

Arion Bank in brief

31.12.2021



14.7%

Return on equity



44.4%

Cost-to-income



19.6%

CET1 ratio



Rating from S&P

Long term: BBB

Short term: A-2

Outlook: Stable



PRINCIPLES FOR RESPONSIBLE BANKING



Equal Pay Certification



Arion Bank

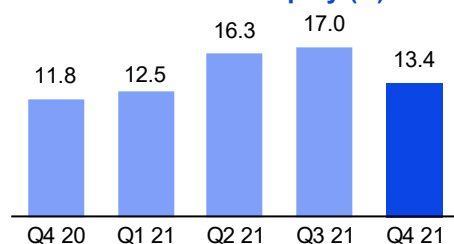
- Arion Bank provides services to households, corporates, institutions and investors. The Bank has three business segments: Retail Banking, Corporate & Investment Banking, and Markets. The service offering is further augmented by the subsidiaries Stefnir and Vördur. Stefnir is an Icelandic fund management company, and Vördur is an insurance company providing non-life and life insurance.
- Arion Bank plays an important role in the community through financing of progressive and sustainable initiatives in the community and sustainability is an integral part of the Bank's day-to-day activities, its decision-making and processes
- The diverse service offering at Arion Bank means that the revenue base is broad and the loan portfolio is well diversified between retail and corporate customers. The high percentage of mortgages and the healthy distribution of loans across different sectors reduces credit risk
- The Bank is a market leader in digital solutions and innovation. Numerous new digital solutions have been launched in the past few years, enhancing service to customers and making the Bank's operations more efficient, which in the long term reduces operating expenses across the Bank
- The Bank is emphasizing customer experience in all aspects of the Bank
- At year-end 2021 Arion Bank has ISK 21bn in excess capital and expects to pay dividend and/or buy-back own shares in addition to already foreseeable dividend and buy-back of ISK 26.7bn included in equity calculation to reach the 17% CET1 target

Key figures

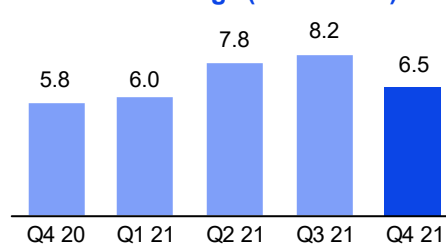
(ISK million)

	2021	2020
Net earnings	28,615	12,469
ROE	14.7%	6.5%
Net interest margin	2.8%	2.9%
Cost to income ratio	44.4%	48.1%
Operating income / REA	7.6%	7.0%
	31.12.2021	31.12.2020
Total assets	1,313,864	1,172,706
Loans to customers	936,237	822,941
Deposits	655,476	568,424
Borrowings	356,637	298,947
Stage 3 gross	1.9%	2.6%
Leverage ratio	12.6%	15.1%
Number of employees	751	776
EUR/ISK	147.60	156.10

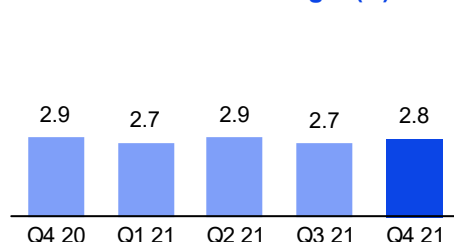
Return on equity (%)



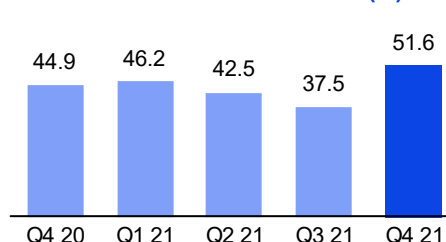
Net earnings (ISK billion)



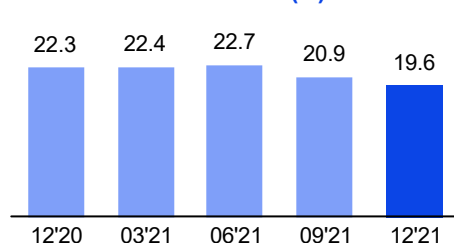
Net interest margin (%)



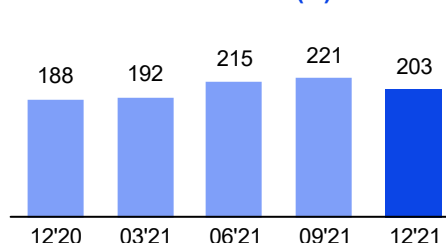
Cost-to-income ratio (%)



CET 1 ratio (%)



LCR ratio (%)



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