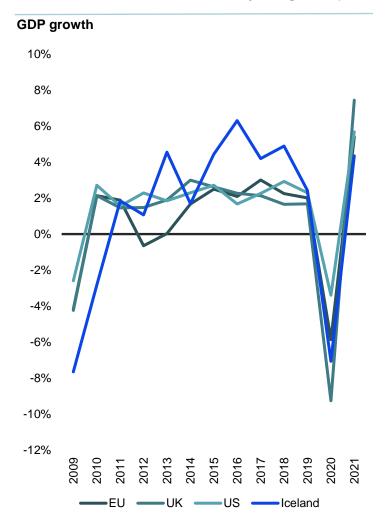


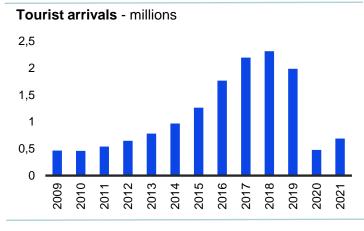
Olafur Hrafn Hoskuldsson CFO, Theodor Fridbertsson Head of IR Deutsche Bank Annual Global Financial Services Conference

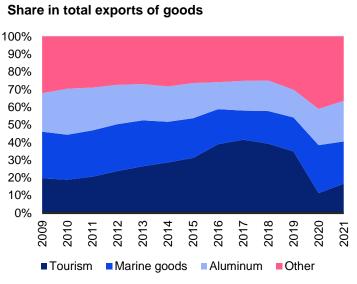


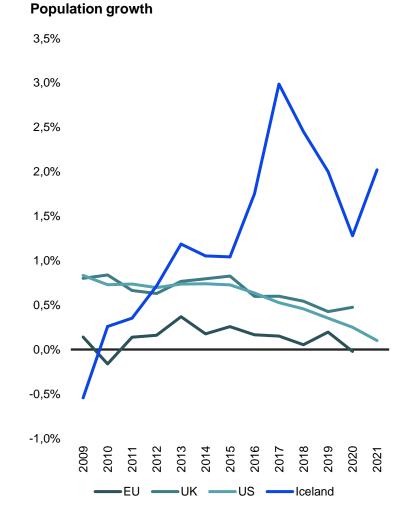
Icelandic economy: A strong recovery

Iceland went from being among the countries hit hardest by the financial crisis to one of the fastest growing advanced economy. How? The simple answer is tourism, which in 2013 became the country's largest export sector. Now we are also seeing new industries growing fast such as the IP sector, pharma and fish farming





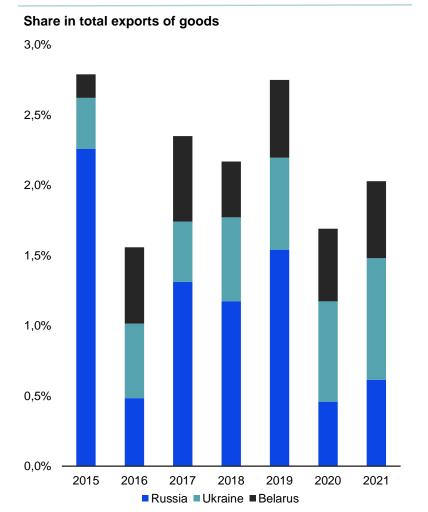


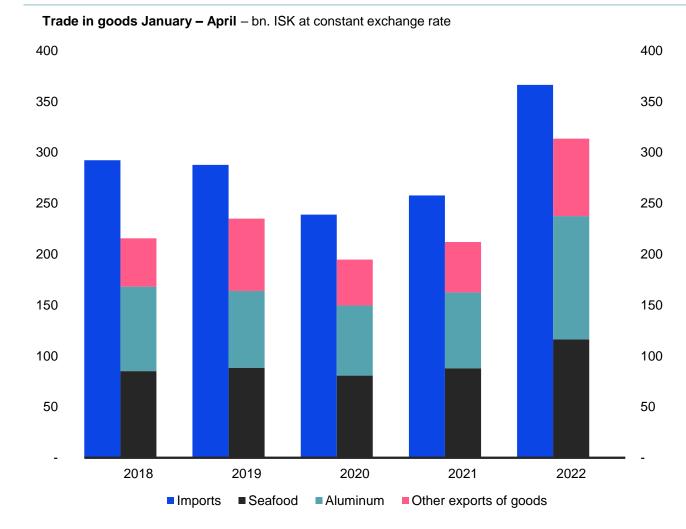




The war in Ukraine has limited direct effects

Exports of goods to the affected market areas amounted to 15 bn. ISK in 2021, or 2% of total exports of goods. However, record high production prices have softened the blow. As Iceland is a commodity exporter through seafood and aluminum, higher oil and commodity prices have not negatively affected the country's terms of trade or widened the trade deficit

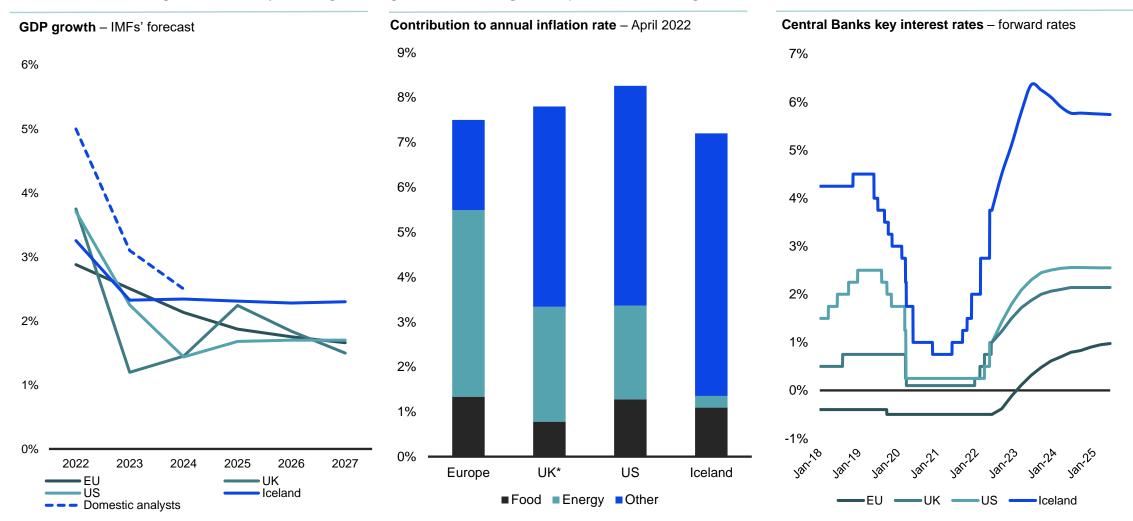






The economic outlook is still bright

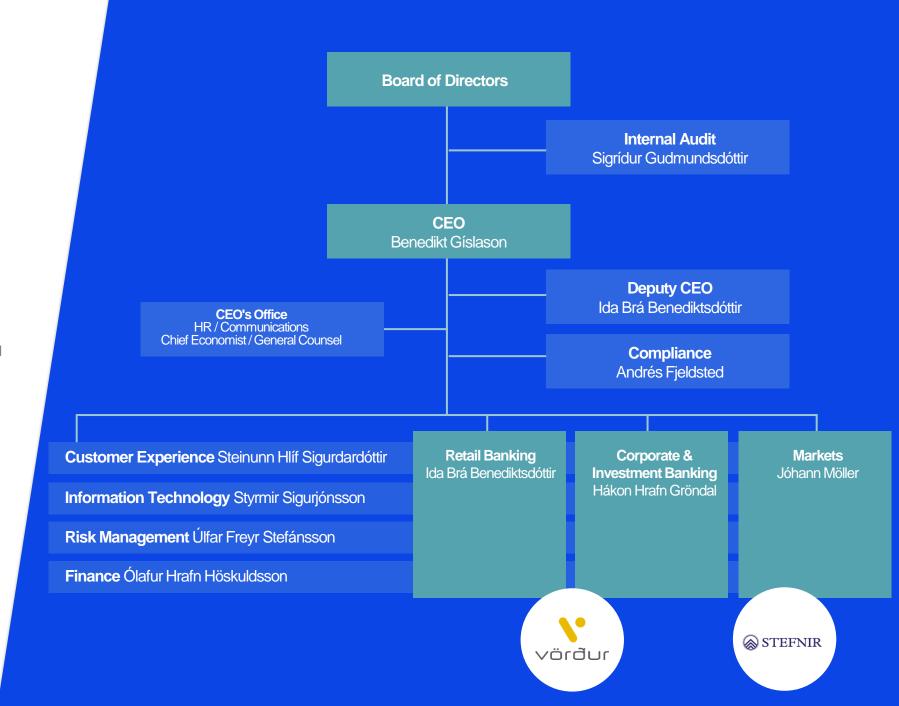
The Icelandic economy is expected to exceed its pre-COVID level in 2022, with growth driven by tourism, business investment and household consumption. Although the outlook is still bright the economy is facing challenges, such as rising house prices and climbing inflation





A customer centric organization

- Incorporates Vördur insurance into both Retail and CIB
- Emphasizes the customer experience in all areas of the Bank
- Centralizes shared services to increase cost efficiency and effectiveness





ROE

14.7%

vs. target 10%

All business units exceeding Group target ROE

Cost / Income ratio 44.4%

vs. target <45%

CET1 ratio 19.6%

vs. target ~17%

Core income growth 9.4%

vs. 2020

Deposit growth

15.3% vs. 2020

Loan growth 13.8%

vs. 2020

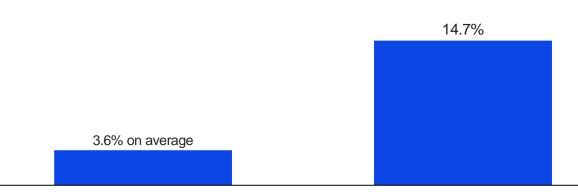
AuM growth 19.5%

vs. 2020



Positive momentum and constructive outlook supports revised ROE target





2019-2020

- ▲ Opex efficiency drive
- ▼ Low-rate environment
- CIB restructuring
- Impairments/Provisions related to restructuring and COVID
- Dividend restrictions limits opportunity for capital optimization
- ▼ Held-for-sale assets impairments

2021

- ▲ Reversal of provisions
- ▲ CIB performing post restructuring
- ▲ Market activity supporting fee income
- ▲ First milestones in capital optimization
- ▼ Low-rate environment while rising rates late in year

2022E

Valitor ~13%

- ▲ Building on 2021 operational performance across all business units
- Rising policy rates
- ▲ Economy recovering post pandemic.
- ▲ Strong lending pipeline building both on retail and corporate sides, supporting growth.
- ▲ Large strides in capital optimization
- ▲ Expected sale of Valitor
- Normalized provisions
- ▼ Inflationary pressure on opex
- ▼ Specific ISK 0.5 1bn investment in customer experience and IT projects
- ▼ ISK funding markets crowded

2023E and onwards

>13%

- ▲ Icelandic economy in strong position to benefit from broader global economic recovery
- ▲ Cost and revenue benefits from specific Customer experience and IT investments realised
- ▲ True bancassurance platform and enhanced monetisation of distribution channels
- Originate-to-distribute model enhanced further
- Optimal capital structure reached (CET1 around 17%)



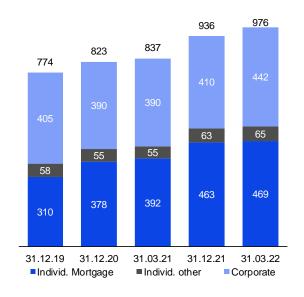
Balance sheet

Strong loan growth supported by increase in core deposits

Assets	31.03.2021	31.12.2021	31.03.2022
Cash & balances with CB	60	69	64
Loans to credit institutions	29	30	36
Loans to customers	837	936	976
Financial assets	197	226	186
Assets and disposal groups held for sale	16	16	15
Other assets	41	37	64
Total Assets	1,181	1,314	1,341
Liabilities and Equity			
Due to credit institutions & CB	10	5	4
Deposits from customers	593	655	680
Liabilities associated with disposal groups held for sale	8	17	15
Other liabilities	53	50	65
Borrowings	294	357	370
Subordinated liabilities	35	35	34
Total Liabilities	992	1,119	1,168
Equity	189	195	173
Total Liabilities and Equity	1,181	1,314	1,341

- Loans to customers increased by 4.3% in Q1 and 16.6% from Q1 2021
 - Growth of 3.7% in core deposits from YE 2021 and 23.3% YoY
- Liquidity position remains strong despite ISK 26.7bn capital distribution through dividend and buy-back in Q1 (LCR 195% and NSFR of 112%)

Loans to customers





Strong distribution network and increased opportunities to cross-sell

More than 44 million annual interactions with Arion Bank and Vördur clients

Digital interactions 2021

Website



Arion Vördur **9.000.000 374.000**

Online banking/insurance



Arion Vördur **5,500,000 117,000**

App

Arion Vördur

28,700,000 0

Traditional interactions 2021¹

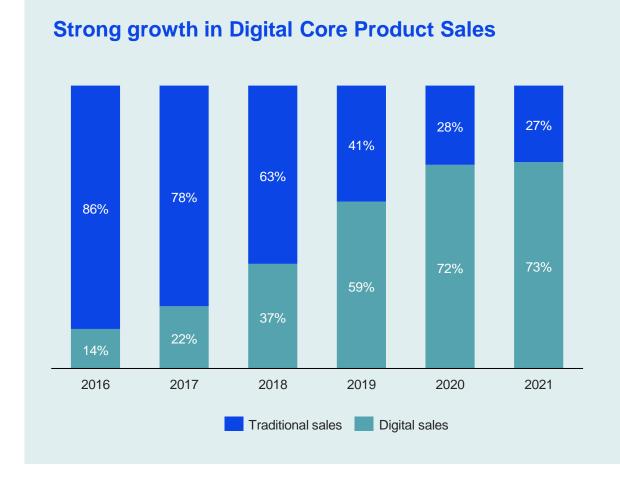
Telephone calls

Branches



Arion Vördur **340,000 84,000**





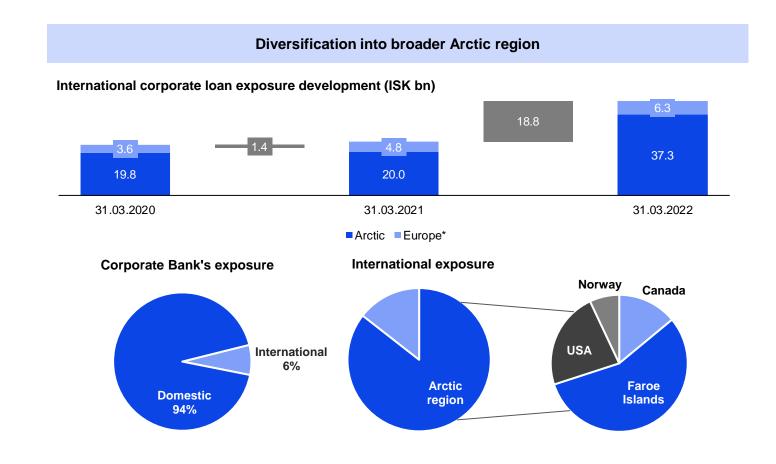


The Arctic region

Arion Bank's international exposure in the Arctic region has increased by 87% in the last two years

The Arctic region presents growing opportunities

- Arion Bank sees opportunities in the broader Arctic region namely Greenland, Faroe Islands, Alaska and Northern Canada
 - Significant share of global rare earth minerals
 - Sustainable energy resources
 - 10% of total aluminum production
 - 12% of fish caught in the world are in the North Atlantic Ocean
 - 40% of farmed salmon and related species
 - Opportunities to develop further as a tourist destination





Iceland is well positioned to become a financial hub in the Arctic

Areas of competitiveness

Business Environment

- Member of the EEA since 1994
- Strong economy and significant growth expectations
- Business friendly tax regime
- Iceland became a signatory to the Paris Climate Agreement in 2015
- One of the highest GDP per capita in the world

Infrastructure

- Strategic location for international transportation has enhanced Iceland's experience and infrastructure in recent decades
- Leading contribution of renewables to energy supply
- Highly advanced mobile and internet connectivity in the country
- Well established institutions

Human Capital

- High education levels top 15 in the world
- Very high labour market participation
- No. 1 in gender equality world ranking 2021
- No. 2 rank in democracy world index 2020
- Top 10 in life expectancy world ranking 2020
- The Icelandic population has grown by around 9% in the last five years

Financial Sector

- Strongly capitalized, profitable and efficient banking system
- Well established access to international capital markets
- Nasdaq OMX stock exchange
- Inclusion in global indices
- One of the largest and best funded pension fund systems in the world relative to GDP

Reputation

- High level of innovation despite being a small nation
- Attractive destination for travellers
- Rich in natural resources, such as sustainable energy and fisheries
- Located at the center of the transatlantic route from Europe to North America
- Ranked no. 1 in the global peace index 2021



Disclaimer

- This document has been prepared for information purposes only and should not be relied upon, or form the basis of any action or decision, by any person. Nothing in this document is, nor shall be relied on as, a promise or representation as to the future. In supplying this document, Arion Bank does not undertake any obligation to provide the recipient with access to any additional information or to update this document or to correct any inaccuracies herein which may become apparent.
- The information relating to Arion Bank, its subsidiaries and associates and their respective businesses and assets contained in, or used in preparing, this document has not been verified or audited. Further, this document does not purport to provide a complete description of the matters to which it relates.
- Some information may be based on assumptions or market conditions and may change without notice. Accordingly, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, forecasts, opinions and expectations contained in this document and no reliance should be placed on such information, forecasts, opinions and expectations. To the extent permitted by law, none of Arion Bank or any of their affiliates or advisers, any of their respective directors, officers or employees, or any other person, accepts any liability whatsoever for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document.
- This presentation contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance. The information in the presentation is based on company data available at the time of the presentation. Although Arion Bank believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors. The most important factors that may cause such a difference for Arion Bank include, but are not limited to: a) the macroeconomic development, b) change in inflation, interest rate and foreign exchange rate levels, c) change in the competitive environment and d) change in the regulatory environment and other government actions. This presentation does not imply that Arion Bank has undertaken to revise any forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes after the date when this presentation was made. Arion Bank assumes no responsibility or liability for any reliance on any of the information contained herein. It is prohibited to distribute or publish any information in this presentation without Arion Bank's prior written consent.
- Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.
- This presentation shall not be regarded as investment advisory by the Bank
- By accepting this document you agree to be bound by the foregoing instructions and limitations.