%	165.5%
Loans-to-deposits ratio (without covered bonds)	111.8%	117.7%	127.5%	135.7%	129.0%
Deposits from customers as % of total funding	64.4%	64.6%	61.3%	52.2%	54.1%
Covered bonds as % of total funding	20.0%	17.5%	18.1%	22.5%	19.8%
<b>Capital</b>					
CET 1 ratio	19.6%	22.3%	21.2%	21.2%	23.6%
Tier 1 ratio	21.2%	24.1%	21.2%	21.2%	23.6%
Tier 2 ratio	2.6%	2.9%	2.8%	0.8%	0.4%
Capital adequacy ratio	23.8%	27.0%	24.0%	22.0%	24.0%
Leverage ratio	12.6%	15.1%	14.1%	14.2%	15.4%

\* (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	2021	2020	2019	2018	2017
Interest income	53,958	51,730	58,307	59,316	56,028
Interest expense	(21,895)	(20,572)	(27,990)	(29,997)	(27,108)
<b>Net interest income</b>	<b>32,063</b>	<b>31,158</b>	<b>30,317</b>	<b>29,319</b>	<b>28,920</b>
Fee and commission income	16,706	13,225	11,499	11,658	11,619
Fee and commission expense	(2,033)	(1,583)	(1,549)	(1,308)	(1,408)
<b>Net fee and commission income</b>	<b>14,673</b>	<b>11,642</b>	<b>9,950</b>	<b>10,350</b>	<b>10,211</b>
Net insurance income	3,442	3,071	2,886	2,589	2,093
Net financial (loss) income	6,220	2,745	3,212	2,302	4,045
Share of (loss) profit of associates	22	-	756	27	(927)
Other operating income	1,805	2,148	877	1,584	2,521
<b>Other net operating income / loss</b>	<b>11,489</b>	<b>7,964</b>	<b>7,731</b>	<b>6,502</b>	<b>7,732</b>
<b>Operating income</b>	<b>58,225</b>	<b>50,764</b>	<b>47,998</b>	<b>46,171</b>	<b>46,863</b>
Salaries and related expense	(14,638)	(12,332)	(14,641)	(14,278)	(13,602)
Other operating expenses	(11,237)	(12,109)	(12,222)	(12,000)	(9,291)
<b>Operating expenses</b>	<b>(25,875)</b>	<b>(24,441)</b>	<b>(26,863)</b>	<b>(26,278)</b>	<b>(22,893)</b>
Bank Levy	(1,516)	(1,301)	(2,984)	(3,386)	(3,172)
Net impairment	3,169	(5,044)	(382)	(3,525)	312
<b>Earnings / loss before tax</b>	<b>34,003</b>	<b>19,978</b>	<b>17,769</b>	<b>12,982</b>	<b>21,110</b>
Income tax expense	(6,782)	(3,231)	(3,714)	(4,046)	(5,966)
<b>Net earnings / loss from continuing operations</b>	<b>27,221</b>	<b>16,747</b>	<b>14,055</b>	<b>8,936</b>	<b>15,144</b>
Discontinued operations held for sale, net of income tax	1,394	(4,278)	(12,955)	(1,159)	(725)
<b>Net earnings / loss</b>	<b>28,615</b>	<b>12,469</b>	<b>1,100</b>	<b>7,777</b>	<b>14,419</b>
<b>Attributable to</b>					
Shareholders of Arion Bank	28,614	12,468	1,096	7,116	14,400
Non-controlling interest	1	1	4	661	19
<b>Total comprehensive income</b>	<b>28,615</b>	<b>12,469</b>	<b>1,100</b>	<b>7,777</b>	<b>14,419</b>
<b>Earnings per share</b>					
Basic and diluted earnings per share attributable to the shareholders of Arion Bank (ISK)	17.96	7.24	0.61	3.86	7.20

## Balance sheet - 5 year summary

ISK million

31.12.2021 31.12.2020 31.12.2019 31.12.2018 31.12.2017

### Assets

Cash and balances with Central Bank	69,057	42,136	95,717	83,139	139,819
Loans to credit institutions	30,272	28,235	17,947	56,322	86,609
Loans to customers	936,237	822,941	773,955	833,826	765,101
Financial instruments	225,657	227,251	117,406	114,557	109,450
Investment property	6,560	6,132	7,119	7,092	6,613
Investments in associates	668	891	852	818	760
Intangible assets	9,463	9,689	8,367	6,397	13,848
Tax assets	2	2	2	90	450
Asset and disposal groups held for sale	16,047	16,811	43,626	48,584	8,138
Other assets	19,901	18,618	16,864	13,502	16,966
<b>Total assets</b>	<b>1,313,864</b>	<b>1,172,706</b>	<b>1,081,855</b>	<b>1,164,327</b>	<b>1,147,754</b>

### Liabilities

Due to credit institutions and Central Bank	5,000	13,031	5,984	9,204	7,370
Deposits	655,476	568,424	492,916	466,067	462,161
Financial liabilities at fair value	5,877	5,240	2,570	2,320	3,601
Tax liabilities	7,102	4,262	4,404	5,119	6,828
Liabilities associated with disposal groups held for sale	16,935	16,183	28,631	26,337	-
Other liabilities	37,151	32,714	32,697	30,107	57,062
Borrowings	356,637	298,947	304,745	417,782	384,998
Subordinated liabilities	35,088	36,060	20,083	6,532	-
<b>Total liabilities</b>	<b>1,119,266</b>	<b>974,861</b>	<b>892,030</b>	<b>963,468</b>	<b>922,020</b>

### Equity

Share capital and share premium	22,684	51,331	55,715	59,010	75,861
Other reserves	12,838	11,320	9,493	14,822	16,774
Retained earnings	158,403	135,021	124,436	126,897	132,971
<b>Total shareholders equity</b>	<b>193,925</b>	<b>197,672</b>	<b>189,644</b>	<b>200,729</b>	<b>225,606</b>
Non-controlling interest	673	173	181	130	128
<b>Total equity</b>	<b>194,598</b>	<b>197,845</b>	<b>189,825</b>	<b>200,859</b>	<b>225,734</b>
<b>Total liabilities and equity</b>	<b>1,313,864</b>	<b>1,172,706</b>	<b>1,081,855</b>	<b>1,164,327</b>	<b>1,147,754</b>

## Net interest income - 5 year summary

ISK million	2021	2020	2019	2018	2017
<b>Interest income</b>					
Cash and balances with Central bank	573	1,435	4,008	4,625	6,315
Loans	49,166	46,992	52,803	53,811	47,538
Securities	4,029	3,138	1,335	607	1,964
Other	190	165	161	273	211
<b>Interest income</b>	<b>53,958</b>	<b>51,730</b>	<b>58,307</b>	<b>59,316</b>	<b>56,028</b>
<b>Interest expense</b>					
Deposits	(6,820)	(6,644)	(11,949)	(13,323)	(12,606)
Borrowings	(13,065)	(12,030)	(15,473)	(16,524)	(14,449)
Subordinated liabilities	(1,891)	(1,780)	(449)	(19)	-
Other	(119)	(118)	(119)	(131)	(53)
<b>Interest expense</b>	<b>(21,895)</b>	<b>(20,572)</b>	<b>(27,990)</b>	<b>(29,997)</b>	<b>(27,108)</b>
<b>Net interest income</b>	<b>32,063</b>	<b>31,158</b>	<b>30,317</b>	<b>29,319</b>	<b>28,920</b>
<b>Interest bearing assets</b>					
Cash and balances with Central Bank	69,057	42,136	95,717	83,139	139,819
Loans	966,509	851,176	791,902	890,148	851,710
Securities	168,801	192,244	83,343	87,701	65,402
<b>Interest bearing assets</b>	<b>1,204,367</b>	<b>1,085,556</b>	<b>970,962</b>	<b>1,060,989</b>	<b>1,056,931</b>
<b>Interest bearing liabilities</b>					
Due to credit institutions and Central Bank	5,000	13,031	5,984	9,204	7,370
Deposits	655,476	568,424	492,916	466,067	462,161
Financial liabilities at fair value	5,877	5,240	2,570	2,320	3,601
Borrowings	356,637	298,947	304,745	417,782	384,998
Subordinated liabilities	35,088	36,060	20,083	6,532	-
<b>Interest bearing liabilities</b>	<b>1,058,078</b>	<b>921,702</b>	<b>826,298</b>	<b>901,905</b>	<b>858,130</b>
<b>Interest Gap</b>	<b>146,289</b>	<b>163,854</b>	<b>144,664</b>	<b>159,084</b>	<b>198,801</b>
<b>Net interest margin on interest bearing assets</b>	<b>2.8%</b>	<b>2.9%</b>	<b>2.8%</b>	<b>2.7%</b>	<b>2.9%</b>

## Loans to customers - 5 year summary

ISK million

31.12.2021 31.12.2020 31.12.2019 31.12.2018 31.12.2017

### Loans to customers

Individuals	526,498	433,336	368,569	400,483	365,287
Corporates	409,739	389,605	405,386	433,343	399,814
<b>Total loans to customers</b>	<b>936,237</b>	<b>822,941</b>	<b>773,955</b>	<b>833,826</b>	<b>765,101</b>

### Ratios:

Share of stage 3 loans, gross*	1.9%	2.6%	2.7%	2.6%	3.5%
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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	14,255	12,875	14,421	14,536	14,469
Credit cards	13,192	12,260	13,028	12,958	11,133
Mortgage loans	463,895	378,554	310,562	343,119	311,507
Other loans	37,044	32,122	33,105	33,560	33,629
Provision on loans	(1,888)	(2,475)	(2,547)	(3,690)	(5,451)
<b>Total loans to individuals</b>	<b>526,498</b>	<b>433,336</b>	<b>368,569</b>	<b>400,483</b>	<b>365,287</b>

## Loans to customers - 5 year summary

ISK million

31.12.2021 31.12.2020 31.12.2019 31.12.2018 31.12.2017

### Loans to corporates

Overdrafts	18,301	15,471	18,709	19,200	18,778
Credit cards	1,449	1,086	1,373	1,348	1,123
Mortgage loans	41,588	32,175	23,475	23,417	19,632
Other loans	354,113	350,455	368,453	395,579	368,312
Provision on loans	(5,712)	(9,582)	(6,624)	(6,201)	(8,031)
<b>Total loans to corporates</b>	<b>409,739</b>	<b>389,605</b>	<b>405,386</b>	<b>433,343</b>	<b>399,814</b>

### Loans to corporates specified by sector:

Agriculture and forestry	2.5%	2.1%	1.9%	1.7%	1.6%
Services	4.2%	3.4%	4.3%	3.8%	4.5%
Financial and insurance activities	11.2%	9.2%	8.3%	8.7%	8.5%
Industry, energy and manufacturing	6.8%	8.0%	9.8%	8.2%	7.4%
Information and communication technology	4.1%	5.3%	4.7%	4.8%	5.5%
Public administration, human health and social activities	1.7%	1.7%	2.1%	1.6%	2.0%
Real estate activities and construction	31.1%	32.8%	32.0%	33.9%	32.1%
Fishing industry	19.1%	20.9%	20.5%	19.4%	19.7%
Transportation	3.5%	3.3%	2.7%	2.8%	4.3%
Wholesale and retail trade	15.9%	13.2%	13.6%	15.2%	14.4%
	100.0%	100.0%	100.0%	100.0%	100.0%

## Capital and Risk Weighted Assets

ISK million

31.12.2021 31.12.2020 31.12.2019 31.12.2018 31.12.2017

### Capital base:

Total equity	194,598	197,845	189,825	200,859	225,733
Deductions related to the consolidated situation	-	-	(10,159)	(8,986)	(8,635)
Unaudited interim net earnings	-	-	-	-	-
Non-controlling interest not eligible for inclusion in CET 1 capital	(673)	(173)	(181)	(130)	(128)

### Common Equity Tier 1 capital before regulatory adjustments

193,925	197,672	179,485	191,743	216,970	
Intangible assets	(8,435)	(13,092)	(10,604)	(12,152)	(11,125)
Tax assets	-	-	(296)	(191)	(357)
Foreseeable dividend	(26,773)	(17,990)	(14,153)	(9,069)	(25,000)
Adjustment under IFRS 9 transitional arrangements	920	1,890	-	-	-
Other statutory deductions	(437)	(2,520)	(1,741)	(1,537)	147

### Common equity Tier 1 capital

159,200	165,960	152,691	168,794	180,635	
Non-controlling interest eligible for inclusion in CET1 capital	133	173	181	130	128
Additional Tier 1 capital	13,225	13,498	-	-	-

### Tier 1 capital

172,558	179,631	152,872	168,924	180,763	
Tier 2 instruments	21,863	22,562	20,083	6,532	-
Tier 2 instruments of financial sector entities (signif. invest.)	(1,056)	(1,007)	-	-	-
General credit risk adjustments	-	-	-	-	3,195

### Tier 2 Capital

20,807	21,555	20,083	6,532	3,195
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### Total own funds

### Risk weighted exposure amount (REA)

Credit Risk, loans	623,395	570,554	561,602	639,788	605,058
Credit Risk, securities and other	69,553	60,813	49,163	50,112	56,979
Counterparty credit risk	7,761	3,462	3,347	4,405	5,844
Market Risk due to currency imbalance	4,691	8,569	10,070	4,280	4,895
Market Risk Other	8,958	13,063	10,609	8,928	5,473
Credit valuation adjustment	2,379	842	1,477	2,228	2,506
Operational Risk	96,085	88,462	83,487	86,957	86,013
<b>Total risk weighted exposure amount</b>	<b>812,822</b>	<b>745,765</b>	<b>719,755</b>	<b>796,698</b>	<b>766,768</b>

### Capital ratios

CET 1 ratio	19.6%	22.3%	21.2%	21.2%	23.6%
Tier 1 ratio	21.2%	24.1%	21.2%	21.2%	23.6%
Capital adequacy ratio	23.8%	27.0%	24.0%	22.0%	24.0%

### Leverage ratio

On-balance sheet exposures	1,256,916	1,114,450	1,022,521	1,106,368	1,074,207
Derivative exposures	4,796	9,124	10,217	8,239	10,957
Securities financing transaction exposures	720	512	577	8,194	8,925
Off-balance sheet exposures	102,016	65,425	52,299	68,316	83,058

### Total exposure

1,364,448	1,189,511	1,085,614	1,191,117	1,177,147
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### Tier 1 capital

172,558	179,631	152,872	168,924	180,763
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### Leverage ratio

12.6%	15.1%	14.1%	14.2%	15.4%
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### Related ratios

Return on REA	3.7%	1.7%	0.1%	1.0%	1.9%
REA/Total assets	61.9%	63.6%	66.5%	68.4%	66.8%



# Arion Bank Factbook

## Quarter summaries



## KFI - 9 Quarters

ISK million

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
<b>Profitability</b>									
Return on equity	13.4%	17.0%	16.3%	12.5%	11.8%	8.3%	10.5%	(4.6%)	(5.8%)
Return on assets	2.0%	2.6%	2.6%	2.1%	1.9%	1.3%	1.7%	(0.8%)	(1.0%)
Return on risk exposure amount	3.3%	4.3%	4.2%	3.2%	3.1%	2.2%	2.7%	(1.2%)	(1.5%)
Operating income / Risk exposure amount	7.6%	7.8%	8.0%	7.0%	8.0%	7.2%	7.9%	5.0%	6.4%
Earnings per share	4.26	5.23	4.89	3.61	7.26	2.31	2.86	(3.33)	(1.53)
Earnings per share from continuing operations	3.92	4.83	4.81	2.39	8.62	2.89	2.89	(5.58)	2.87
<b>Net interest margin</b>									
Net interest margin on interest bearing assets	2.8%	2.7%	2.9%	2.7%	2.9%	2.9%	2.9%	2.8%	3.0%
Net interest margin on total assets	2.6%	2.5%	2.7%	2.5%	2.7%	2.6%	2.7%	2.6%	2.7%
Net interest income on credit risk	5.1%	4.9%	5.0%	4.6%	5.1%	5.2%	5.2%	4.8%	4.9%
<b>Efficiency</b>									
Cost-to-income ratio	51.6%	37.5%	42.5%	46.2%	44.9%	40.2%	45.5%	69.2%	54.9%
Cost-to-total assets ratio	2.4%	1.7%	2.1%	2.1%	2.2%	1.7%	2.2%	2.2%	2.2%
Number of FTE´s at year end	751	763	741	772	776	783	783	814	801
<b>Asset quality</b>									
Share of stage 3 loans, gross*	1.9%	2.6%	2.8%	2.9%	2.6%	3.2%	3.4%	2.9%	2.7%
Risk weighted assets / Total assets	61.9%	58.0%	61.3%	63.9%	63.6%	58.9%	60.6%	60.0%	66.5%

\* (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 2021 Q3 2021 Q2 2021 Q1 2021 Q4 2020 Q3 2020 Q2 2020 Q1 2020 Q4 2019

### Financial strength

Equity as % of total assets	14.8%	14.5%	15.9%	16.0%	16.9%	15.6%	16.0%	15.5%	17.5%
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### Liquidity

Liquidity coverage ratio (LCR)	202.8%	221.0%	215.1%	191.6%	188.5%	212.6%	206.3%	224.2%	188.3%
Loans-to-deposits ratio	142.8%	139.9%	139.6%	141.3%	144.8%	134.0%	140.3%	144.4%	157.0%
Loans-to-deposits ratio (without covered bonds)	111.8%	106.6%	112.0%	115.1%	117.7%	108.6%	113.0%	116.7%	127.5%
Deposits from customers as % of total funding	64.4%	61.3%	66.2%	66.1%	64.6%	65.3%	63.3%	62.0%	61.3%
Covered bonds as % of total funding	20.0%	20.3%	18.3%	17.3%	17.5%	16.6%	17.3%	17.2%	18.1%

### Capital

CET 1 ratio	19.6%	20.3%	22.7%	22.0%	22.3%	22.5%	22.9%	22.5%	21.2%
Tier 1 ratio	21.2%	22.1%	24.4%	23.7%	24.1%	24.5%	25.0%	24.6%	21.2%
Tier 2 ratio	2.6%	3.2%	2.8%	3.1%	2.9%	3.1%	3.0%	3.0%	2.8%
Capital adequacy ratio	23.5%	25.4%	26.5%	26.5%	27.0%	27.6%	0.0%	27.5%	24.0%
Leverage ratio	12.6%	12.4%	14.6%	14.7%	15.1%	14.3%	14.9%	14.5%	14.1%

## Income statement - 9 quarter summary

ISK million

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Interest income	15,224	12,810	14,145	11,779	12,706	13,145	13,835	12,044	13,306
Interest expense	(6,456)	(4,873)	(6,129)	(4,437)	(4,647)	(5,156)	(5,978)	(4,791)	(5,613)
<b>Net interest income</b>	<b>8,768</b>	<b>7,937</b>	<b>8,016</b>	<b>7,342</b>	<b>8,059</b>	<b>7,989</b>	<b>7,857</b>	<b>7,253</b>	<b>7,693</b>
Fee and commission income	4,662	4,219	4,099	3,726	3,530	3,117	3,097	3,481	3,074
Fee and commission expense	(583)	(464)	(537)	(449)	(414)	(355)	(409)	(405)	(459)
<b>Net fee and commission income</b>	<b>4,079</b>	<b>3,755</b>	<b>3,562</b>	<b>3,277</b>	<b>3,116</b>	<b>2,762</b>	<b>2,688</b>	<b>3,076</b>	<b>2,615</b>
Net insurance income	865	992	914	671	766	1,043	761	501	723
Net financial (loss) income	1,151	1,366	2,203	1,500	1,362	692	2,691	(2,000)	489
Share of (loss) profit of associates	(11)	7	25	1	(22)	51	(5)	(24)	7
Other operating income	382	833	284	306	1,432	475	71	170	201
<b>Other net operating income / loss</b>	<b>2,387</b>	<b>3,198</b>	<b>3,426</b>	<b>2,478</b>	<b>3,538</b>	<b>2,261</b>	<b>3,518</b>	<b>(1,353)</b>	<b>1,420</b>
<b>Operating income</b>	<b>15,234</b>	<b>14,890</b>	<b>15,004</b>	<b>13,097</b>	<b>14,713</b>	<b>13,012</b>	<b>14,063</b>	<b>8,976</b>	<b>11,728</b>
Salaries and related expense	(4,893)	(2,899)	(3,575)	(3,271)	(3,121)	(2,504)	(3,577)	(3,130)	(3,076)
Other operating expenses	(2,974)	(2,689)	(2,797)	(2,777)	(3,486)	(2,728)	(2,818)	(3,077)	(3,366)
<b>Operating expenses</b>	<b>(7,867)</b>	<b>(5,588)</b>	<b>(6,372)</b>	<b>(6,048)</b>	<b>(6,607)</b>	<b>(5,232)</b>	<b>(6,395)</b>	<b>(6,207)</b>	<b>(6,442)</b>
Bank Levy	(345)	(486)	(355)	(330)	(263)	(383)	(324)	(331)	(357)
Net impairment	559	718	812	1,080	74	(1,340)	(918)	(2,860)	1,203
<b>Earnings / loss before tax</b>	<b>7,581</b>	<b>9,534</b>	<b>9,089</b>	<b>7,799</b>	<b>7,917</b>	<b>6,057</b>	<b>6,426</b>	<b>(422)</b>	<b>6,132</b>
Income tax expense	(1,588)	(1,920)	(1,408)	(1,866)	193	(1,096)	(1,468)	(860)	(923)
<b>Net earnings / loss from continuing operations</b>	<b>5,993</b>	<b>7,614</b>	<b>7,681</b>	<b>5,933</b>	<b>8,110</b>	<b>4,961</b>	<b>4,958</b>	<b>(1,282)</b>	<b>5,209</b>
Discontinued operations held for sale, net of income tax	529	624	135	106	(2,349)	(995)	(45)	(889)	(7,981)
<b>Net earnings / loss</b>	<b>6,522</b>	<b>8,238</b>	<b>7,816</b>	<b>6,039</b>	<b>5,761</b>	<b>3,966</b>	<b>4,913</b>	<b>(2,171)</b>	<b>(2,772)</b>
<b>Attributable to</b>									
Shareholders of Arion Bank	6,528	8,228	7,810	6,038	5,760	3,965	4,918	(2,167)	(2,776)
Non-controlling interest	(6)	10	6	1	1	1	(5)	(4)	4
<b>Total comprehensive income for the period</b>	<b>6,522</b>	<b>8,238</b>	<b>7,816</b>	<b>6,039</b>	<b>5,761</b>	<b>3,966</b>	<b>4,913</b>	<b>(2,171)</b>	<b>(2,772)</b>
<b>Earnings per share</b>	<b>7,867</b>	<b>5,588</b>	<b>6,372</b>	<b>6,048</b>	<b>6,607</b>	<b>5,232</b>	<b>6,395</b>	<b>6,207</b>	<b>6,442</b>
Basic and diluted earnings per share attributable to the shareholders of Arion Bank (ISK)	4.26	5.23	4.89	3.61	7.26	2.31	2.86	(3.33)	(1.53)

## Balance sheet - 9 quarter summary

ISK million

31.12.2021 30.09.2021 30.06.2021 31.03.2021 31.12.2020 30.09.2020 30.06.2020 31.03.2020 31.12.2019

### Assets

Cash and balances with Central Bank	69,057	70,136	69,609	60,479	42,136	87,517	103,432	118,174	95,717
Loans to credit institutions	30,272	30,376	35,701	29,251	28,235	39,484	33,597	33,797	17,947
Loans to customers	936,237	896,940	843,988	837,162	822,941	807,866	779,902	778,823	773,955
Financial instruments	225,657	249,979	213,963	197,216	227,251	234,937	197,141	192,056	117,406
Investment property	6,560	6,548	6,003	6,110	6,132	6,721	7,051	7,129	7,119
Investments in associates	668	704	697	892	891	913	861	828	852
Intangible assets	9,463	9,732	9,996	9,892	9,689	9,398	9,077	8,826	8,367
Tax assets	2	2	2	2	2	2	2	2	2
Asset and disposal groups held for sale	16,047	16,775	19,236	16,271	16,811	30,821	30,732	28,038	43,626
Other assets	19,901	64,900	18,725	23,818	18,618	18,557	20,454	20,147	16,864
<b>Total assets</b>	<b>1,313,864</b>	<b>1,346,092</b>	<b>1,217,920</b>	<b>1,181,093</b>	<b>1,172,707</b>	<b>1,236,217</b>	<b>1,182,250</b>	<b>1,187,820</b>	<b>1,081,855</b>

### Liabilities

Due to credit institutions and Central Bank	5,000	8,484	7,754	9,525	13,031	10,802	7,661	8,323	5,984
Deposits	655,476	641,306	604,382	592,540	568,424	602,842	555,855	539,312	492,916
Financial liabilities at fair value	5,877	5,675	5,447	6,297	5,240	3,983	3,118	4,687	2,570
Tax liabilities	7,102	6,989	5,905	5,443	4,262	3,053	3,882	4,195	4,404
Liabilities associated with disposal groups held for sale	16,935	16,852	18,841	8,407	16,183	26,193	26,982	22,857	28,631
Other liabilities	37,151	39,698	46,055	41,083	32,715	51,068	44,479	66,260	32,697
Borrowings	356,637	397,031	301,388	293,747	298,947	308,913	314,952	322,470	304,745
Subordinated liabilities	35,088	35,477	34,543	34,633	36,059	36,867	36,494	35,837	20,083
<b>Total liabilities</b>	<b>1,119,266</b>	<b>1,151,512</b>	<b>1,024,315</b>	<b>991,675</b>	<b>974,861</b>	<b>1,043,721</b>	<b>993,423</b>	<b>1,003,941</b>	<b>892,030</b>

### Equity

Share capital and share premium	22,685	28,663	36,345	39,386	51,331	51,331	51,330	51,334	55,715
Other reserves	12,838	12,023	12,270	12,757	11,320	12,114	11,375	10,409	9,493
Retained earnings	158,403	153,214	144,810	137,101	135,021	128,879	125,951	121,959	124,436
<b>Total shareholders equity</b>	<b>193,926</b>	<b>193,900</b>	<b>193,425</b>	<b>189,244</b>	<b>197,672</b>	<b>192,324</b>	<b>188,656</b>	<b>183,702</b>	<b>189,644</b>
Non-controlling interest	673	680	180	174	173	172	171	177	181
<b>Total equity</b>	<b>194,599</b>	<b>194,580</b>	<b>193,605</b>	<b>189,418</b>	<b>197,845</b>	<b>192,496</b>	<b>188,827</b>	<b>183,879</b>	<b>189,825</b>
<b>Total liabilities and equity</b>	<b>1,313,865</b>	<b>1,346,092</b>	<b>1,217,920</b>	<b>1,181,093</b>	<b>1,172,707</b>	<b>1,236,217</b>	<b>1,182,250</b>	<b>1,187,820</b>	<b>1,081,855</b>

## Net interest income - 9 quarter summary

ISK million	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
<b>Interest income</b>									
Cash and balances with Central bank	188	176	121	88	131	227	303	774	916
Loans	13,930	11,504	13,024	10,708	11,483	11,893	12,926	10,690	11,911
Securities	1,058	1,078	954	939	1,073	977	538	550	443
Other	48	52	46	44	19	48	68	30	35
<b>Interest income</b>	<b>15,224</b>	<b>12,810</b>	<b>14,145</b>	<b>11,779</b>	<b>12,706</b>	<b>13,145</b>	<b>13,835</b>	<b>12,044</b>	<b>13,305</b>
<b>Interest expense</b>									
Deposits	(2,323)	(1,386)	(1,930)	(1,181)	(1,209)	(1,455)	(1,969)	(2,011)	(2,447)
Borrowings	(3,604)	(3,003)	(3,684)	(2,774)	(2,938)	(3,181)	(3,468)	(2,443)	(2,956)
Subordinated loans	(498)	(455)	(485)	(453)	(475)	(491)	(501)	(313)	(182)
Other	(31)	(29)	(30)	(29)	(25)	(29)	(40)	(24)	(27)
<b>Interest expense</b>	<b>(6,456)</b>	<b>(4,873)</b>	<b>(6,129)</b>	<b>(4,437)</b>	<b>(4,647)</b>	<b>(5,156)</b>	<b>(5,978)</b>	<b>(4,791)</b>	<b>(5,612)</b>
<b>Net interest income</b>	<b>8,768</b>	<b>7,937</b>	<b>8,016</b>	<b>7,342</b>	<b>8,059</b>	<b>7,989</b>	<b>7,857</b>	<b>7,253</b>	<b>7,693</b>
<b>Interest bearing assets</b>									
Cash and balances with Central Bank	69,057	70,136	69,609	60,479	42,136	87,517	103,432	118,174	95,717
Loans	966,509	927,316	879,689	866,413	851,176	847,350	813,499	812,620	791,902
Securities	168,801	195,017	167,644	154,346	192,244	202,783	167,517	163,127	83,343
<b>Interest bearing assets</b>	<b>1,204,367</b>	<b>1,192,469</b>	<b>1,116,942</b>	<b>1,081,238</b>	<b>1,085,556</b>	<b>1,137,650</b>	<b>1,084,448</b>	<b>1,093,921</b>	<b>970,962</b>
<b>Interest bearing liabilities</b>									
Due to credit institutions and Central Bank	5,000	8,484	7,754	9,525	13,031	10,802	7,661	8,323	5,984
Deposits	655,476	641,306	604,382	592,540	568,424	602,842	555,855	539,312	492,916
Financial liabilities at fair value	5,877	5,675	5,447	6,297	5,240	3,983	3,118	4,687	2,570
Borrowings	356,637	397,031	301,388	293,747	298,947	308,913	314,952	322,470	304,745
Subordinated liabilities	35,088	35,477	34,543	34,632	36,060	36,867	36,494	35,837	20,083
<b>Interest bearing liabilities</b>	<b>1,058,078</b>	<b>1,087,973</b>	<b>953,514</b>	<b>936,741</b>	<b>921,702</b>	<b>963,407</b>	<b>918,080</b>	<b>910,629</b>	<b>826,298</b>
<b>Interest Gap</b>	<b>146,289</b>	<b>104,496</b>	<b>163,428</b>	<b>144,497</b>	<b>163,854</b>	<b>174,243</b>	<b>166,368</b>	<b>183,292</b>	<b>144,664</b>
<b>Net interest margin on interest bearing assets</b>	<b>2.8%</b>	<b>2.7%</b>	<b>2.9%</b>	<b>2.7%</b>	<b>2.9%</b>	<b>2.9%</b>	<b>2.9%</b>	<b>2.8%</b>	<b>3.0%</b>

All amounts are in ISK millions

## Loans to customers - 9 quarter summary

ISK million

31.12.2021 30.09.2021 30.06.2021 31.03.2021 31.12.2020 30.09.2020 30.06.2020 31.03.2020 31.12.2019

### Loans to customers

Individuals	526,498	501,578	472,550	446,996	433,336	414,320	388,747	374,005	368,569
Corporates	409,739	395,362	371,438	390,166	389,605	393,546	391,155	404,818	405,386
<b>Total loans to customers</b>	<b>936,237</b>	<b>896,940</b>	<b>843,988</b>	<b>837,162</b>	<b>822,941</b>	<b>807,866</b>	<b>779,902</b>	<b>778,823</b>	<b>773,955</b>

Share of stage 3 loans, gross*	1.9%	2.6%	2.8%	2.9%	2.6%	3.2%	3.4%	2.9%	2.7%
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### Loans to individuals

Overdrafts	14,255	14,439	13,310	12,567	12,875	14,513	13,917	15,465	14,421
Credit cards	13,192	12,709	12,473	11,474	12,260	11,222	11,809	10,805	13,028
Mortgage loans	463,895	440,315	414,541	392,422	378,554	359,145	333,249	317,882	310,562
Other loans	37,044	36,113	34,256	32,901	32,122	32,669	33,207	33,412	33,105
Provision on loans	(1,888)	(1,998)	(2,030)	(2,368)	(2,475)	(3,229)	(3,435)	(3,559)	(2,547)
<b>Total loans to individuals</b>	<b>526,498</b>	<b>501,578</b>	<b>472,550</b>	<b>446,996</b>	<b>433,336</b>	<b>414,320</b>	<b>388,747</b>	<b>374,005</b>	<b>368,569</b>

### Loans to corporates

Overdrafts	18,301	15,146	13,478	14,034	15,471	15,819	15,915	17,611	18,709
Credit cards	1,449	1,214	1,323	1,595	1,086	1,097	1,102	1,065	1,373
Mortgage loans	41,588	43,902	39,462	32,448	32,175	29,066	23,941	23,178	23,475
Other loans	354,113	342,066	324,573	351,201	350,455	358,058	359,459	371,639	368,453
Provision on loans	(5,712)	(6,966)	(7,398)	(9,112)	(9,582)	(10,494)	(9,262)	(8,675)	(6,624)
<b>Total loans to corporates</b>	<b>409,739</b>	<b>395,362</b>	<b>371,438</b>	<b>390,166</b>	<b>389,605</b>	<b>393,546</b>	<b>391,155</b>	<b>404,818</b>	<b>405,386</b>

### Loans to corporates specified by sector:

Agriculture and forestry	2.5%	2.4%	2.4%	2.2%	2.1%	2.1%	2.0%	1.9%	1.9%
Services	4.2%	3.5%	3.8%	3.3%	3.4%	3.2%	4.3%	4.2%	4.3%
Financial and insurance activities	11.2%	11.6%	9.6%	9.1%	9.2%	8.1%	9.1%	9.2%	8.3%
Industry, energy and manufacturing	6.8%	7.2%	7.6%	7.5%	8.0%	7.7%	7.8%	7.8%	9.8%
Information and communication technology	4.1%	2.3%	3.5%	5.9%	5.3%	5.0%	4.9%	4.6%	4.7%
Public administration, human health and social activities	1.7%	1.4%	1.5%	1.7%	1.7%	2.0%	1.7%	1.6%	2.1%
Real estate activities and construction	31.1%	34.3%	33.8%	32.9%	32.8%	33.1%	33.0%	31.6%	32.0%
Fishing industry	19.1%	20.8%	20.0%	20.8%	20.9%	22.1%	19.5%	21.3%	20.5%
Transportation	3.5%	3.6%	3.2%	3.1%	3.3%	3.4%	3.2%	3.0%	2.7%
Wholesale and retail trade	15.9%	12.9%	14.5%	13.6%	13.2%	13.3%	14.6%	14.8%	13.6%
	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

31.12.2021 30.09.2021 30.06.2021 31.03.2021 31.12.2020 30.09.2020 30.06.2020 31.03.2020 31.12.2019

### Capital base:

Total equity	194,598	194,580	193,605	189,419	197,845	192,496	188,827	183,879	189,825
Deductions related to the consolidated situation	-	-	-	-	-	(11,410)	(10,823)	(10,088)	(10,159)
Unaudited interim net earnings	-	(8,228)	(7,810)	(6,038)	-	(3,966)	-	2,171	-
Non-controlling interest not eligible for inclusion in CET1 capital	(673)	(680)	(180)	(174)	(173)	(172)	(171)	(177)	(181)
<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>193,925</b>	<b>185,672</b>	<b>185,615</b>	<b>183,207</b>	<b>197,672</b>	<b>180,914</b>	<b>177,833</b>	<b>173,614</b>	<b>179,485</b>
Intangible assets	(8,435)	(9,654)	(9,532)	(13,915)	(13,092)	(11,671)	(11,371)	(11,160)	(10,604)
Tax assets	-	-	-	-	-	(310)	(310)	(332)	(296)
Foreseeable dividend	(26,773)	(17,176)	(14,924)	(3,056)	(17,990)	(3,358)	-	-	(14,153)
Adjustment under IFRS 9 transitional arrangements	920	1,379	1,936	1,238	1,890	1,977	1,550	-	-
Other statutory deductions	(437)	(1,601)	(1,702)	(1,561)	(2,520)	(3,709)	(3,314)	(1,995)	(1,741)
<b>Common equity Tier 1 capital</b>	<b>159,200</b>	<b>158,620</b>	<b>161,393</b>	<b>165,913</b>	<b>165,960</b>	<b>163,843</b>	<b>164,388</b>	<b>160,127</b>	<b>152,691</b>
Non-controlling interest not eligible for inclusion in CET1 capital	673	680	180	174	173	172	171	177	181
Additional Tier 1 capital	13,225	13,302	12,847	12,891	13,498	14,480	14,705	14,783	-
<b>Tier 1 capital</b>	<b>173,098</b>	<b>172,602</b>	<b>174,420</b>	<b>178,978</b>	<b>179,631</b>	<b>178,495</b>	<b>179,264</b>	<b>175,087</b>	<b>152,872</b>
Tier 2 instruments	21,863	22,175	21,696	21,741	22,562	22,387	21,789	21,054	20,083
Tier 2 instruments of financial sector entities (signif. invest.)	(1,056)	(1,051)	(1,032)	(1,026)	(1,007)	-	-	-	-
<b>Tier 2 Capital</b>	<b>20,807</b>	<b>21,124</b>	<b>20,664</b>	<b>20,715</b>	<b>21,555</b>	<b>22,387</b>	<b>21,789</b>	<b>21,054</b>	<b>20,083</b>
<b>Total own funds</b>	<b>193,905</b>	<b>193,726</b>	<b>195,084</b>	<b>199,693</b>	<b>201,186</b>	<b>200,882</b>	<b>201,053</b>	<b>196,141</b>	<b>172,955</b>

### Risk weighted exposure amount (REA)

Credit Risk, loans	623,395	593,552	567,958	577,130	570,554	568,345	557,208	557,415	561,602
Credit Risk, securities and other	69,553	71,200	62,566	61,812	60,813	52,564	51,286	48,412	49,163
Counterparty credit risk	7,761	7,832	7,879	4,831	3,462	4,791	4,169	5,242	3,347
Market Risk due to currency imbalance	4,691	5,748	1,056	6,297	8,569	2,552	3,119	2,676	10,070
Market Risk Other	8,958	10,862	15,944	15,255	13,063	14,777	15,207	13,898	10,609
Credit valuation adjustment	2,379	2,661	2,543	589	842	1,618	1,874	1,934	1,477
Operational Risk	96,085	88,462	88,462	88,462	88,462	83,487	83,487	83,487	83,487
<b>Total risk weighted exposure amount</b>	<b>812,822</b>	<b>780,317</b>	<b>746,408</b>	<b>754,376</b>	<b>745,765</b>	<b>728,134</b>	<b>716,350</b>	<b>713,064</b>	<b>719,755</b>



## Capital and Risk Weighted Assets

ISK million

31.12.2021 30.09.2021 30.06.2021 31.03.2021 31.12.2020 30.09.2020 30.06.2020 31.03.2020 31.12.2019

<b>Capital ratios*</b>	23.9%	24.8%	26.1%	26.5%	27.0%	27.6%	28.1%	27.5%	24.0%
CET 1 ratio	19.6%	20.3%	22.7%	22.0%	22.3%	22.5%	22.9%	22.5%	21.2%
Tier 1 ratio	21.2%	22.1%	24.4%	23.7%	24.1%	24.5%	25.0%	24.6%	21.2%
Capital adequacy ratio	23.8%	25.4%	27.2%	26.9%	27.0%	27.6%	28.1%	27.5%	24.0%
<b>Leverage ratio</b>									
On-balance sheet exposures	1,256,916	1,294,546	1,165,903	1,139,032	1,114,450	1,176,825	1,130,553	1,136,168	1,022,521
Derivative exposures	4,796	7,076	6,574	6,409	9,124	13,083	12,153	13,176	10,217
Securities financing transaction exposures	720	689	74	514	512	2,871	525	1,557	577
Off-balance sheet exposures	102,016	89,800	73,017	74,587	65,425	66,612	62,666	56,222	52,299
<b>Total exposure</b>	<b>1,364,448</b>	<b>1,392,111</b>	<b>1,245,568</b>	<b>1,220,542</b>	<b>1,189,511</b>	<b>1,259,391</b>	<b>1,205,897</b>	<b>1,207,123</b>	<b>1,085,614</b>
<b>Tier 1 capital</b>	<b>173,098</b>	<b>172,602</b>	<b>174,420</b>	<b>178,978</b>	<b>179,631</b>	<b>202,329</b>	<b>204,125</b>	<b>197,990</b>	<b>194,966</b>
<b>Leverage ratio</b>	<b>12.7%</b>	<b>12.4%</b>	<b>14.0%</b>	<b>14.7%</b>	<b>15.1%</b>	<b>16.6%</b>	<b>17.2%</b>	<b>16.9%</b>	<b>17.8%</b>
<b>Related ratios</b>									
Return on REA	3.7%	3.9%	3.7%	3.2%	1.7%	1.2%	0.8%	(1.2%)	0.1%
REA/Total assets	61.9%	58.0%	61.3%	63.9%	63.6%	58.9%	60.6%	60.0%	66.5%

\*Capital ratios include interim profit in Q1 and Q3 figures

## Operating segments - Quarters summary

ISK million

Q4 2021 Q3 2021 Q2 2021 Q1 2021 Q4 2020 Q3 2020 Q2 2020 Q1 2020 Q4 2019 Q3 2019 Q2 2019

### Markets and Stefmir:

Net interest income	371	248	207	139	398	169	212	197	182	282	297
Net fee and commission income	1,513	1,699	1,239	1,191	1,125	857	945	1,035	944	1,164	1,156
Net insurance income	-	-	-	-	-	-	-	-	-	-	-
Net financial income (loss)	54	104	103	65	99	46	133	(136)	87	(68)	61
Share of profit of associates	-	-	-	-	-	-	-	1	-	-	-
Other operating income	1	1	2	-	5	4	1	3	11	3	9
<b>Total operating income</b>	<b>1,939</b>	<b>2,052</b>	<b>1,551</b>	<b>1,395</b>	<b>1,627</b>	<b>1,076</b>	<b>1,291</b>	<b>1,100</b>	<b>1,224</b>	<b>1,381</b>	<b>1,523</b>
Operating expenses	(664)	(404)	(459)	(439)	(497)	(326)	(531)	(474)	(477)	(421)	(504)
Allocated expenses	(558)	(435)	(522)	(467)	(407)	(408)	(497)	(468)	(179)	(380)	(481)
Bank levy	(16)	(23)	(16)	(13)	(7)	(10)	(10)	(8)	(9)	(42)	(45)
Net impairment	-	1	(1)	-	-	4	(4)	-	-	8	(3)
<b>Earnings before income tax</b>	<b>701</b>	<b>1,191</b>	<b>553</b>	<b>476</b>	<b>716</b>	<b>336</b>	<b>249</b>	<b>150</b>	<b>559</b>	<b>546</b>	<b>490</b>
-	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>80,834</b>	<b>80,834</b>	<b>77,722</b>	<b>77,927</b>	<b>79,193</b>	<b>75,528</b>	<b>74,317</b>	<b>77,452</b>	<b>69,692</b>	<b>70,735</b>	<b>78,441</b>
<b>Total liabilities</b>	<b>73,121</b>	<b>73,121</b>	<b>71,114</b>	<b>69,810</b>	<b>71,355</b>	<b>67,762</b>	<b>67,980</b>	<b>69,303</b>	<b>62,540</b>	<b>63,825</b>	<b>71,767</b>
<b>Allocated equity</b>	<b>7,713</b>	<b>7,713</b>	<b>6,608</b>	<b>8,117</b>	<b>7,838</b>	<b>7,766</b>	<b>6,337</b>	<b>8,149</b>	<b>7,152</b>	<b>6,910</b>	<b>6,674</b>

### Corporate & Investment Banking:

Net interest income	4,101	3,410	2,758	2,585	2,717	2,731	2,548	2,522	2,395	2,240	2,338
Net fee and commission income	1,530	1,027	1,363	1,107	938	614	721	837	611	318	509
Net insurance income	-	-	-	-	-	-	-	-	-	-	-
Net financial income (loss)	171	399	460	216	(144)	-	-	-	6	(34)	28
Share of profit of associates	-	-	(8)	-	-	1	(49)	-	-	-	-
Other operating income (loss)	(2)	(6)	21	1	109	3	(8)	(2)	(3)	(4)	(6)
<b>Total operating income</b>	<b>5,800</b>	<b>4,830</b>	<b>4,594</b>	<b>3,909</b>	<b>3,620</b>	<b>3,349</b>	<b>3,212</b>	<b>3,357</b>	<b>3,009</b>	<b>2,520</b>	<b>2,869</b>
Operating expenses	(720)	(419)	(328)	(325)	(332)	(219)	(365)	(385)	(291)	(318)	(414)
Allocated expenses	(791)	(601)	(709)	(642)	(722)	(563)	(731)	(618)	(764)	(702)	(979)
Bank levy	(98)	(141)	(103)	(94)	(75)	(110)	(95)	(107)	(101)	(200)	(224)
Net impairment	138	737	551	841	(685)	(2,651)	(1,062)	(1,645)	(3,761)	(2,870)	(1,216)
<b>Earnings (loss) before income tax</b>	<b>4,329</b>	<b>4,406</b>	<b>4,005</b>	<b>3,689</b>	<b>1,806</b>	<b>(194)</b>	<b>959</b>	<b>602</b>	<b>(1,908)</b>	<b>(1,570)</b>	<b>36</b>
-	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>372,152</b>	<b>372,152</b>	<b>299,412</b>	<b>317,023</b>	<b>315,731</b>	<b>329,038</b>	<b>316,726</b>	<b>329,384</b>	<b>320,545</b>	<b>315,052</b>	<b>327,950</b>
<b>Total liabilities</b>	<b>310,867</b>	<b>310,867</b>	<b>242,107</b>	<b>257,703</b>	<b>256,411</b>	<b>256,013</b>	<b>259,936</b>	<b>253,964</b>	<b>251,581</b>	<b>237,575</b>	<b>254,184</b>
<b>Allocated equity</b>	<b>61,285</b>	<b>61,285</b>	<b>57,305</b>	<b>59,320</b>	<b>59,320</b>	<b>73,025</b>	<b>56,790</b>	<b>75,420</b>	<b>68,964</b>	<b>77,477</b>	<b>73,766</b>

## Operating segments - Quarters summary

ISK million

Q4 2021 Q3 2021 Q2 2021 Q1 2021 Q4 2020 Q3 2020 Q2 2020 Q1 2020 Q4 2019 Q3 2019 Q2 2019

### Retail Banking:

Net interest income	4,234	3,413	4,079	3,932	3,580	4,004	3,999	3,831	4,045	4,253	4,443
Net fee and commission income	1,070	1,126	925	940	1,047	1,291	990	1,247	1,186	1,326	1,199
Net insurance income	-	-	-	-	-	-	-	-	-	-	-
Net financial income (loss)	-	-	-	-	-	-	-	-	91	(91)	-
Share of profit of associates	-	-	-	-	-	-	-	-	-	-	-
Other operating income	73	19	204	211	40	73	5	119	102	174	32
<b>Total operating income</b>	<b>5,377</b>	<b>4,558</b>	<b>5,208</b>	<b>5,083</b>	<b>4,667</b>	<b>5,368</b>	<b>4,994</b>	<b>5,197</b>	<b>5,424</b>	<b>5,662</b>	<b>5,674</b>
Operating expenses	(1,455)	(1,066)	(1,315)	(1,311)	(1,372)	(1,152)	(1,406)	(1,493)	(1,670)	(1,569)	(1,752)
Allocated expenses	(1,878)	(1,455)	(1,911)	(1,629)	(1,640)	(1,141)	(1,626)	(1,473)	(1,842)	(1,227)	(1,602)
Bank levy	(150)	(232)	(172)	(155)	(115)	(168)	(138)	(158)	(149)	(275)	(301)
Net impairment	449	644	367	414	714	151	(76)	(1,903)	1,922	133	275
<b>Earnings before income tax</b>	<b>2,343</b>	<b>2,449</b>	<b>2,177</b>	<b>2,402</b>	<b>2,254</b>	<b>3,058</b>	<b>1,748</b>	<b>170</b>	<b>3,685</b>	<b>2,724</b>	<b>2,294</b>
-	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>574,849</b>	<b>574,849</b>	<b>555,128</b>	<b>534,332</b>	<b>518,312</b>	<b>501,186</b>	<b>485,324</b>	<b>474,471</b>	<b>475,199</b>	<b>536,349</b>	<b>554,871</b>
<b>Total liabilities</b>	<b>527,652</b>	<b>527,652</b>	<b>507,218</b>	<b>490,527</b>	<b>474,508</b>	<b>445,274</b>	<b>442,123</b>	<b>416,769</b>	<b>416,197</b>	<b>472,222</b>	<b>495,724</b>
<b>Allocated equity</b>	<b>47,197</b>	<b>47,197</b>	<b>47,910</b>	<b>43,805</b>	<b>43,805</b>	<b>55,912</b>	<b>43,201</b>	<b>57,702</b>	<b>59,002</b>	<b>64,127</b>	<b>59,147</b>

### Treasury and Market making:

Net interest income	84	863	997	709	1,437	1,166	1,180	848	1,201	783	871
Net fee and commission income	164	128	157	165	160	153	141	96	55	(50)	(76)
Net insurance income	-	-	-	-	-	-	-	-	-	-	-
Net financial income (loss)	596	115	1,218	1,019	555	467	1,353	(1,411)	(2)	718	258
Share of profit of associates	-	-	-	-	-	-	-	-	-	-	-
Other operating income	13	15	17	(2)	-	-	-	-	5	-	6
<b>Total operating income (loss)</b>	<b>857</b>	<b>1,121</b>	<b>2,389</b>	<b>1,891</b>	<b>2,152</b>	<b>1,786</b>	<b>2,674</b>	<b>(467)</b>	<b>1,259</b>	<b>1,451</b>	<b>1,059</b>
Other operating income (loss)	(211)	(142)	(109)	(143)	(161)	(114)	(148)	(185)	(140)	(91)	(86)
Allocated expenses	(293)	(236)	(271)	(236)	(469)	(222)	(225)	(211)	(260)	(213)	(283)
Bank levy	(81)	(90)	(64)	(68)	(67)	(94)	(81)	(58)	(98)	(292)	(342)
Net impairment	1	4	(5)	2	(11)	(10)	13	4	(11)	-	15
<b>Earnings (loss) before income tax</b>	<b>273</b>	<b>657</b>	<b>1,940</b>	<b>1,446</b>	<b>1,444</b>	<b>1,346</b>	<b>2,233</b>	<b>(917)</b>	<b>750</b>	<b>855</b>	<b>363</b>
-	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>499,348</b>	<b>499,348</b>	<b>447,808</b>	<b>445,873</b>	<b>467,489</b>	<b>502,387</b>	<b>491,031</b>	<b>480,872</b>	<b>457,579</b>	<b>558,263</b>	<b>573,660</b>
<b>Total liabilities</b>	<b>451,638</b>	<b>451,638</b>	<b>399,232</b>	<b>401,046</b>	<b>413,894</b>	<b>481,934</b>	<b>441,285</b>	<b>470,028</b>	<b>436,229</b>	<b>548,213</b>	<b>555,797</b>
<b>Allocated equity</b>	<b>47,710</b>	<b>47,710</b>	<b>48,576</b>	<b>44,827</b>	<b>53,594</b>	<b>20,453</b>	<b>49,746</b>	<b>10,844</b>	<b>21,350</b>	<b>10,050</b>	<b>17,863</b>

## Operating segments - Quarters summary

ISK million

Q4 2021 Q3 2021 Q2 2021 Q1 2021 Q4 2020 Q3 2020 Q2 2020 Q1 2020 Q4 2019 Q3 2019 Q2 2019

### Vördur:

Net interest income	17	29	12	26	36	44	45	47	68	57	59
Net fee and commission income (expense)	(36)	(22)	(49)	(72)	(43)	(37)	(50)	(41)	(31)	(18)	(6)
Net insurance income	870	998	919	717	774	1,053	795	523	730	1,093	830
Net financial income	556	623	630	316	607	244	754	130	222	35	513
Share of profit of associates	-	-	-	-	-	-	-	-	-	-	-
Other operating income	9	8	8	8	(17)	2	1	2	7	2	2
<b>Total operating income</b>	<b>1,416</b>	<b>1,636</b>	<b>1,520</b>	<b>995</b>	<b>1,357</b>	<b>1,306</b>	<b>1,545</b>	<b>661</b>	<b>996</b>	<b>1,169</b>	<b>1,398</b>
Operating expenses	(803)	(521)	(637)	(630)	(665)	(503)	(645)	(636)	(579)	(528)	(554)
Allocated expenses	(2)	(2)	(3)	(8)	-	(12)	3	(12)	(7)	(1)	(2)
Bank levy	-	-	-	-	-	-	-	-	-	-	-
Net impairment	-	-	-	-	-	-	-	-	-	-	-
<b>Earnings before income tax</b>	<b>611</b>	<b>1,113</b>	<b>880</b>	<b>357</b>	<b>692</b>	<b>791</b>	<b>903</b>	<b>13</b>	<b>410</b>	<b>640</b>	<b>842</b>
-	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>34,279</b>	<b>34,279</b>	<b>32,564</b>	<b>32,001</b>	<b>30,233</b>	<b>30,390</b>	<b>29,418</b>	<b>26,993</b>	<b>27,028</b>	<b>26,758</b>	<b>26,222</b>
<b>Total liabilities</b>	<b>22,198</b>	<b>22,198</b>	<b>21,848</b>	<b>21,205</b>	<b>19,694</b>	<b>18,981</b>	<b>18,595</b>	<b>16,869</b>	<b>16,869</b>	<b>16,869</b>	<b>16,869</b>
<b>Allocated equity</b>	<b>12,081</b>	<b>12,081</b>	<b>10,716</b>	<b>10,796</b>	<b>10,539</b>	<b>11,409</b>	<b>10,823</b>	<b>10,124</b>	<b>10,159</b>	<b>9,889</b>	<b>9,353</b>

### Other subsidiaries:

Net interest income (expense)	(30)	(19)	(30)	(41)	(28)	(99)	(88)	(174)	(172)	(195)	(264)
Net fee and commission income (expense)	(261)	(203)	(187)	(140)	(134)	(157)	(145)	(211)	(189)	(236)	(280)
Net insurance income	-	-	-	-	-	-	-	-	-	-	-
Net financial income (loss)	(237)	126	(209)	(116)	246	(64)	450	(594)	88	423	(367)
Share of profit of associates	-	-	-	-	(1)	-	-	-	-	-	-
Other operating income	(158)	526	44	(15)	1,210	91	290	8	91	24	116
<b>Total operating income (loss)</b>	<b>(686)</b>	<b>430</b>	<b>(382)</b>	<b>(312)</b>	<b>1,293</b>	<b>(229)</b>	<b>507</b>	<b>(971)</b>	<b>(182)</b>	<b>16</b>	<b>(795)</b>
Operating expenses	(55)	(43)	(39)	(85)	(46)	(29)	(29)	(75)	(13)	(19)	(14)
Allocated expenses	(2)	(1)	(1)	(1)	(2)	(1)	(2)	(1)	(3)	(1)	(1)
Bank levy	-	-	-	-	-	-	-	-	-	-	-
Net impairment	158	(583)	67	(85)	2,486	1,165	212	683	3,053	3,215	(60)
<b>Earnings (loss) before income tax</b>	<b>(585)</b>	<b>(197)</b>	<b>(355)</b>	<b>(483)</b>	<b>3,731</b>	<b>906</b>	<b>688</b>	<b>(364)</b>	<b>2,855</b>	<b>3,211</b>	<b>(870)</b>
-	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>38,792</b>	<b>38,792</b>	<b>44,821</b>	<b>34,443</b>	<b>42,485</b>	<b>54,723</b>	<b>48,891</b>	<b>51,792</b>	<b>58,515</b>	<b>62,367</b>	<b>67,056</b>
<b>Total liabilities</b>	<b>20,180</b>	<b>20,180</b>	<b>22,331</b>	<b>11,889</b>	<b>19,736</b>	<b>30,792</b>	<b>26,961</b>	<b>31,867</b>	<b>37,530</b>	<b>36,249</b>	<b>40,738</b>
<b>Allocated equity</b>	<b>18,612</b>	<b>18,612</b>	<b>22,490</b>	<b>22,554</b>	<b>22,749</b>	<b>23,931</b>	<b>21,930</b>	<b>19,925</b>	<b>20,985</b>	<b>26,118</b>	<b>26,318</b>

## Operating segments - Quarters summary

ISK million

Q4 2021 Q3 2021 Q2 2021 Q1 2021 Q4 2020 Q3 2020 Q2 2020 Q1 2020 Q4 2019 Q3 2019 Q2 2019

### Supporting units and eliminations:

Net interest income (loss)	(9)	(7)	(7)	(8)	(81)	(26)	(39)	(18)	(26)	(38)	64
Net fee and commission income (expense)	99	-	114	86	24	41	86	113	39	135	(24)
Net insurance income (expense)	(5)	(6)	(5)	(46)	(7)	(10)	(34)	(22)	(7)	(6)	(7)
Net financial income (loss)	11	(1)	1	-	(1)	(1)	1	11	(3)	(49)	530
Share of profit (loss) of associates	(11)	7	33	1	(21)	50	44	(25)	7	30	(8)
Other operating income (loss)	446	270	(12)	103	85	302	(218)	40	(12)	73	(65)
<b>Total operating income (loss)</b>	<b>531</b>	<b>263</b>	<b>124</b>	<b>136</b>	<b>(1)</b>	<b>356</b>	<b>(160)</b>	<b>99</b>	<b>(2)</b>	<b>145</b>	<b>490</b>
Operating expenses	(3,959)	(2,993)	(3,485)	(3,115)	(3,534)	(2,889)	(3,271)	(2,959)	(3,272)	(3,994)	(3,295)
Allocated expenses	3,524	2,730	3,417	2,983	3,240	2,347	3,078	2,783	3,055	2,524	3,348
Bank levy	-	-	-	-	1	(1)	-	-	-	-	-
Net impairment	(187)	(85)	(167)	(92)	(2,430)	1	(1)	1	-	(2)	1
<b>Earnings (loss) before income tax</b>	<b>(91)</b>	<b>(85)</b>	<b>(111)</b>	<b>(88)</b>	<b>(2,724)</b>	<b>(186)</b>	<b>(354)</b>	<b>(76)</b>	<b>(219)</b>	<b>(1,327)</b>	<b>544</b>
-	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>(286,390)</b>	<b>(286,390)</b>	<b>(239,535)</b>	<b>(260,506)</b>	<b>(280,737)</b>	<b>(257,036)</b>	<b>263,458</b>	<b>(253,144)</b>	<b>(326,703)</b>	<b>(356,369)</b>	<b>(394,781)</b>
<b>Total liabilities</b>	<b>(286,390)</b>	<b>(286,390)</b>	<b>(239,535)</b>	<b>(260,506)</b>	<b>(280,737)</b>	<b>(257,036)</b>	<b>(263,458)</b>	<b>(254,859)</b>	<b>(328,916)</b>	<b>(357,854)</b>	<b>(396,949)</b>
<b>Allocated equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,715</b>	<b>2,213</b>	<b>1,485</b>	<b>2,168</b>

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