

Arion Bank in brief

6M 2020



2.9%

Return on equity



54.7%

Cost-to-income



28.1%

Capital adequacy ratio



Rating from S&P

Long term: BBB

Short term: A-2

Outlook: Stable



Equal Pay
Certification

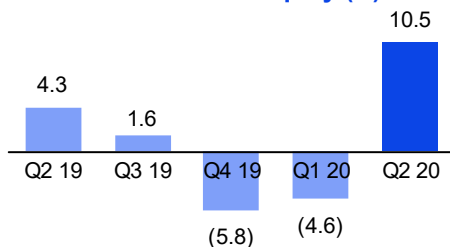
THE
ALLBRIGHT.

In 25th place out of
333 listed in Sweden
in gender equality

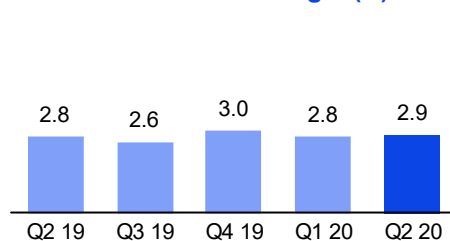
Arion Bank

- Arion Bank is a leading universal relationship bank in Iceland which provides a full range of financial services.
- After a long period of strong economic growth the economy is trending into temporary negative recession due to Covid-19. Developments in Iceland and especially globally will heavily impact the Icelandic economy due to the importance of tourism. However, both fiscal and monetary policy have ammunition to support the economy.
- Arion Bank intends to maintain its leading position in digital banking, which has proven effective during the pandemic.
- The balance sheet is extraordinarily strong which is prudent at this time due to Covid-19 but not efficient, under normal circumstances.
- The Bank is very well positioned to meet the funding requirements of its customers in both ISK and FX and to provide customers with solutions through the challenging times that lie ahead.

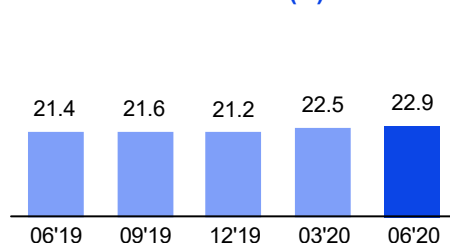
Return on equity (%)



Net interest margin (%)



CET 1 ratio (%)



Key figures

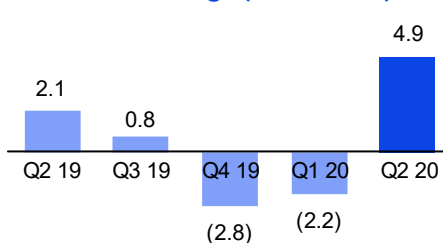
(ISK million)

	6M 2020	6M 2019
Net earnings	2,742	3,114
ROE	2.9%	3.2%
ROE continuing operations	3.9%	5.1%
Net interest margin	2.9%	2.8%
Cost to income ratio	54.7%	56.3%
Operating income / REA	6.4%	6.1%

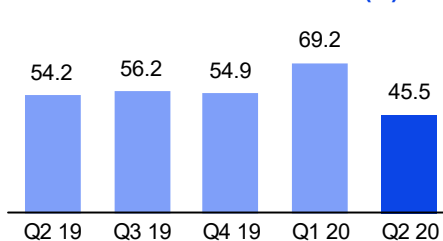
30.6.2020 31.12.2019

	30.6.2020	31.12.2019
Total assets	1,182,249	1,081,855
Loans to customers	779,902	773,955
Deposits	555,855	492,916
Borrowings	314,952	304,745
Stage 3 gross	3.4%	2.7%
Leverage ratio	14.9%	14.1%
Number of employees	783	801
EUR/ISK	155.40	135.83

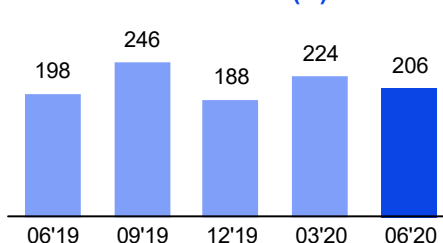
Net earnings (ISK billion)



Cost-to-income ratio (%)



LCR ratio (%)



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.

By accepting this document you agree to be bound by the foregoing instructions and limitations.