

Arion Bank in brief



30.06.2022



16.9%

Return on equity



46.3%

Cost-to-income



19.7%

CET1 ratio



Rating from S&P

Long term: BBB

Short term: A-2

Outlook: Stable

Rating from Moody's

Long term: Baa1

Outlook: Positive



PRINCIPLES FOR
RESPONSIBLE
BANKING



- Arion Bank provides services to households, corporates, institutions and investors. The Bank has three business segments: Retail Banking, Corporate & Investment Banking (CIB), 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 with sales channels through CIB and Retail Banking

- Arion Bank plays an important role in the community through financing of progressive and sustainable initiatives in the community. 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 places strong emphasis on customer experience, both in digital and face-to-face services, and meeting the financial needs of its customers via customized product offering and services.

- Based on current total capital combination the remaining surplus CET1 capital is ISK 13.0bn at 30.06.2022. Arion Bank will continue to manage towards 17% CET1 target. Further capital distribution considered in parallel with business growth opportunities

Key figures

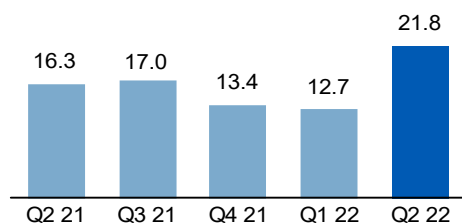
(ISK m)

	H1 2022	H1 2021
Net earnings	15,530	13,855
ROE	16.9%	14.3%
Net interest margin	3.1%	2.8%
Cost to income ratio	46.3%	44.2%
Operating income / REA	6.6%	7.5%

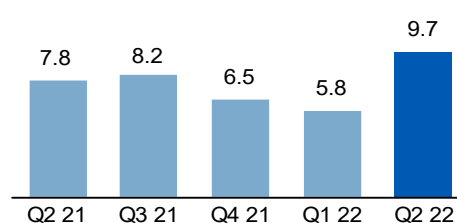
30.06.2022 31.12.2021

Total assets	1,383,361	1,313,864
Loans to customers	1,010,666	936,237
Deposits	726,948	655,476
Borrowings	363,375	356,637
Total equity	183,311	194,598
Stage 3 gross	1.4%	1.9%
Leverage ratio	12.7%	12.7%
Number of employees	746	751
EUR/ISK	138.68	147.60

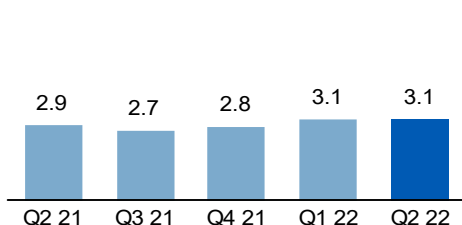
Return on equity (%)



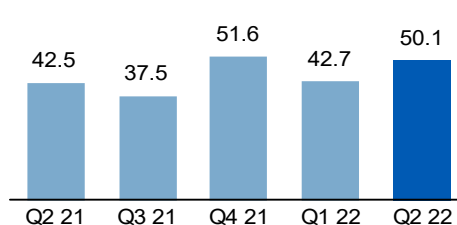
Net earnings (ISK bn)



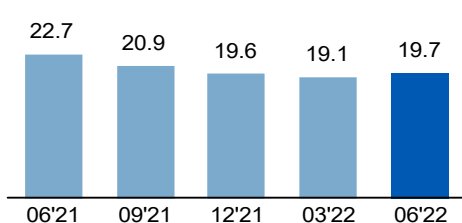
Net interest margin (%)



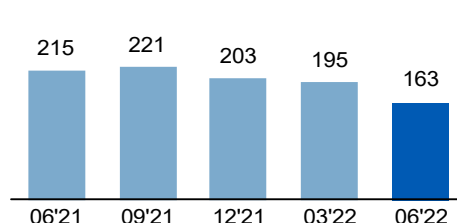
Cost-to-income ratio (%)



CET 1 ratio (%)



LCR ratio (%)



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