

KFI - 5 years					
ISK million	9M 2020	9M 2019	9M 2018	9M 2017	9M 2016
Profitability					
Return on equity	4.7%	2.6%	3.9%	6.3%	11.4%
Return on assets	0.8%	0.4%	0.7%	1.2%	2.3%
Return on risk-weighted-assets	1.2%	0.7%	1.0%	1.8%	3.1%
Earnings per share	3.90	2.14	3.33	5.17	8.52
Earnings per share from continuing operations	5.01	4.88	3.68	4.87	8.23
Net interest margin					
Net interest margin on interest bearing assets	2.9%	2.7%	2.7%	2.9%	3.1%
Net interest margin on total assets	2.6%	2.5%	2.4%	2.6%	2.9%
Net interest income on credit risk	5.0%	4.5%	4.2%	4.5%	4.5%
Efficiency					
Cost-to-income ratio	49.5%	56.3%	55.9%	47.2%	55.3%
Cost-to-total assets ratio	2.0%	2.3%	2.2%	2.0%	2.9%
Number of FTE's at year end	783	802	933	950	1,189
Asset quality					
Share of stage 3 loans, gross*	3.2%	2.5%	2.9%	-	-
Risk weighted assets / Total assets	58.9%	62.2%	66.2%	68.4%	73.2%
Financial strength					
Equity as % of total assets	15.6%	16.2%	16.4%	19.4%	19.9%
Liquidity					
Liquidity coverage ratio (LCR)	212.6%	246.4%	169.1%	228.6%	194.1%
Loans-to-deposits ratio	134.0%	159.9%	169.2%	168.4%	165.7%
Loans-to-deposits ratio (without covered bonds)	108.6%	118.8%	130.2%	129.4%	129.3%
Deposits from customers as % of total funding	65.3%	54.9%	52.4%	52.3%	55.9%
Covered bonds as % of total funding	16.6%	22.5%	20.4%	20.4%	20.4%
Capital					
CET 1 ratio	22.5%	21.6%	21.6%	26.6%	25.5%
Tier 1 ratio	24.5%	21.5%	21.4%	26.9%	25.5%
Tier 2 ratio	3.1%	2.0%	0.0%	0.2%	0.6%
Capital adequacy ratio	27.6%	23.5%	21.4%	27.1%	26.1%
Leverage ratio	14.3%	12.8%	13.6%	16.8%	17.4%

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

¹ Not available following implementation of IFRS 9 in January 2018

Income statement - 5 year summary	011 0000	011 0040	011 0040	014 004	011 0010
ISK million	9M 2020	9M 2019	9M 2018	9M 2017	9M 2016
Interest income	39,024	45,001	42,967	42,484	46,246
Interest expense	(15,925)	(22,377)	(21,617)	(20,628)	(24,188
Net interest income	23,099	22,624	21,350	21,856	22,058
Fee and commission income	9,695	8,425	8,593	8,144	17,439
Fee and commission expense	(1,169)	(1,090)	(990)	(1,057)	(7,226)
Net fee and commission income	8,526	7,335	7,603	7,087	10,213
Net insurance income	2,305	2,163	1,885	1,769	664
Net financial (loss) income	1,383	2,723	3,076	2,490	4,339
Share of (loss) profit of associates	22	750	16	(917)	711
Other operating income	716	677	1,290	2,431	2,377
Other net operating income / loss	4,426	6,313	6,267	5,773	8,091
Operating income	36,051	36,272	35,220	34,716	40,362
Salaries and related expense	(9,211)	(11,565)	(10,694)	(10,141)	(12,252
Other operating expenses	(8,623)	(8,855)	(8,985)	(6,309)	(10,078)
Operating expenses	(17,834)	(20,420)	(19,679)	(16,450)	(22,330)
Bank Levy	(1,038)	(2,627)	(2,620)	(2,388)	(2,190)
Net impairment	(5,118)	(1,585)	(2,951)	(1,192)	6,827
Earnings / loss before tax	12,061	11,640	9,970	14,686	22,669
Income tax expense	(3,424)	(2,791)	(3,165)	(4,009)	(5,404)
Net earnings / loss from continuing operations	8,637	8,849	6,805	10,677	17,265
Discontinued operations held for sale, net of income tax	(1,929)	(4,974)	(645)	(324)	-
Net earnings / loss	6,708	3,875	6,160	10,353	17,265
Attributable to					
Shareholders of Arion Bank	6,707	3,875	5,549	10,349	16,774
Non-controlling interest	0,707		611	3	485
Total comprehensive income	6,708	3,875	6,160	10,352	17,259
Earnings per share					
Basic and diluted earnings per share attributable to the	0.00	0.44	0.00	F 47	0.50
shareholders of Arion Bank (ISK)	3.90	2.14	3.33	5.17	8.52

Arion Bank Factbook 30.09.2020 3 All amounts are in ISK millions

Balance sheet - 5 year summary					
ISK million	30.09.2020	31.12.2019	31.12.2018	31.12.2017	31.12.2016
Assets					
Cash and balances with Central Bank	87,517	95,717	83,139	139,819	87,634
Loans to credit institutions	39,484	17,947	56,322	86,609	80,116
Loans to customers	807,866	773,955	833,826	765,101	712,422
Financial instruments	234,937	117,406	114,557	109,450	117,456
Investment property	6,721	7,119	7,092	6,613	5,358
Investments in associates	913	852	818	760	839
Intangible assets	9,398	8,367	6,397	13,848	11,057
Tax assets	2	2	90	450	288
Asset and disposal groups held for sale	30,821	43,626	48,584	8,138	4,418
Other assets	18,557	16,864	13,502	16,966	16,436
Total assets	1,236,216	1,081,855	1,164,327	1,147,754	1,036,024
Liabilities					
Due to credit institutions and Central Bank	10,802	5,984	9,204	7,370	7,987
Deposits	602,842	492,916	466,067	462,161	412,064
Financial liabilities at fair value	3,983	2,570	2,320	3,601	3,726
Tax liabilities	3,053	4,404	5,119	6,828	7,293
Liabilities associated with disposal groups held for sale	26,193	28,631	26,337	-	- ,
Other liabilities	51,067	32,697	30,107	57,062	54,094
Borrowings	308,913	304,745	417,782	384,998	339,476
Subordinated liabilities	36,867	20,083	6,532	-	-
Total liabilities	1,043,720	892,030	963,468	922,020	824,640
		•	•	•	•
Equity					
Share capital and share premium	51,331	55,715	59,010	75,861	75,861
Other reserves	12,114	9,493	14,822	16,774	19,761
Retained earnings	128,879	124,436	126,897	132,971	115,590
Total shareholders equity	192,324	189,644	200,729	225,606	211,212
Non-controlling interest	172	181	130	128	172
Total equity	192,496	189,825	200,859	225,734	211,384
Total liabilities and equity	1,236,216	1,081,855	1,164,327	1,147,754	1,036,024

Arion Bank Factbook 30.09.2020 4 All amounts are in ISK millions

Net interest income - 5 year summary ISK million	9M 2020	9M 2019	9M 2018	9M 2017	9M 2016
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Interest income					
Cash and balances with Central bank	1,304	3,092	3,636	4,957	3,249
Loans	35,509	40,892	38,639	35,742	39,097
Securities	2,065	892	480	1,624	3,401
Other	146	125	212	161	499
Interest income	39,024	45,001	42,967	42,484	46,246
Interest expense					
Deposits	(5,435)	(9,502)	(9,725)	(9,682)	(12,521)
Borrowings	(9,092)	(12,517)	(11,784)	(10,913)	(11,054)
Subordinated liabilities	(1,305)	(267)	-	-	(529)
Other	(93)	(91)	(108)	(33)	(84)
Interest expense	(15,925)	(22,377)	(21,617)	(20,628)	(24,188)
Net interest income	23,099	22,624	21,350	21,856	22,058
Interest bearing assets					
Cash and balances with Central Bank	87,517	121,554	99,525	132,316	85,645
Loans	847,350	844,247	943,411	845,189	784,163
Securities	202,783	132,708	79,856	75,889	86,198
Interest bearing assets	1,137,650	1,098,509	1,122,792	1,053,394	956,006
Interest bearing liabilities					
Due to credit institutions and Central Bank	10,802	8,292	15,370	7,097	9,375
Deposits	602,842	508,254	484,569	445,981	431,929
Financial liabilities at fair value	3,983	2,295	3,381	3,551	5,097
Borrowings	308,913	409,563	425,601	400,400	326,754
Subordinated liabilities	36,867	15,042	-	-	-
Interest bearing liabilities	963,407	943,446	928,921	857,028	773,155
Interest Gap	174,243	155,063	193,871	196,366	182,851

Arion Bank Factbook 30.09.2020 5 All amounts are in ISK millions

No. No.	Loans to customers - 5 year summary						
Individuals		30.09.2020	31.12.2019	31.12.2018 3	1.12.2017	31.12.2016	
Marcial							
Corporates 393,546 405,386 433,343 39,814 375,062 Total loans to customers 807,866 773,955 833,826 765,101 712,422 Ratios: Security of the properties of stage 3 loans, gross* 3.2% 2.7% 2.6% Loans to individuals User of stage 3 loans, gross* 14,513 14,421 14,536 14,469 14,805 Credit cards 11,222 13,028 12,988 11,133 11,333 11,733 11,461 11,333 11,733 11,475 12,515	Loans to customers						
Ratios: Same of stage 3 loans, gross* 3.2% 2.7% 2.6% 765,101 712,422 Coans to individuals 3.2% 2.7% 2.6% 3.6 4.805 Credit cards 14,513 14,421 14,536 14,469 14,805 Credit cards 11,222 13,028 12,958 11,133 11,363 Mortgage loans 359,145 310,562 343,119 311,507 285,784 Other loans 32,669 33,105 33,560 33,629 34,777 Provision on loans (3,229) (2,547) (3,690) (5,451) (9,313) Total loans to individuals 414,320 368,569 400,483 365,287 337,416 Loans to corporates 2 (2,547) (3,690) (5,451) (9,313) Overdrafts 15,819 18,709 19,200 18,778 19,314 Credit cards 1,097 1,373 1,348 1,123 1,180 Overdrafts 1,581 8,799 19,200	Individuals	414,320	368,569	400,483	365,287	337,416	
Ratios: Share of stage 3 loans, gross* 3.2% 2.7% 2.6% - - Loans to individuals 14,513 14,421 14,536 14,469 14,805 Credit cards 11,222 13,028 12,958 11,133 11,363 Mortgage loans 359,145 310,562 343,119 311,507 285,784 Other loans 32,669 33,105 33,560 33,629 34,777 Provision on loans (3,229) (2,547) (3,690) (5,451) (9,313) Total loans to individuals 414,320 368,569 400,483 365,287 337,416 Coverdrafts 15,819 18,709 19,200 18,778 19,314 Credit cards 1,997 1,373 1,348 1,123 1,180 Mortgage loans 29,066 23,475 23,417 19,632 16,298 Other loans 358,058 368,453 395,579 368,312 351,739 Provision on loans (1	•	393,546	405,386	433,343	399,814	375,006	
Chans to individuals 3.2% 2.7% 2.6% - - Coverdrafts 14.513 14.421 14.536 14.469 14.805 Credit cards 11,222 13.028 12.958 11.133 11.363 Mortgage loans 359,145 310,562 343,119 311,507 285,784 Other loans 32,669 33,105 33,600 33,629 347,777 Provision on loans (3,229) (2,547) 3,690 36,629 347,718 Total loans to individuals 414,320 368,569 400,483 365,287 37,416 Coerdit cards 15,819 18,709 19,200 18,778 19,314 Credit cards 1,097 1,373 1,488 1,123 1,180 Overdrafts 29,666 23,475 23,417 19,632 16,298 Other loans 368,058 368,453 395,579 368,312 37,79 Provision on loans (10,494) (6,624) 6,201 8,034 13,69	Total loans to customers	807,866	773,955	833,826	765,101	712,422	
Loans to individuals Overdrafts 14,513 14,421 14,536 14,469 14,805 Credit cards 11,222 13,028 12,958 11,133 11,363 Mortgage loans 359,145 310,562 343,119 311,507 285,784 Other loans 32,669 33,105 33,560 33,629 34,777 Provision on loans (3,229) (2,547) (3,690) (5,451) (9,313) Total loans to individuals 414,320 368,569 400,483 365,287 337,416 Coverdrafts 15,819 18,709 19,200 18,778 19,314 Credit cards 1,097 1,373 1,348 1,123 1,189 Mortgage loans 29,066 23,75 23,417 19,632 16,298 Other loans 356,058 368,453 395,579 368,312 351,739 Provision on loans (10,494) (6,624) (6,201) (8,031) 135,855 Total loans to corporates specified by	Ratios:						
Overdrafts 14,513 14,421 14,536 14,469 14,805 Credit cards 11,222 13,028 12,958 11,133 11,363 Mortgage loans 359,145 310,562 343,119 311,507 285,784 Other loans 32,669 33,105 33,609 34,777 Provision on loans (3,229) (2,547) (3,690) (5,451) (9,313) Total loans to individuals 414,320 368,569 400,483 365,287 337,416 Loans to corporates Userdrafts 15,819 18,709 19,200 18,778 19,314 Credit cards 1,097 1,373 1,348 1,123 1,180 Other loans 29,066 23,475 23,417 19,632 16,298 Other loans 358,058 368,453 395,579 368,312 351,739 Provision on loans (10,494) (6,624) (6,201) (6,031) (7,352) Total loans to corporates specified by sector: 2,	Share of stage 3 loans, gross*	3.2%	2.7%	2.6%	-	-	
Credit cards 11,222 13,028 12,958 11,133 11,863 Mortgage loans 359,145 310,562 343,119 311,507 285,784 Other loans 32,669 33,105 33,560 33,629 34,777 Provision on loans (3,229) (2,547) (3,690) (5,451) (9,313) Total loans to individuals 414,320 368,569 400,483 365,287 337,416 Loans to corporates Overdrafts 15,819 18,709 19,200 18,778 19,314 Credit cards 1,097 1,373 1,348 1,123 1,180 Mortgage loans 29,066 23,475 23,417 19,632 16,298 Other loans 358,058 368,453 395,579 368,312 357,739 Provision on loans (10,494) (6,624) (6,201) (8,031) (13,525) Total loans to corporates specified by sector: Regivent to corporates specified by sector: <td colspa<="" td=""><td>Loans to individuals</td><td></td><td></td><td></td><td></td><td></td></td>	<td>Loans to individuals</td> <td></td> <td></td> <td></td> <td></td> <td></td>	Loans to individuals					
Mortgage loans 359,145 310,562 343,119 311,507 285,784 Other loans 32,669 33,105 33,560 33,629 34,777 Provision on loans (3,229) (2,547) (3,690) (5,451) (9,313) Total loans to individuals 414,320 368,569 400,483 365,287 337,416 Loans to corporates Overdrafts 15,819 18,709 19,200 18,778 19,314 Credit cards 1,097 1,373 1,348 1,123 1,180 Mortgage loans 29,066 23,475 23,417 19,632 16,298 Other loans 358,058 368,553 395,579 368,312 351,739 Provision on loans (10,494) (6,624) (6,201) (8,031) (13,525) Total loans to corporates specified by sector: Loans to corporates specified by sector: Agriculture and forestry 2.1% 1.9% 1.7% 1.6% 1.6% Services	Overdrafts	14,513	14,421	14,536	14,469	14,805	
Other loans 32,669 33,105 33,560 33,629 34,777 Provision on loans (3,229) (2,547) (3,690) (5,451) (9,313) Total loans to individuals 414,320 368,569 400,483 365,287 337,416 Loans to corporates Userdrafts Overdrafts 15,819 18,709 19,200 18,778 19,314 Credit cards 1,097 1,373 1,348 1,123 1,180 Mortgage loans 29,066 23,475 23,417 19,632 16,298 Other loans 358,058 368,453 395,579 368,312 351,739 Provision on loans (10,494) (6,624) (6,201) (8,031) (13,525) Total loans to corporates specified by sector: 21 1.9% 1.7% 1.6% 1.6% Services 3.2% 4.3% 3.8% 4.5% 4.6% Financial and insurance activities 8.1% 8.3% 8.7% 8.5% 9.3% Industr	Credit cards	11,222	13,028	12,958	11,133	11,363	
Provision on loans (3,229) (2,547) (3,690) (5,451) (9,313) Total loans to individuals 414,320 368,569 400,483 365,287 337,416 Loans to corporates Use of the composition of corporates Overdrafts 15,819 18,709 19,200 18,778 19,314 Credit cards 1,097 1,373 1,348 1,123 1,180 Mortgage loans 29,066 23,475 23,417 19,632 16,298 Other loans 358,058 368,453 395,579 368,312 351,739 Provision on loans (10,494) (6,624) (6,201) (8,031) 135,006 Total loans to corporates specified by sector: 333,546 405,386 433,43 399,814 375,006 Services 3,2% 4,3% 3,8% 4,5% 4,6% Services 3,2% 4,3% 3,8% 4,5% 4,6% Financial and insurance activities 8,1% 8,3% 8,5% 9,3% I	Mortgage loans	359,145	310,562	343,119	311,507	285,784	
Provision on loans (3,229) (2,547) (3,690) (5,451) (9,313) Total loans to individuals 414,320 368,569 400,483 365,287 337,416 Loans to corporates Use of the composition of corporates Overdrafts 15,819 18,709 19,200 18,778 19,314 Credit cards 1,097 1,373 1,348 1,123 1,180 Mortgage loans 29,066 23,475 23,417 19,632 16,298 Other loans 358,058 368,453 395,579 368,312 351,739 Provision on loans (10,494) (6,624) (6,201) (8,031) 135,006 Total loans to corporates specified by sector: 333,546 405,386 433,43 399,814 375,006 Services 3,2% 4,3% 3,8% 4,5% 4,6% Services 3,2% 4,3% 3,8% 4,5% 4,6% Financial and insurance activities 8,1% 8,3% 8,5% 9,3% I	Other loans	32,669	33,105	33,560	33,629	34,777	
Loans to corporates Overdrafts 15,819 18,709 19,200 18,778 19,314 Credit cards 1,097 1,373 1,348 1,123 1,180 Mortgage loans 29,066 23,475 23,417 19,632 16,298 Other loans 358,058 368,453 395,579 368,312 351,739 Provision on loans (10,494) (6,624) (6,201) (8,031) (13,525) Total loans to corporates 393,546 405,386 433,343 399,814 375,006 Loans to corporates specified by sector: 2.1% 1.9% 1.7% 1.6% 1.6% Services 3.2% 4.3% 3.8% 4.5% 4.6% Services 3.2% 4.3% 3.8% 4.5% 4.6% Financial and insurance activities 8.1% 8.3% 8.7% 8.5% 9.3% Industry, energy and manufacturing 7.7% 9.8% 8.2% 7.4% 7.6% Public administration, human health and social activ	Provision on loans	(3,229)		(3,690)	(5,451)	(9,313)	
Overdrafts 15,819 18,709 19,200 18,778 19,314 Credit cards 1,097 1,373 1,348 1,123 1,180 Mortgage loans 29,066 23,475 23,417 19,632 16,298 Other loans 358,058 368,453 395,579 368,312 351,739 Provision on loans (10,494) (6,624) (6,201) (8,031) (13,525) Total loans to corporates 393,546 405,386 433,343 399,814 375,006 Loans to corporates specified by sector: 2.1% 1.9% 1.7% 1.6% 1.6% Services 3.2% 4.3% 3.8% 4.5% 4.6% Financial and insurance activities 8.1% 8.3% 8.7% 8.5% 9.3% Industry, energy and manufacturing 7.7% 9.8% 8.2% 7.4% 7.6% Information and communication technology 5.0% 4.7% 4.8% 5.5% 7.6% Public administration, human health and social activities 2.0%	Total loans to individuals	414,320	368,569	400,483	365,287	337,416	
Credit cards 1,097 1,373 1,348 1,123 1,180 Mortgage loans 29,066 23,475 23,417 19,632 16,298 Other loans 358,058 368,453 395,579 368,312 351,739 Provision on loans (10,494) (6,624) (6,201) (8,031) (13,525) Total loans to corporates 393,546 405,386 433,343 399,814 375,006 Loans to corporates specified by sector: 2.1% 1.9% 1.7% 1.6% 1.6% Services 3.2% 4.3% 3.8% 4.5% 4.6% Financial and insurance activities 8.1% 8.3% 8.7% 8.5% 9.3% Industry, energy and manufacturing 7.7% 9.8% 8.2% 7.4% 7.6% Information and communication technology 5.0% 4.7% 4.8% 5.5% 7.6% Public administration, human health and social activities 2.0% 2.1% 1.6% 2.0% 2.3% Real estate activities and construction	Loans to corporates						
Mortgage loans 29,066 23,475 23,417 19,632 16,298 Other loans 358,058 368,453 395,579 368,312 351,739 Provision on loans (10,494) (6,624) (6,201) (8,031) (13,525) Total loans to corporates 393,546 405,386 433,343 399,814 375,006 Loans to corporates specified by sector: Agriculture and forestry 2.1% 1.9% 1.7% 1.6% 1.6% Services 3.2% 4.3% 3.8% 4.5% 4.6% Financial and insurance activities 8.1% 8.3% 8.7% 8.5% 9.3% Industry, energy and manufacturing 7.7% 9.8% 8.2% 7.4% 7.6% Information and communication technology 5.0% 4.7% 4.8% 5.5% 7.6% Public administration, human health and social activities 2.0% 2.1% 1.6% 2.0% 2.3% Real estate activities and construction 33.1% 32.0% 33.9% 32.1%	Overdrafts	15,819	18,709	19,200	18,778	19,314	
Other loans 358,058 368,453 395,579 368,312 351,739 Provision on loans (10,494) (6,624) (6,201) (8,031) (13,525) Total loans to corporates 393,546 405,386 433,343 399,814 375,006 Loans to corporates specified by sector: Agriculture and forestry 2.1% 1.9% 1.7% 1.6% 1.6% Services 3.2% 4.3% 3.8% 4.5% 4.6% Financial and insurance activities 8.1% 8.3% 8.7% 8.5% 9.3% Industry, energy and manufacturing 7.7% 9.8% 8.2% 7.4% 7.6% Information and communication technology 5.0% 4.7% 4.8% 5.5% 7.6% Public administration, human health and social activities 2.0% 2.1% 1.6% 2.0% 2.3% Real estate activities and construction 33.1% 32.0% 33.9% 32.1% 30.6% Fishing industry 22.1% 20.5% 19.4% 19.7% </td <td>Credit cards</td> <td>1,097</td> <td>1,373</td> <td>1,348</td> <td>1,123</td> <td>1,180</td>	Credit cards	1,097	1,373	1,348	1,123	1,180	
Provision on loans (10,494) (6,624) (6,201) (8,031) (13,525) Total loans to corporates 393,546 405,386 433,343 399,814 375,006 Loans to corporates specified by sector: Agriculture and forestry 2.1% 1.9% 1.7% 1.6% 1.6% Services 3.2% 4.3% 3.8% 4.5% 4.6% Financial and insurance activities 8.1% 8.3% 8.7% 8.5% 9.3% Industry, energy and manufacturing 7.7% 9.8% 8.2% 7.4% 7.6% Information and communication technology 5.0% 4.7% 4.8% 5.5% 7.6% Public administration, human health and social activities 2.0% 2.1% 1.6% 2.0% 2.3% Real estate activities and construction 33.1% 32.0% 33.9% 32.1% 30.6% Fishing industry 22.1% 20.5% 19.4% 19.7% 20.4% Transportation 3.4% 2.7% 2.8% 4.3% 1.7% <td>Mortgage loans</td> <td>29,066</td> <td>23,475</td> <td>23,417</td> <td>19,632</td> <td>16,298</td>	Mortgage loans	29,066	23,475	23,417	19,632	16,298	
Total loans to corporates 393,546 405,386 433,343 399,814 375,006 Loans to corporates specified by sector: 2.1% 1.9% 1.7% 1.6% 1.6% Services 3.2% 4.3% 3.8% 4.5% 4.6% Financial and insurance activities 8.1% 8.3% 8.7% 8.5% 9.3% Industry, energy and manufacturing 7.7% 9.8% 8.2% 7.4% 7.6% Information and communication technology 5.0% 4.7% 4.8% 5.5% 7.6% Public administration, human health and social activities 2.0% 2.1% 1.6% 2.0% 2.3% Real estate activities and construction 33.1% 32.0% 33.9% 32.1% 30.6% Fishing industry 22.1% 20.5% 19.4% 19.7% 20.4% Transportation 3.4% 2.7% 2.8% 4.3% 1.7% Wholesale and retail trade 13.3% 13.6% 15.2% 14.4% 14.1%	Other loans	358,058	368,453	395,579	368,312	351,739	
Loans to corporates specified by sector: Agriculture and forestry 2.1% 1.9% 1.7% 1.6% 1.6% Services 3.2% 4.3% 3.8% 4.5% 4.6% Financial and insurance activities 8.1% 8.3% 8.7% 8.5% 9.3% Industry, energy and manufacturing 7.7% 9.8% 8.2% 7.4% 7.6% Information and communication technology 5.0% 4.7% 4.8% 5.5% 7.6% Public administration, human health and social activities 2.0% 2.1% 1.6% 2.0% 2.3% Real estate activities and construction 33.1% 32.0% 33.9% 32.1% 30.6% Fishing industry 22.1% 20.5% 19.4% 19.7% 20.4% Transportation 3.4% 2.7% 2.8% 4.3% 1.7% Wholesale and retail trade 13.3% 13.6% 15.2% 14.4% 14.1%	Provision on loans	(10,494)	(6,624)	(6,201)	(8,031)	(13,525)	
Agriculture and forestry 2.1% 1.9% 1.7% 1.6% 1.6% Services 3.2% 4.3% 3.8% 4.5% 4.6% Financial and insurance activities 8.1% 8.3% 8.7% 8.5% 9.3% Industry, energy and manufacturing 7.7% 9.8% 8.2% 7.4% 7.6% Information and communication technology 5.0% 4.7% 4.8% 5.5% 7.6% Public administration, human health and social activities 2.0% 2.1% 1.6% 2.0% 2.3% Real estate activities and construction 33.1% 32.0% 33.9% 32.1% 30.6% Fishing industry 22.1% 20.5% 19.4% 19.7% 20.4% Transportation 3.4% 2.7% 2.8% 4.3% 1.7% Wholesale and retail trade 13.3% 13.6% 15.2% 14.4% 14.1%	Total loans to corporates	393,546	405,386	433,343	399,814	375,006	
Agriculture and forestry 2.1% 1.9% 1.7% 1.6% 1.6% Services 3.2% 4.3% 3.8% 4.5% 4.6% Financial and insurance activities 8.1% 8.3% 8.7% 8.5% 9.3% Industry, energy and manufacturing 7.7% 9.8% 8.2% 7.4% 7.6% Information and communication technology 5.0% 4.7% 4.8% 5.5% 7.6% Public administration, human health and social activities 2.0% 2.1% 1.6% 2.0% 2.3% Real estate activities and construction 33.1% 32.0% 33.9% 32.1% 30.6% Fishing industry 22.1% 20.5% 19.4% 19.7% 20.4% Transportation 3.4% 2.7% 2.8% 4.3% 1.7% Wholesale and retail trade 13.3% 13.6% 15.2% 14.4% 14.1%	Loans to corporates specified by sector:						
Financial and insurance activities 8.1% 8.3% 8.7% 8.5% 9.3% Industry, energy and manufacturing 7.7% 9.8% 8.2% 7.4% 7.6% Information and communication technology 5.0% 4.7% 4.8% 5.5% 7.6% Public administration, human health and social activities 2.0% 2.1% 1.6% 2.0% 2.3% Real estate activities and construction 33.1% 32.0% 33.9% 32.1% 30.6% Fishing industry 22.1% 20.5% 19.4% 19.7% 20.4% Transportation 3.4% 2.7% 2.8% 4.3% 1.7% Wholesale and retail trade 13.3% 13.6% 15.2% 14.4% 14.1%		2.1%	1.9%	1.7%	1.6%	1.6%	
Industry, energy and manufacturing 7.7% 9.8% 8.2% 7.4% 7.6% Information and communication technology 5.0% 4.7% 4.8% 5.5% 7.6% Public administration, human health and social activities 2.0% 2.1% 1.6% 2.0% 2.3% Real estate activities and construction 33.1% 32.0% 33.9% 32.1% 30.6% Fishing industry 22.1% 20.5% 19.4% 19.7% 20.4% Transportation 3.4% 2.7% 2.8% 4.3% 1.7% Wholesale and retail trade 13.3% 13.6% 15.2% 14.4% 14.1%	Services	3.2%	4.3%	3.8%	4.5%	4.6%	
Information and communication technology 5.0% 4.7% 4.8% 5.5% 7.6% Public administration, human health and social activities 2.0% 2.1% 1.6% 2.0% 2.3% Real estate activities and construction 33.1% 32.0% 33.9% 32.1% 30.6% Fishing industry 22.1% 20.5% 19.4% 19.7% 20.4% Transportation 3.4% 2.7% 2.8% 4.3% 1.7% Wholesale and retail trade 13.3% 13.6% 15.2% 14.4% 14.1%	Financial and insurance activities	8.1%	8.3%	8.7%	8.5%	9.3%	
Public administration, human health and social activities 2.0% 2.1% 1.6% 2.0% 2.3% Real estate activities and construction 33.1% 32.0% 33.9% 32.1% 30.6% Fishing industry 22.1% 20.5% 19.4% 19.7% 20.4% Transportation 3.4% 2.7% 2.8% 4.3% 1.7% Wholesale and retail trade 13.3% 13.6% 15.2% 14.4% 14.1%	Industry, energy and manufacturing	7.7%	9.8%	8.2%	7.4%	7.6%	
Public administration, human health and social activities 2.0% 2.1% 1.6% 2.0% 2.3% Real estate activities and construction 33.1% 32.0% 33.9% 32.1% 30.6% Fishing industry 22.1% 20.5% 19.4% 19.7% 20.4% Transportation 3.4% 2.7% 2.8% 4.3% 1.7% Wholesale and retail trade 13.3% 13.6% 15.2% 14.4% 14.1%		5.0%	4.7%	4.8%	5.5%	7.6%	
Real estate activities and construction 33.1% 32.0% 33.9% 32.1% 30.6% Fishing industry 22.1% 20.5% 19.4% 19.7% 20.4% Transportation 3.4% 2.7% 2.8% 4.3% 1.7% Wholesale and retail trade 13.3% 13.6% 15.2% 14.4% 14.1%		2.0%	2.1%	1.6%	2.0%	2.3%	
Transportation 3.4% 2.7% 2.8% 4.3% 1.7% Wholesale and retail trade 13.3% 13.6% 15.2% 14.4% 14.1%		33.1%	32.0%	33.9%	32.1%	30.6%	
Wholesale and retail trade 13.3% 13.6% 15.2% 14.4% 14.1%	Fishing industry	22.1%	20.5%	19.4%	19.7%	20.4%	
	Transportation	3.4%	2.7%	2.8%	4.3%	1.7%	
100.0% 100.0% 100.0% 100.0% 100.0%	Wholesale and retail trade	13.3%	13.6%	15.2%	14.4%	14.1%	
		100.0%	100.0%	100.0%	100.0%	100.0%	

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

Capital and Risk Weighted Assets					
ISK million	30.09.2020	31.12.2019	31.12.2018	31.12.2017	31.12.2016
0.77.11					
Capital base:	400 400	400.005	000.050	005 700	044.004
Total equity	192,496	189,825	200,859	225,733	211,384
Deductions related to the consolidated situation ¹	(11,410)	(10,159)	(8,986)	(8,635)	(8,126)
Non-controlling interest not eligible for inclusion in CET 1 capital	(172)	(181)	(130)	(128)	(172)
Common Equity Tier 1 capital before regulatory adjustments	180,914	179,485	191,743	216,970	203,086
Intangible assets	(11,671)	(10,604)	(12,152)	(11,125)	(8,201)
Tax assets	(310)	(296)	(191)	(357)	(198)
Foreseeable dividend	(1,007)	(14,153)	(9,069)	(25,000)	-
Adjustment under IFRS 9 transitional arrangements	(2.700)	(4.744)	(4.507)	-	(4.40)
Other statutory deductions	(3,709)	(1,741)	(1,537)	147	(149)
Common equity Tier 1 capital	164,217	152,691	168,794	180,635	194,538
Non-controlling interest not eligible for inclusion in CET1 capital	172	181	130	128	172
Additional Tier 1 capital	14,480	450.070	-	- 400 700	- 404.740
Tier 1 capital	178,869	152,872	168,924	180,763	194,710
Subordinated liabilities	22,387	20,083	6,532	- 0.405	-
General credit risk adjustments		-		3,195	4,557
Tier 2 Capital	22,387	20,083	6,532	3,195	4,557
Total Capital base	201,256	172,955	175,456	183,958	199,267
Risk weighted exposure amount (REA)					
Credit Risk, loans	568,345	561,602	639,788	605,058	577,470
Credit Risk, securities and other ²	52,564	49,163	50,112	56,979	55,036
Counterparty credit risk ²	4,791	3,347	4,405	5,844	5,550
Market Risk due to currency imbalance	2,552	10,070	4,280	4,895	5,449
Market Risk Other	14,777	10,609	8,928	5,473	12,966
Credit valuation adjustment ²	1,618	1,477	2,228	2,506	2,678
Operational Risk	83,487	83,487	86,957	86,013	86,490
Total risk weighted exposure amount	728,134	719,755	796,698	766,768	745,639
Capital ratios					
CET 1 ratio	22.8%	21.2%	21.2%	23.6%	26.1%
Tier 1 ratio	24.8%	21.2%	21.2%	23.6%	26.1%
Capital adequacy ratio	27.9%	24.0%	22.0%	24.0%	26.8%
Leverage ratio					
On-balance sheet exposures	1,177,193	1,022,521	1,106,368	1,074,207	995,063
Derivative exposures	13,083	10,217	8,239	10,957	8,226
Securities financing transaction exposures	2,871	577	8,194	8,925	9,330
Off-balance sheet exposures	66,612	52,299	68,316	83,058	83,156
Total exposure	1,259,759	1,085,614	1,191,117	1,177,147	1,095,775
Tier 1 capital	178,869	152,872	168,924	180,763	194,710
Leverage ratio	14.2%	14.1%	14.2%	15.4%	17.8%
Related ratios					
RORWA	1.2%	0.1%	1.0%	1.9%	2.9%
REA/Total assets	58.9%	66.5%	68.4%	66.8%	72.7%

¹⁾ Calculations restated for 2016 using the Group's consolidated situation which excludes insurance companies. The effective capital position of the Group is unaffected as the Pillar 2 capital requirement is adjusted accordingly. Their solvency requirements of insurance companies should be viewed seperately.

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²⁾ Not disclosed seperately in 2015, 2014 and 2013 $\,$

Arion Bank Factbook

Quarter summaries



KFI - 9 Quarters									
ISK million	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Profitability									
Return on equity	8.3%	10.5%	(4.6%)	(5.8%)	1.6%	4.3%	2.1%	3.2%	2.3%
Return on assets	1.3%	1.7%	(0.8%)	(1.0%)	0.2%	0.7%	0.3%	0.5%	0.4%
Return on risk-weighted-assets	2.2%	2.7%	(1.2%)	(1.5%)	0.4%	1.1%	0.5%	0.8%	0.6%
Earnings per share	2.31	2.86	(3.33)	(1.53)	0.42	1.16	0.56	0.87	0.65
Earnings per share from continuing operations	2.89	2.89	(5.58)	2.87	2.10	1.55	1.23	1.56	0.64
Net interest margin									
Net interest margin on interest bearing assets	2.9%	2.9%	2.8%	3.0%	2.6%	2.8%	2.7%	2.9%	2.7%
Net interest margin on total assets	2.6%	2.7%	2.6%	2.7%	2.4%	2.5%	2.5%	2.7%	2.4%
Net interest income on credit risk	5.2%	5.2%	4.8%	4.9%	4.5%	4.6%	4.3%	4.6%	4.2%
Efficiency									
Cost-to-income ratio	40.2%	45.5%	69.2%	54.9%	56.2%	54.2%	58.6%	60.3%	50.3%
Cost-to-total assets ratio	1.7%	2.2%	2.2%	2.2%	2.3%	2.2%	2.3%	2.2%	2.0%
Number of FTE's at year end	783	783	814	801	802	880	917	904	933
Asset quality									
Share of stage 3 loans, gross*	3.2%	3.4%	2.9%	2.7%	2.5%	2.4%	2.5%	2.6%	2.9%
Risk weighted assets / Total assets	58.9%	60.6%	60.0%	66.5%	62.2%	63.1%	64.4%	68.4%	66.2%

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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

KFI - 9 Quarters									
ISK million	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Financial strength									
Equity as % of total assets	15.6%	16.0%	15.5%	17.5%	16.2%	15.8%	15.8%	17.3%	16.4%
Liquidity									
Liquidity coverage ratio (LCR)	212.6%	206.3%	224.2%	188.3%	246.4%	198.0%	213.0%	164.4%	169.1%
Loans-to-deposits ratio	134.0%	140.3%	144.4%	157.0%	159.9%	162.8%	169.1%	178.9%	169.2%
Loans-to-deposits ratio (without covered bonds)	108.6%	113.0%	116.7%	127.5%	118.8%	119.3%	125.1%	135.7%	130.2%
Deposits from customers as % of total funding	65.3%	63.3%	62.0%	61.3%	54.9%	53.1%	51.9%	52.2%	52.4%
Covered bonds as % of total funding	16.6%	17.3%	17.2%	18.1%	22.5%	23.1%	22.8%	22.5%	20.4%
Capital									
CET 1 ratio	22.5%	22.9%	22.5%	21.2%	21.6%	21.4%	21.3%	21.2%	21.6%
Tier 1 ratio	24.5%	25.0%	24.6%	21.2%	21.5%	21.4%	21.3%	21.2%	21.7%
Tier 2 ratio	3.1%	3.0%	3.0%	2.8%	2.0%	1.4%	0.9%	0.8%	-
Capital adequacy ratio	27.6%	0.0%	27.5%	24.0%	23.5%	22.8%	22.2%	22.0%	21.7%
Leverage ratio	14.3%	14.9%	14.5%	14.1%	12.8%	13.3%	13.5%	14.2%	13.6%

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SK million	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
nterest income	13,145	13,835	12,044	13,306	13,854	16,463	14,684	16,348	14,933
nterest expense	(5,156)	(5,978)	(4,791)	(5,613)	(6,472)	(8,655)	(7,250)	(8,379)	(7,724
Net interest income	7,989	7,857	7,253	7,693	7,382	7,808	7,434	7,969	7,209
Fee and commission income	3,117	3,097	3,481	3,074	2,965	2,830	2,630	3,064	2,991
ee and commission expense	(355)	(409)	(405)	(459)	(326)	(352)	(412)	(318)	(304
Net fee and commission income	2,762	2,688	3,076	2,615	2,639	2,478	2,218	2,746	2,687
Net insurance income	1,043	761	501	723	1,087	823	253	704	984
Net financial (loss) income	692	2,691	(2,000)	489	934	1,023	766	(774)	570
Share of (loss) profit of associates	51	(5)	(24)	7	30	(8)	727	11	34
Other operating income	475	71	170	201	272	94	310	294	422
Other net operating income / loss	2,261	3,518	(1,353)	1,420	2,323	1,932	2,056	235	2,010
Operating income	13,012	14,063	8,976	11,728	12,344	12,218	11,708	10,950	11,906
Salaries and related expense	(2,504)	(3,577)	(3,130)	(3,076)	(4,130)	(3,805)	(3,630)	(3,584)	(3,129
Other operating expenses	(2,728)	(2,818)	(3,077)	(3,366)	(2,810)	(2,814)	(3,232)	(3,015)	(2,864
Operating expenses	(5,232)	(6,395)	(6,207)	(6,442)	(6,940)	(6,619)	(6,862)	(6,599)	(5,993
Bank Levy	(383)	(324)	(331)	(357)	(809)	(912)	(906)	(765)	(938
Net impairment	(1,340)	(918)	(2,860)	1,203	484	(988)	(1,081)	(573)	(2,651
Earnings / loss before tax	6,057	6,426	(422)	6,132	5,079	3,699	2,859	3,013	2,324
ncome tax expense	(1,096)	(1,468)	(860)	(923)	(1,278)	(891)	(622)	(881)	(973
Net earnings / loss from continuing operations	4,961	4,958	(1,282)	5,209	3,801	2,808	2,237	2,132	1,351
Discontinued operations held for sale, net of income tax	(995)	(45)	(889)	(7,981)	(3,040)	(715)	(1,219)	(516)	(201
Net earnings / loss	3,966	4,913	(2,171)	(2,772)	761	2,093	1,018	1,616	1,150
Attributable to									
	2.065	4.040	(0.467)	(0.776)	764	2 002	1.010	1 566	1 150
Shareholders of Arion Bank	3,965 1	4,918	(2,167)	(2,776)	761 -	2,093	1,018	1,566	1,152
Non-controlling interest		(5)	(4)	(2.772)				50	(2
Total comprehensive income for the period	3,966	4,913	(2,171)	(2,772)	761	2,093	1,018	1,616	1,150
Earnings per share Basic and diluted earnings per share attributable to the	5,232	6,395	6,207	6,442	6,940	6,619	6,862	6,599	5,993
shareholders of Arion Bank (ISK)	2.31	2.86	(3.33)	(1.53)	0.42	1.16	0.56	0.87	0.65

Arion Bank Factbook 30.09.2020 All amounts are in ISK millions

Assets Cash and balances with Central Bank 87,517 103,432 118,174 95,717 121,554 107,649 94,124 83,139 99,525 Cash and balances with Central Bank 87,866 779,902 778,823 779,955 812,481 82,171 829,464 83,139 99,525 Cons to customers 807,866 779,902 778,823 779,555 812,481 821,731 829,246 66,322 123,446 Cons to customers 807,866 779,902 778,823 779,555 812,481 821,731 829,246 83,382 819,937 Investments in suscolates 6,721 7,051 7,129 7,119 7,121 7,101 7,010 7,092 7,044 Investments in associates 9,388 9,077 8,826 8,387 8,088 7,580 7,681 6,397 14,039 Tax assets 2 2 2 2 2 2 12 6 15 90 623 Asset and disposal groups held for sale 1	Balance sheet - 9 quarter summa		30.06,2020	31.03,2020	31.12.2019	30.09,2019	30.06.2019	31.03,2019	31.12,2018	30.09,2018
Cash and balances with Central Bank 87,517 103,432 118,174 95,717 121,554 107,649 94,124 83,139 99,525 Loans to curdit institutions 39,484 33,597 33,797 17,947 31,766 69,064 84,978 66,322 123,446 Loans to curdit institutions 80,766 77,902 77,822 77,195 812,481 82,731 82,946 83,362 819,965 Investments property 6,721 7,051 7,129 7,119 7,121 7,120 7,01 7,092 7,044 Investments in associates 9,138 80,18 8,367 8,088 8,188 807 818 6,397 14,039 Tax assets 9,398 9,077 8,826 8,367 8,088 7,580 7,581 6,397 14,039 Tax assets 13,562 30,621 30,722 22,02 2 2 2 2 2 2 2 2 2 2 2 2 2 2										
Loans to credit institutions 39,484 33,597 33,797 17,947 31,766 69,044 84,978 56,322 123,484 Loans to customers 807,866 779,902 778,823 773,955 812,481 821,731 829,246 833,86 819,965 Financial instrutuments 234,937 197,141 192,056 117,06 117,129 71,121 71,210 71,210 71,01 70,03 114,557 109,374 Investment property 6,721 7,051 7,129 7,119 7,121 71,210 70,01 70,02 70,04 Investments in associates 91,38 80,077 8,268 8,587 8,088 7,580 7,581 9,071 14,039 Tax assets 9,388 9,077 8,268 8,367 8,088 7,580 51,211 48,569 8,361 Other assets 9,388 9,077 8,265 1,684 4,755 20,148 51,521 48,569 7,562 1,632 7,582 1,732 1,532	Assets									
Loans to credit institutions 39,484 33,597 33,797 17,947 31,766 69,044 84,978 56,322 123,486 Loans to customers 807,866 779,902 778,823 773,955 814,481 821,731 829,446 833,868 819,965 Financial instrutuments 234,937 17,141 192,056 117,406 117,406 114,4161 128,100 114,557 109,374 Investment property 6,721 7,051 7,129 17,129 7,121 7,120 7,101 7,092 7,04 Investments in associates 913 861 828 8,567 8,088 7,580 6,701 7,012 14,020 140,037 140,032 Lassets 9,388 9,077 8,285 43,626 65,164 55,190 51,321 48,564 8,332 Assets and disposal groups held for sale 18,257 18,224 20,484 17,551 20,111 20,112 13,522 12,135 12,131 20,101 32,22 48,293 <t< td=""><td>Cash and balances with Central Bank</td><td>87,517</td><td>103,432</td><td>118,174</td><td>95,717</td><td>121,554</td><td>107,649</td><td>94,124</td><td>83,139</td><td>99,525</td></t<>	Cash and balances with Central Bank	87,517	103,432	118,174	95,717	121,554	107,649	94,124	83,139	99,525
Financial instruments	Loans to credit institutions	39,484	33,597	33,797	17,947	31,766	69,064	84,978	56,322	123,446
Number	Loans to customers	807,866	779,902	778,823	773,955	812,481	821,731	829,246	833,826	819,965
Newstments in associates 913 861 828 852 848 818 807 818 862 862 843 843 845 8	Financial instruments	234,937	197,141	192,056	117,406	161,781	144,161	128,103	114,557	109,374
Pubble P	Investment property	6,721	7,051	7,129	7,119	7,121	7,120	7,101	7,092	7,044
Tax assets 2 2 2 2 2 1 26 15 90 623 Asset and disposal groups held for sale 30,821 30,732 28,038 43,626 52,164 55,109 51,212 48,684 8,361 Other assets 1236,216 18,557 20,454 1,0147 1,08165 12,315 1,233,419 1,222,695 1,219,529 36,000 Liabilities Liabilities 10,802 7,661 8,323 5,984 8,292 8,703 9,183 9,204 15,737 Due to credit institutions and Central Bank 10,802 7,661 8,323 5,984 8,292 8,703 9,183 9,204 15,737 Due to credit institutions and Central Bank 10,802 7,661 8,323 5,984 8,292 8,703 9,183 9,204 495,607 Piose of credit institutions and Central Bank 10,802 2,685 539,312 492,916 508,254 50,497 490,474 466,067 4484,569 <td>Investments in associates</td> <td>913</td> <td>861</td> <td>828</td> <td>852</td> <td>848</td> <td>818</td> <td>807</td> <td>818</td> <td>862</td>	Investments in associates	913	861	828	852	848	818	807	818	862
Asset and disposal groups held for sale 30,821 30,732 28,038 43,626 52,164 55,109 51,321 48,584 8,351 Other assets 18,567 20,454 20,147 16,864 17,351 20,161 19,919 13,502 36,300 Total assets 1,236,216 1,182,250 1,187,820 1,081,855 1,231,155 1,233,419 1,22,695 1,164,327 1,219,528 Liabilities 3,082 3,083 5,984 8,292 8,703 9,183 9,004 15,370 Deposits 602,842 555,855 539,312 492,916 508,254 504,897 490,474 466,067 484,569 Financial liabilities at fair value 3,983 3,118 4,687 2,570 2,295 2,065 2,286 2,320 3,681 Liabilities associated with disposal groups held for sale 26,193 26,982 22,857 28,631 29,677 32,242 29,498 26,337 Other liabilities 1,000 3,983 314,952 3,	Intangible assets	9,398	9,077	8,826	8,367	8,088	7,580	7,081	6,397	14,039
Name of the sasets 18,557 20,454 20,147 18,864 17,351 20,161 19,919 13,502 33,000 13,000	Tax assets	2	2	2	2	1	26	15	90	623
Claid assets 1,236,216 1,182,250 1,187,820 1,081,855 1,213,155 1,233,419 1,222,695 1,164,327 1,219,528 Liabilities Due to credit institutions and Central Bank 10,802 7,661 8,323 5,984 8,292 8,703 9,183 9,204 15,370 Deposits 602,842 555,855 539,312 482,916 508,254 604,897 490,474 466,607 484,669 Financial liabilities at fair value 3,983 3,118 4,687 2,570 2,295 2,065 2,286 2,320 3,818 Tax liabilities 3,053 3,882 4,195 4,404 3,766 4,441 4,822 5,119 6,378 Uber liabilities 26,193 26,982 22,857 28,631 29,677 32,242 29,498 26,337 Borrowings 308,913 314,952 322,470 304,745 409,563 436,897 445,077 417,782 425,601 Total liabilities 1,043,721	Asset and disposal groups held for sale	30,821	30,732	28,038	43,626	52,164	55,109	51,321	48,584	8,351
Liabilities Due to credit institutions and Central Bank 10,802 7,661 8,323 5,984 8,292 8,703 9,183 9,204 15,370 Deposits 602,842 555,855 539,312 492,916 508,254 504,897 490,474 466,067 484,569 Financial liabilities at fair value 3,983 3,118 4,687 2,570 2,295 2,065 2,286 2,320 3,381 Tax liabilities 3,053 3,882 4,195 4,404 3,766 4,441 4,822 5,119 6,376 Liabilities associated with disposal groups held for sale 26,193 26,982 22,857 28,631 29,677 32,242 29,498 26,337 Other liabilities 51,068 44,479 66,260 32,697 40,210 38,122 41,018 30,107 84,176 Borrowings 308,913 314,952 322,470 304,745 409,563 436,897 445,077 417,782 425,601 Subordinited liabilities	Other assets	18,557	20,454	20,147	16,864	17,351	20,161	19,919	13,502	36,300
Due to credit institutions and Central Bank 10,802 7,661 8,323 5,984 8,292 8,703 9,183 9,204 15,376 Deposits 602,842 555,855 539,312 492,916 508,254 504,897 490,474 466,067 484,569 Financial liabilities at fair value 3,983 3,118 4,687 2,570 2,295 2,065 2,286 2,320 3,381 Tax liabilities 3,053 3,882 4,195 4,404 3,766 4,441 4,822 5,119 6,376 Uber liabilities 51,068 26,982 22,857 28,631 29,677 32,242 29,498 26,337 Other liabilities 30,8913 314,952 322,470 304,745 409,563 346,897 445,077 417,782 425,601 Subordinated liabilities 36,867 36,494 35,837 20,083 15,042 10,763 7,283 6,532 - Total liabilities 1,043,721 93,423 1,003,941 892,030	Total assets	1,236,216	1,182,250	1,187,820	1,081,855	1,213,155	1,233,419	1,222,695	1,164,327	1,219,529
Due to credit institutions and Central Bank 10,802 7,661 8,323 5,984 8,292 8,703 9,183 9,204 15,376 Deposits 602,842 555,855 539,312 492,916 508,254 504,897 490,474 466,067 484,569 Financial liabilities at fair value 3,983 3,118 4,687 2,570 2,295 2,065 2,286 2,320 3,381 Tax liabilities 3,053 3,882 4,195 4,404 3,766 4,441 4,822 5,119 6,376 Uber liabilities 51,068 26,982 22,857 28,631 29,677 32,242 29,498 26,337 Other liabilities 30,8913 314,952 322,470 304,745 409,563 346,897 445,077 417,782 425,601 Subordinated liabilities 36,867 36,494 35,837 20,083 15,042 10,763 7,283 6,532 - Total liabilities 1,043,721 93,423 1,003,941 892,030	Liabilities									
Depositis 602,842 555,855 539,312 492,916 508,254 504,897 490,474 466,067 484,569 Financial liabilities at fair value 3,983 3,118 4,687 2,570 2,295 2,065 2,286 2,320 3,381 Tax liabilities 3,053 3,882 4,195 4,404 3,766 4,441 4,822 5,119 6,376 Liabilities associated with disposal groups held for sale 26,193 26,982 22,857 28,631 29,677 32,242 29,498 26,337 Other liabilities 308,913 314,952 322,470 304,745 409,563 436,897 445,077 417,782 425,601 Subordinated liabilities 36,867 36,494 35,837 20,083 15,042 10,763 7,283 6,532 - Total liabilities 1,043,721 993,423 1,003,941 892,030 1,017,099 1,038,130 1,029,641 963,468 1,019,479 Equity 5 51,331 51,331 <		10,802	7,661	8,323	5,984	8,292	8,703	9,183	9,204	15,370
Financial liabilities at fair value 3,983 3,118 4,687 2,570 2,295 2,065 2,286 2,320 3,381 Tax liabilities 3,053 3,882 4,195 4,404 3,766 4,441 4,822 5,119 6,376 Liabilities associated with disposal groups held for sale 26,193 26,982 22,857 28,631 29,677 32,242 29,498 26,337 Other liabilities 51,068 44,479 66,260 32,697 40,210 38,122 41,018 30,107 84,176 Borrowings 308,913 314,952 322,470 304,745 409,563 436,897 445,077 417,782 425,601 Subordinated liabilities 36,867 36,494 35,837 20,083 15,042 10,763 7,283 6,532 - Total liabilities 1,043,721 993,423 1,003,941 892,030 1,017,099 1,038,130 1,029,641 963,468 1,019,473 Equity Civily 1,043,721										
Tax liabilities 3,053 3,882 4,195 4,404 3,766 4,441 4,822 5,119 6,376 Liabilities associated with disposal groups held for sale 26,193 26,982 22,857 28,631 29,677 32,242 29,498 26,337 Other liabilities 51,068 44,479 66,260 32,697 40,210 38,122 41,018 30,107 84,176 Borrowings 308,913 314,952 322,470 304,745 409,563 436,897 445,077 417,782 425,601 Subordinated liabilities 36,867 36,494 35,837 20,083 15,042 10,763 7,283 6,532 - Total liabilities 1,043,721 993,423 1,003,941 892,030 1,017,099 1,038,130 1,029,641 963,468 1,019,473 Equity Share capital and share premium 51,331 51,330 51,334 55,715 59,000 59,007 59,008 59,010 59,014 Other reserves 12,8	·	•								
Liabilities associated with disposal groups held for sale 26,193 26,982 22,857 28,631 29,677 32,242 29,498 26,337 Other liabilities 51,068 44,479 66,260 32,697 40,210 38,122 41,018 30,107 84,176 Borrowings 308,913 314,952 322,470 304,745 409,563 436,897 445,077 417,782 425,601 Subordinated liabilities 36,867 36,494 35,837 20,083 15,042 10,763 7,283 6,532 - Total liabilities 1,043,721 993,423 1,003,941 892,030 1,017,099 1,038,130 1,029,641 963,468 1,019,473 Equity Share capital and share premium 51,331 51,330 51,334 55,715 59,000 59,007 59,008 59,010 59,014 Other reserves 12,114 11,375 10,409 9,493 10,919 14,098 15,439 14,822 15,648 Retained earnings	Tax liabilities									
Other liabilities 51,068 44,479 66,260 32,697 40,210 38,122 41,018 30,107 84,176 Borrowings 308,913 314,952 322,470 304,745 409,563 436,897 445,077 417,782 425,601 Subordinated liabilities 36,867 36,494 35,837 20,083 15,042 10,763 7,283 6,532 - Total liabilities 1,043,721 993,423 1,003,941 892,030 1,017,099 1,038,130 1,029,641 963,468 1,019,473 Equity Share capital and share premium 51,331 51,330 51,334 55,715 59,000 59,007 59,008 59,010 59,014 Other reserves 12,114 11,375 10,409 9,493 10,919 14,098 15,439 14,822 15,648 Retained earnings 128,879 125,951 121,959 124,436 126,007 122,054 118,477 126,897 124,655 Total shareholders equity	Liabilities associated with disposal groups held for sale				•		•			
Borrowings 308,913 314,952 322,470 304,745 409,563 436,897 445,077 417,782 425,601 Subordinated liabilities 36,867 36,494 35,837 20,083 15,042 10,763 7,283 6,532 - Total liabilities 1,043,721 993,423 1,003,941 892,030 1,017,099 1,038,130 1,029,641 963,468 1,019,473 Equity Share capital and share premium 51,331 51,330 51,334 55,715 59,000 59,007 59,008 59,010 59,014 Other reserves 12,114 11,375 10,409 9,493 10,919 14,098 15,439 14,822 15,648 Retained earnings 128,879 125,951 121,959 124,436 126,007 122,054 118,477 126,897 124,655 Total shareholders equity 192,324 188,656 183,702 189,644 195,926 195,159 192,924 200,729 193,917 Non-controlling int		•								84,176
Subordinated liabilities 36,867 36,494 35,837 20,083 15,042 10,763 7,283 6,532 - Total liabilities 1,043,721 993,423 1,003,941 892,030 1,017,099 1,038,130 1,029,641 963,468 1,019,473 Equity Share capital and share premium 51,331 51,330 51,334 55,715 59,000 59,007 59,008 59,010 59,014 Other reserves 12,114 11,375 10,409 9,493 10,919 14,098 15,439 14,822 15,648 Retained earnings 128,879 125,951 121,959 124,436 126,007 122,054 118,477 126,897 124,655 Total shareholders equity 192,324 188,656 183,702 189,644 195,926 195,159 192,924 200,729 199,317 Non-controlling interest 192,496 188,827 183,879 189,825 196,056 195,289 193,054 200,859 200,056	Borrowings	•	-	-	•	-	•	-	•	•
Total liabilities 1,043,721 993,423 1,003,941 892,030 1,017,099 1,038,130 1,029,641 963,468 1,019,473 Equity Share capital and share premium 51,331 51,330 51,334 55,715 59,000 59,007 59,008 59,010 59,014 Other reserves 12,114 11,375 10,409 9,493 10,919 14,098 15,439 14,822 15,648 Retained earnings 128,879 125,951 121,959 124,436 126,007 122,054 118,477 126,897 124,655 Total shareholders equity 192,324 188,656 183,702 189,644 195,926 195,159 192,924 200,729 199,317 Non-controlling interest 172 171 177 181 130 130 130 130 739 Total equity 192,496 188,827 183,879 189,825 196,056 195,289 193,054 200,859 200,056	_									-
Share capital and share premium 51,331 51,330 51,334 55,715 59,000 59,007 59,008 59,010 59,014 Other reserves 12,114 11,375 10,409 9,493 10,919 14,098 15,439 14,822 15,648 Retained earnings 128,879 125,951 121,959 124,436 126,007 122,054 118,477 126,897 124,655 Total shareholders equity 192,324 188,656 183,702 189,644 195,926 195,159 192,924 200,729 199,317 Non-controlling interest 172 171 177 181 130 130 130 130 739 Total equity 192,496 188,827 183,879 189,825 196,056 195,289 193,054 200,859 200,056	Total liabilities	1,043,721	993,423	1,003,941	892,030	1,017,099	1,038,130	1,029,641	963,468	1,019,473
Share capital and share premium 51,331 51,330 51,334 55,715 59,000 59,007 59,008 59,010 59,014 Other reserves 12,114 11,375 10,409 9,493 10,919 14,098 15,439 14,822 15,648 Retained earnings 128,879 125,951 121,959 124,436 126,007 122,054 118,477 126,897 124,655 Total shareholders equity 192,324 188,656 183,702 189,644 195,926 195,159 192,924 200,729 199,317 Non-controlling interest 172 171 177 181 130 130 130 130 739 Total equity 192,496 188,827 183,879 189,825 196,056 195,289 193,054 200,859 200,056	Equity									
Other reserves 12,114 11,375 10,409 9,493 10,919 14,098 15,439 14,822 15,648 Retained earnings 128,879 125,951 121,959 124,436 126,007 122,054 118,477 126,897 124,655 Total shareholders equity 192,324 188,656 183,702 189,644 195,926 195,159 192,924 200,729 199,317 Non-controlling interest 172 171 177 181 130 130 130 130 739 Total equity 192,496 188,827 183,879 189,825 196,056 195,289 193,054 200,859 200,056		51.331	51,330	51,334	55,715	59,000	59,007	59.008	59,010	59,014
Retained earnings 128,879 125,951 121,959 124,436 126,007 122,054 118,477 126,897 124,655 Total shareholders equity 192,324 188,656 183,702 189,644 195,926 195,159 192,924 200,729 199,317 Non-controlling interest 172 171 177 181 130 130 130 130 739 Total equity 192,496 188,827 183,879 189,825 196,056 195,289 193,054 200,859 200,056	·	,				•	•			
Total shareholders equity 192,324 188,656 183,702 189,644 195,926 195,159 192,924 200,729 199,317 Non-controlling interest 172 171 177 181 130 130 130 130 739 Total equity 192,496 188,827 183,879 189,825 196,056 195,289 193,054 200,859 200,056										
Non-controlling interest 172 171 177 181 130 130 130 130 739 Total equity 192,496 188,827 183,879 189,825 196,056 195,289 193,054 200,859 200,056	•									
Total equity 192,496 188,827 183,879 189,825 196,056 195,289 193,054 200,859 200,056										
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			,		•					

ISK million	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Interest income									
Cash and balances with Central bank	227	303	774	916	1,062	1,061	969	990	1,269
Loans	11,893	12,926	10,690	11,911	12,389	15,075	13,428	15,177	13,549
Securities	977	538	550	443	384	271	237	127	48
Other	48	68	30	36	19	56	50	54	67
Interest income	13,145	13,835	12,044	13,306	13,854	16,463	14,684	16,348	14,933
Interest expense									
Deposits	(1,455)	(1,969)	(2,011)	(2,447)	(2,642)	(3,608)	(3,252)	(3,585)	(3,426
Borrowings	(3,181)	(3,468)	(2,443)	(2,956)	(3,645)	(4,945)	(3,927)	(4,740)	(4,240
Subordinated loans	(491)	(501)	(313)	(182)	(161)	(59)	(47)	(19)	-
Other	(29)	(40)	(24)	(28)	(24)	(43)	(24)	(35)	(58
Interest expense	(5,156)	(5,978)	(4,791)	(5,613)	(6,472)	(8,655)	(7,250)	(8,379)	(7,724
Net interest income	7,989	7,857	7,253	7,693	7,382	7,808	7,434	7,969	7,209
Interest bearing assets									
Cash and balances with Central Bank	87,517	103,432	118,174	95,717	121,554	107,649	94,124	83,139	99,525
Loans	847,350	813,499	812,620	791,902	844,247	890,795	914,224	890,148	943,411
Securities	202,783	167,517	163,127	83,343	132,708	114,583	97,343	87,701	79,856
Interest bearing assets	1,137,650	1,084,448	1,093,921	970,962	1,098,509	1,113,027	1,105,691	1,060,989	1,122,792
Interest bearing liabilities									
Due to credit institutions and Central Bank	10,802	7,661	8,323	5,984	8,292	8,703	9,183	9,204	15,370
Deposits	602,842	555,855	539,312	492,916	508,254	504,897	490,474	466,067	484,569
Financial liabilities at fair value	3,983	3,118	4,687	2,570	2,295	2,065	2,286	2,320	3,381
Borrowings	308,913	314,952	322,470	304,745	409,563	436,897	445,077	417,782	425,601
Subordinated liabilities	36,867	36,494	35,837	20,083	15,042	10,763	7,283	6,532	
Interest bearing liabilities	963,407	918,080	910,629	826,298	943,446	963,325	954,303	901,905	928,921
Interest Gap	174,243	166,368	183,292	144,664	155,063	149,702	151,388	159,084	193,871
Net interest margin on interest bearing assets	2.8%	2.9%	2.8%	3.0%	2.6%	2.8%	2.7%	2.9%	2.7%

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ISK million	30.09.2020	30.06.2020	31.03.2020	31.12.2019	30.09.2019	30.06.2019	31.03.2019	31.12.2018	30.09.2018
	0010012020	0.0012020	-110012020						001001201
Loans to customers									
Individuals	414,320	388,747	374,005	368,569	408,925	403,539	399,574	400,483	397,661
Corporates	393,546	391,155	404,818	405,386	403,556	418,192	429,672	433,343	422,304
Total loans to customers	807,866	779,902	778,823	773,955	812,481	821,731	829,246	833,826	819,965
Share of stage 3 loans, gross*	3.2%	3.4%	2.9%	2.7%	2.5%	2.4%	2.5%	2.6%	2.9%
Loans to individuals									
Overdrafts	14,513	13,917	15,465	14,421	16,081	15,075	15,639	14,536	15,783
Credit cards	11,222	11,809	10,805	13,028	12,650	12,325	11,606	12,958	11,585
Mortgage loans	359,145	333,249	317,882	310,562	349,673	345,833	342,346	343,119	338,059
Other loans	32,669	33,207	33,412	33,105	33,604	33,631	33,579	33,560	36,351
Provision on loans	(3,229)	(3,435)	(3,559)	(2,547)	(3,083)	(3,325)	(3,596)	(3,690)	(4,117)
Total loans to individuals	414,320	388,747	374,005	368,569	408,925	403,539	399,574	400,483	397,661
Loans to corporates									
Overdrafts	15,819	15,915	17,611	18,709	17,714	18,880	19,082	19,200	18,101
Credit cards	1,097	1,102	1,065	1,373	1,367	1,356	1,294	1,348	1,270
Mortgage loans	29,066	23,941	23,178	23,475	23,765	24,334	24,643	23,417	22,598
Other loans	358,058	359,459	371,639	368,453	367,221	380,705	390,957	395,579	388,299
Provision on loans	(10,494)	(9,262)	(8,675)	(6,624)	(6,511)	(7,083)	(6,304)	(6,201)	(7,964)
Total loans to corporates	393,546	391,155	404,818	405,386	403,556	418,192	429,672	433,343	422,304
Loans to corporates specified by sector:									
Agriculture and forestry	2.1%	2.0%	1.9%	1.9%	1.8%	1.8%	1.8%	1.7%	1.7%
Services	3.2%	4.3%	4.2%	4.3%	4.3%	4.2%	3.8%	3.8%	4.2%
Financial and insurance activities	8.1%	9.1%	9.2%	8.3%	7.6%	8.2%	7.8%	8.7%	8.6%
Industry, energy and manufacturing	7.7%	7.8%	7.8%	9.8%	10.2%	9.4%	8.4%	8.2%	7.8%
Information and communication technology	5.0%	4.9%	4.6%	4.7%	4.7%	4.7%	4.6%	4.8%	5.5%
Public administration, human health and social activities	2.0%	1.7%	1.6%	2.1%	1.7%	1.6%	1.6%	1.6%	1.3%
Real estate activities and construction	33.1%	33.0%	31.6%	32.0%	32.8%	32.8%	34.9%	33.9%	32.0%
Fishing industry	22.1%	19.5%	21.3%	20.5%	20.1%	20.0%	18.7%	19.4%	19.4%
Transportation	3.4%	3.2%	3.0%	2.7%	2.8%	2.9%	2.8%	2.8%	4.1%
Wholesale and retail trade	13.3%	14.6%	14.8%	13.6%	13.9%	14.6%	15.5%	15.2%	15.4%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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

Capital and Risk Weighted Assets									
ISK million	30.09.2020	30.06.2020	31.03.2020	31.12.2019	30.09.2019	30.06.2019	31.03.2019	31.12.2018	30.09.2018
Capital base:									
Total equity	192,496	188,827	183,879	189,825	196,056	195,289	193,054	200,859	200,056
Deductions related to the consolidated situation ¹	(11,410)	(10,823)	(10,088)	(10,159)	(9,927)	(9,452)	(8,746)	(8,986)	(8,573)
Non-controlling interest not eligible for inclusion in CET1 capital	(172)	(171)	(177)	(181)	(130)	(130)	(130)	(130)	(739)
Common Equity Tier 1 capital before regulatory adjustments	180,914	177,833	173,614	179,485	185,999	185,707	184,178	191,743	190,744
Intangible assets	(11,671)	(11,371)	(11,160)	(10,604)	(14,117)	(13,783)	(13,236)	(12,152)	(11,445)
Tax assets	(310)	(310)	(332)	(296)	(151)	(568)	(490)	(191)	(564)
Foreseeable dividend	(1,375)	-	-	(14,153)	(6,057)	(1,557)	(509)	(9,069)	(2,775)
Adjustment under IFRS 9 transitional arrangements	-	1,550	-	-	-	-	-	-	-
Other statutory deductions	(3,709)	(3,314)	(1,995)	(1,741)	(3,255)	(3,075)	(2,022)	(1,537)	(1,308)
Common equity Tier 1 capital	163,849	164,388	160,127	152,691	162,419	166,724	167,921	168,794	174,652
Non-controlling interest not eligible for inclusion in CET1 capital	172	171	177	181	130	130	130	130	739
Additional Tier 1 capital	14,480	14,705	14,783	-	=	-	=	=	-
Tier 1 capital	178,501	179,264	175,087	152,872	162,550	166,854	168,051	168,924	175,391
Subordinated liabilities	22,387	21,789	21,054	20,083	15,042	10,763	7,283	6,532	-
Tier 2 Capital	22,387	21,789	21,054	20,083	15,042	10,763	7,283	6,532	-
Total Capital base	200,888	201,053	196,141	172,955	177,592	177,617	175,334	175,456	175,391
Risk weighted exposure amount (REA)									
Credit Risk, loans	568,345	557,208	557,415	561,602	590,880	606,843	626,603	639,788	646,016
Credit Risk, securities and other	52,564	51,286	48,412	49,163	54,705	58,183	52,167	50,112	51,133
Counterparty credit risk	4,791	4,169	5,242	3,347	3,457	3,969	4,126	4,405	4,461
Market Risk due to currency imbalance	2,552	3,119	2,676	10,070	5,127	6,125	2,385	4,280	7,305
Market Risk Other	14,777	15,207	13,898	10,609	11,168	14,261	13,744	8,928	9,717
Credit valuation adjustment ²	1,618	1,874	1,934	1,477	2,863	1,840	1,893	2,228	2,235
Operational Risk	83,487	83,487	83,487	83,487	86,957	86,957	86,957	86,957	86,013
Total risk weighted exposure amount	728,134	716,350	713,064	719,755	755,157	778,178	787,875	796,698	806,880

Capital and Risk Weighted Assets									
ISK million	30.09.2020	30.06.2020	31.03.2020	31.12.2019	30.09.2019	30.06.2019	31.03.2019	31.12.2018	30.09.201
Capital ratios	27.6%	28.1%	27.5%	24.0%	23.5%	22.8%	22.3%	22.0%	21.79
CET 1 ratio	22.5%	22.9%	22.5%	21.2%	21.6%	21.4%	21.3%	21.2%	21.69
Tier 1 ratio	24.5%	25.0%	24.6%	21.2%	21.5%	21.4%	21.3%	21.2%	21.79
Capital adequacy ratio	27.6%	28.1%	27.5%	24.0%	23.6%	22.8%	22.3%	22.0%	21.7%
Leverage ratio									
On-balance sheet exposures	1,176,825	1,130,553	1,136,168	1,022,521	1,152,208	1,175,769	1,169,764	1,106,368	1,167,23
Derivative exposures	13,083	12,153	13,176	10,217	8,858	7,251	7,282	8,239	8,27
Securities financing transaction exposures	2,871	525	1,557	577	8,436	8,547	8,494	8,194	9,38
Off-balance sheet exposures	66,612	62,666	56,222	52,299	103,916	63,260	61,185	68,316	82,41
Total exposure	1,259,391	1,205,897	1,207,123	1,085,614	1,273,418	1,254,827	1,246,725	1,191,117	1,267,31
Tier 1 capital	178,501	179,264	202,329	204,125	197,990	194,966	193,988	198,956	192,378
Leverage ratio	14.2%	14.9%	16.6%	17.2%	16.9%	17.8%	17.4%	18.1%	17.3%
Related ratios									
RORWA	1.2%	0.8%	(1.2%)	0.1%	0.7%	0.8%	0.5%	1.0%	1.0%
REA/Total assets	58.9%	60.6%	60.0%	66.5%	62.2%	63.1%	64.4%	68.4%	66.2%

Markets and Stefnir: August 1.98 Q2 2020 Q1 2020 Q1 2019 Q3 2019 Q2 2019 Q1 2020 Net interest income 578 409 197 182 282 297 22 Net fee and commission income 2.837 1,980 1,035 944 1,164 1,156 1,00 Net financial income (loss) 43 (3) (136) 87 (68) 61 1 Share of profit of associates 1 1 1 - - - - Other operating income 3.467 2,391 1,100 1,224 1,381 1,523 1,44 Operating expenses (1,331) (1,005) (474) (477) (421) (504) (5 Allocated expenses (1,373) (965) (468) (179) (380) (481) (435) Bank levy (28) (18) (8) (9) (42) (45) (45) Total assets 75,528 75,528 75,592 <td< th=""><th colspan="12">Operating segments - Quarters summary</th></td<>	Operating segments - Quarters summary											
Net interest income 578 409 197 182 282 297 28 Net fee and commission income 2,837 1,980 1,035 944 1,164 1,156 1,03 Net insurance income -					Q4 2019	Q3 2019	Q2 2019	Q1 2019				
Net fee and commission income 2,837 1,980 1,035 944 1,164 1,156 1,000 Net insurance income -	Markets and Stefnir:											
Net insurance income Color	Net interest income	578	409	197	182	282	297	256				
Net financial income (loss)	Net fee and commission income	2,837	1,980	1,035	944	1,164	1,156	1,054				
Share of profit of associates	Net insurance income	-	-	-	-	-	-	-				
Other operating income 8 4 3 11 3 9 Total operating income 3,467 2,391 1,100 1,224 1,381 1,523 1,48 Operating expenses (1,331) (1,005) (474) (477) (421) (504) (57 Allocated expenses (1,373) (965) (468) (179) (380) (481) (45 Bank levy (28) (18) (8) (9) (42) (45) (47) Net impairment - - (4) - - - 8 (3) Earnings before income tax 735 399 150 559 546 490 44 Total assets 75,528 75,592 77,452 69,692 70,735 78,411 80,57 Total liabilities 67,762 68,211 69,303 62,540 63,825 71,767 73,12 Allocated equity 7,801 5,070 2,522 2,395 2,240	Net financial income (loss)	43	(3)	(136)	87	(68)	61	139				
Total operating income 3,467 2,391 1,100 1,224 1,381 1,523 1,43 Operating expenses (1,331) (1,005) (474) (477) (421) (504) (504) Allocated expenses (1,373) (965) (468) (179) (380) (481) (43 Bank levy (28) (18) (8) (9) (42) (45) (45) Net impairment - (4) - - 8 (3) Earnings before income tax 735 399 150 559 546 490 44 Total assets 75,528 75,592 77,452 69,692 70,735 78,441 80,5 Total liabilities 67,762 68,211 69,303 62,540 63,825 71,767 73,12 Allocated equity 7,766 7,381 8,149 7,152 6,910 6,674 7,48 Corporate & Investment Banking: Net interest income 7,801 5,0	Share of profit of associates	1	1	1	-	-	-	-				
Operating expenses (1,331) (1,005) (474) (477) (421) (504) (5 Allocated expenses (1,373) (965) (468) (179) (380) (481) (43) Bank levy (28) (18) (8) (9) (42) (45) (45) Net impairment - (4) - - 8 (3) Earnings before income tax 735 399 150 559 546 490 44 Total assets 75,528 75,592 77,452 69,692 70,735 78,441 80,5 Total liabilities 67,762 68,211 69,303 62,540 63,825 71,767 73,1 Allocated equity 7,766 7,381 8,149 7,152 6,910 6,674 7,44 Corporate & Investment Banking:	Other operating income	8	4	3	11	3	9	2				
Allocated expenses (1,373) (965) (468) (179) (380) (481) (481) (481) (481) (482) (482) (483) (181) (481) (482) (483) (182) (483) (182) (483) (182) (18	Total operating income	3,467	2,391	1,100	1,224	1,381	1,523	1,451				
Real levy (28)	Operating expenses	(1,331)	(1,005)	(474)	(477)	(421)	(504)	(518)				
Net impairment Composition	Allocated expenses	(1,373)	(965)	(468)	(179)	(380)	(481)	(430)				
Total assets	Bank levy	(28)	(18)	(8)	(9)	(42)	(45)	(46)				
Total assets 75,528 75,592 77,452 69,692 70,735 78,441 80,5 Total liabilities 67,762 68,211 69,303 62,540 63,825 71,767 73,11 Allocated equity 7,766 7,381 8,149 7,152 6,910 6,674 7,41 Corporate & Investment Banking: Net interest income 7,801 5,070 2,522 2,395 2,240 2,338 2,11 Net fee and commission income 2,172 1,558 837 611 318 509 44 Net insurance income 6 (34) 28 (22) Share of profit of associates (48) (49) Other operating income (loss) (7) (10) (2) (3) (4) (6) Total operating income 9,918 6,569 3,357 3,009 2,520 2,869 2,44 Allocated expenses (969) (750) (385) (291) (318) (414) (44) (44) (44) (44) (44) (44) (4	Net impairment	-	(4)	-	-	8	(3)	(5)				
Total liabilities	Earnings before income tax	735	399	150	559	546	490	452				
Allocated equity 7,766 7,381 8,149 7,152 6,910 6,674 7,44 Corporate & Investment Banking: Net interest income 7,801 5,070 2,522 2,395 2,240 2,338 2,14 Net fee and commission income 2,172 1,558 837 611 318 509 44 Net insurance income 6 (34) 28 (22) Share of profit of associates (48) (49) Other operating income (loss) (7) (10) (2) (3) (4) (6) Total operating income 9,918 6,569 3,357 3,009 2,520 2,869 2,43 Allocated expenses (969) (750) (385) (291) (318) (414) (44) Allocated expenses (1,912) (1,349) (618) (764) (702) (979) (98) Bank levy (312) (202) (107) (101) (200) (224) (202) Net impairment (5,358) (2,707) (1,645) (3,761) (2,870) (1,216) (1,00) Earnings (loss) before income tax	Total assets	75,528	75,592	77,452	69,692	70,735	78,441	80,573				
Corporate & Investment Banking: Net interest income 7,801 5,070 2,522 2,395 2,240 2,338 2,18 Net fee and commission income 2,172 1,558 837 611 318 509 48 Net insurance income -	Total liabilities	67,762	68,211	69,303	62,540	63,825	71,767	73,122				
Net interest income 7,801 5,070 2,522 2,395 2,240 2,338 2,14 Net fee and commission income 2,172 1,558 837 611 318 509 48 Net insurance income -	Allocated equity	7,766	7,381	8,149	7,152	6,910	6,674	7,451				
Net fee and commission income 2,172 1,558 837 611 318 509 48 Net insurance income -<	Corporate & Investment Bank	king:										
Net insurance income - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - </td <td>Net interest income</td> <td>7,801</td> <td>5,070</td> <td>2,522</td> <td>2,395</td> <td>2,240</td> <td>2,338</td> <td>2,156</td>	Net interest income	7,801	5,070	2,522	2,395	2,240	2,338	2,156				
Net financial income (loss) - - - - 6 (34) 28 (22) Share of profit of associates (48) (49) - <td< td=""><td>Net fee and commission income</td><td>2,172</td><td>1,558</td><td>837</td><td>611</td><td>318</td><td>509</td><td>498</td></td<>	Net fee and commission income	2,172	1,558	837	611	318	509	498				
Share of profit of associates (48) (49) -	Net insurance income	-	-	-	-	-	-	-				
Other operating income (loss) (7) (10) (2) (3) (4) (6) Total operating income 9,918 6,569 3,357 3,009 2,520 2,869 2,42 Operating expenses (969) (750) (385) (291) (318) (414) (44 Allocated expenses (1,912) (1,349) (618) (764) (702) (979) (98 Bank levy (312) (202) (107) (101) (200) (224) (20 Net impairment (5,358) (2,707) (1,645) (3,761) (2,870) (1,216) (1,03 Earnings (loss) before income tax 1,367 1,561 602 (1,908) (1,570) 36 (20	Net financial income (loss)	-	-	-	6	(34)	28	(222)				
Total operating income 9,918 6,569 3,357 3,009 2,520 2,869 2,42 Operating expenses (969) (750) (385) (291) (318) (414) (44 Allocated expenses (1,912) (1,349) (618) (764) (702) (979) (98 Bank levy (312) (202) (107) (101) (200) (224) (20 Net impairment (5,358) (2,707) (1,645) (3,761) (2,870) (1,216) (1,00) Earnings (loss) before income tax 1,367 1,561 602 (1,908) (1,570) 36 (20	Share of profit of associates	(48)	(49)	-	-	-	-	-				
Operating expenses (969) (750) (385) (291) (318) (414) (442) Allocated expenses (1,912) (1,349) (618) (764) (702) (979) (982) Bank levy (312) (202) (107) (101) (200) (224) (202) Net impairment (5,358) (2,707) (1,645) (3,761) (2,870) (1,216) (1,002) Earnings (loss) before income tax 1,367 1,561 602 (1,908) (1,570) 36 (202)	Other operating income (loss)	(7)	(10)	(2)	(3)	(4)	(6)	(4)				
Allocated expenses (1,912) (1,349) (618) (764) (702) (979) (989) Bank levy (312) (202) (107) (101) (200) (224) (201) Net impairment (5,358) (2,707) (1,645) (3,761) (2,870) (1,216) (1,002) Earnings (loss) before income tax 1,367 1,561 602 (1,908) (1,570) 36 (201)	Total operating income	9,918	6,569	3,357	3,009	2,520	2,869	2,428				
Bank levy (312) (202) (107) (101) (200) (224) (202) Net impairment (5,358) (2,707) (1,645) (3,761) (2,870) (1,216) (1,000) Earnings (loss) before income tax 1,367 1,561 602 (1,908) (1,570) 36 (200)	Operating expenses	(969)	(750)	(385)	(291)	(318)	(414)	(448)				
Net impairment (5,358) (2,707) (1,645) (3,761) (2,870) (1,216) (1,03) Earnings (loss) before income tax 1,367 1,561 602 (1,908) (1,570) 36 (20)	Allocated expenses	(1,912)	(1,349)	(618)	(764)	(702)	(979)	(956)				
Earnings (loss) before income tax 1,367 1,561 602 (1,908) (1,570) 36 (20	Bank levy	(312)	(202)	(107)	(101)	(200)	(224)	(201)				
	Net impairment	(5,358)	(2,707)	(1,645)	(3,761)	(2,870)	(1,216)	(1,032)				
Total assets 329,038 316.633 329.384 320.545 315.052 327.950 335.20	Earnings (loss) before income tax	1,367	1,561	602	(1,908)	(1,570)	36	(209)				
==,::: ===,::: ===,::: ===,::: ===,::: ========	Total assets	329,038	316,633	329,384	320,545	315,052	327,950	335,209				
	Total liabilities							264,102				
	·							71,107				

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Operating segments - Quarters summary										
ISK million			Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019			
Retail Banking:										
Net interest income	11,834	7,830	3,831	4,045	4,253	4,443	4,562			
Net fee and commission income	3,528	2,237	1,247	1,186	1,326	1,199	1,092			
Net insurance income	-	-	-	-	-	-	-			
Net financial income (loss)	-	-	-	91	(91)	-	(26)			
Share of profit of associates	-	-	-	-	-	-	-			
Other operating income	197	124	119	102	174	32	124			
Total operating income	15,559	10,191	5,197	5,424	5,662	5,674	5,752			
Operating expenses	(4,051)	(2,899)	(1,493)	(1,670)	(1,569)	(1,752)	(1,811)			
Allocated expenses	(4,240)	(3,099)	(1,473)	(1,842)	(1,227)	(1,602)	(1,536)			
Bank levy	(464)	(296)	(158)	(149)	(275)	(301)	(339)			
Net impairment	(1,828)	(1,979)	(1,903)	1,922	133	275	(43)			
Earnings before income tax	4,976	1,918	170	3,685	2,724	2,294	2,023			
Total assets	501,186	485,327	474,471	475,199	536,349	554,871	551,713			
Total liabilities	445,274	436,718	416,769	416,197	472,222	495,724	489,711			
Allocated equity	55,912	48,609	57,702	59,002	64,127	59,147	62,002			
Treasury and Market making:										
Net interest income	3,194	2,028	848	1,201	783	871	583			
Net fee and commission income	390	237	96	55	(50)	(76)	(125)			
Net insurance income	-	-	-	-	-	-	-			
Net financial income (loss)	409	(58)	(1,411)	(2)	718	258	(34)			
Share of profit of associates	-	-	-	-	-	-	-			
Other operating income	-	-	-	5	-	6	-			
Total operating income (loss)	3,993	2,207	(467)	1,259	1,451	1,059	424			
Other operating income (loss)	(447)	(333)	(185)	(140)	(91)	(86)	(68)			
Allocated expenses	(658)	(436)	(211)	(260)	(213)	(283)	(284)			
Bank levy	(233)	(139)	(58)	(98)	(292)	(342)	(320)			
Net impairment	7	17	4	(11)	-	15	(1)			
Earnings (loss) before income tax	2,662	1,316	(917)	750	855	363	(249)			
Total assets	502,387	471,858	480,872	457,579	558,263	573,660	580,470			
Total liabilities	481,934	441,285	470,028	436,229	548,213	555,797	569,151			
Allocated equity	20,453	30,573	10,844	21,350	10,050	17,863	11,319			
· inodutou oquity	20,700	00,010	10,044	21,000	10,000	17,000	11,019			

Operating segments - Quarters summary										
ISK million	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019			
Vördur:										
Net interest income	92	92	47	68	57	59	44			
Net fee and commission income (expens	(91)	(91)	(41)	(31)	(18)	(6)	(25)			
Net insurance income	1,318	1,318	523	730	1,093	830	276			
Net financial income	884	884	130	222	35	513	551			
Share of profit of associates	-	-	-	-	-	-	-			
Other operating income	3	3	2	7	2	2	9			
Total operating income	2,206	2,206	661	996	1,169	1,398	855			
Operating expenses	(1,203)	(1,281)	(636)	(579)	(528)	(554)	(579)			
Allocated expenses	-	(9)	(12)	(7)	(1)	(2)	(6)			
Bank levy	-	-	-	-	-	-	-			
Net impairment	-	-	-	-	-	-	-			
Earnings before income tax	1,003	916	13	410	640	842	270			
Total assets	30,390	29,418	26,993	27,028	26,758	26,222	25,655			
Total liabilities	18,981	18,595	16,869	16,869	16,869	16,869	16,869			
Allocated equity	11,409	10,823	10,124	10,159	9,889	9,353	8,786			
Other subsidiaries:										
Net interest income (expense)	(317)	(262)	(174)	(172)	(195)	(264)	3			
Net fee and commission income (expens	(550)	(356)	(211)	(189)	(236)	(280)	(235)			
Net insurance income	1,053	-	-	-	-	-	-			
Net financial income (loss)	36	(144)	(594)	88	423	(367)	494			
Share of profit of associates	-	-	-	-	-	-	-			
Other operating income	391	298	8	91	24	116	321			
Total operating income (loss)	613	(464)	(971)	(182)	16	(795)	583			
Operating expenses	(714)	(104)	(75)	(13)	(19)	(14)	(17)			
Allocated expenses	(25)	(3)	(1)	(3)	(1)	(1)	(1)			
Bank levy	-	-	-	-	-	-	-			
Net impairment	2,060	895	683	3,053	3,215	(60)				
Earnings (loss) before income tax	1,934	324	(364)	2,855	3,211	(870)	565			
Total assets	54,723	56,527	51,792	58,515	62,367	67,056	61,984			
Total liabilities	30,792	32,698	31,867	37,530	36,249	40,738	34,619			
Allocated equity	23,931	23,829	19,925	20,985	26,118	26,318	27,365			

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Oporativ	aa caamante -	Quarters summary
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ISK million Q3 2020 Q2 2020 Q1 2020 Q4 2019 Q3 2019 Q2 2019 Q1 2019

Supporting units and eliminations:

Net interest income (loss)	(83)	(57)	(18)	(26)	(38)	64	(170)
Net fee and commission income (expens	240	199	113	39	135	(24)	(41)
Net insurance income (expense)	(66)	(56)	(22)	(7)	(6)	(7)	(23)
Net financial income (loss)	11	12	11	(3)	(49)	530	(136)
Share of profit (loss) of associates	69	19	(25)	7	30	(8)	727
Other operating income (loss)	124	(178)	40	(12)	73	(65)	(142)
Total operating income (loss)	295	(61)	99	(2)	145	490	215
Operating expenses	(9,119)	(6,230)	(2,959)	(3,272)	(3,994)	(3,295)	(3,421)
Allocated expenses	8,208	5,861	2,783	3,055	2,524	3,348	3,213
Bank levy	(1)	-	-	-	-	-	-
Net impairment	1	-	1	-	(2)	1	-
Earnings (loss) before income tax	(616)	(430)	(76)	(219)	(1,327)	544	7

Total assets	(257,036)	(253,106)	(253,144)	(326,703)	(356,369)	(394,781)	(412,909)
Total liabilities	(257,036)	(253,106)	(254,859)	(328,916)	(357,854)	(396,949)	(417,933)
Allocated equity	-	-	1,715	2,213	1,485	2,168	5,024

Arion Bank Factbook 30.09.2020 20 All amounts are in ISK millions

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