

# Arion Bank in brief

30.06.2021



**14.3%**

Return on equity



**44.2%**

Cost-to-income



**27.2%**

Capital adequacy ratio



Rating from S&P

Long term: BBB

Short term: A-2

Outlook: Stable



PRINCIPLES FOR RESPONSIBLE BANKING



Equal Pay Certification



Principles for Responsible Investment

## Arion Bank

- Arion Bank and subsidiaries form a group which focuses on developing long-term relationships with its clients and is a market leader as a provider of cutting-edge and modern banking services
- The Bank's strategy is to excel by offering smart and reliable financial solutions which create future value for our customers, shareholders and society as a whole
- 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's structure has been simplified and the branch network and business premises have been streamlined
- Arion Bank has significant excess capital and expects to pay dividend and/or buy-back own shares in excess of ISK 50 billion over the next years in addition to already foreseeable dividend and buy-back of ISK 14.9 billion included in equity calculation

## Key figures

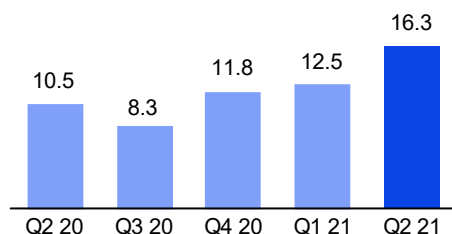
(ISK million)

	6M 2021	6M 2020
Net earnings	13,855	2,742
ROE	14.3%	2.9%
ROE continuing operations	14.1%	3.9%
Net interest margin	2.8%	2.9%
Cost to income ratio	44.2%	54.7%
Operating income / REA	7.5%	6.4%

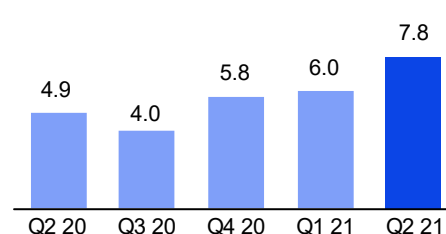
  

	30.06.2021	31.12.2020
Total assets	1,217,920	1,172,706
Loans to customers	843,988	822,941
Deposits	604,382	568,424
Borrowings	301,388	298,947
Stage 3 gross	2.8%	2.6%
Leverage ratio	14.6%	15.1%
Number of employees	741	776
EUR/ISK	146.70	156.09

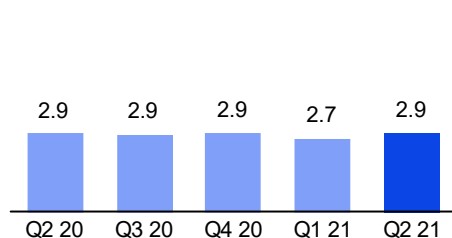
### Return on equity (%)



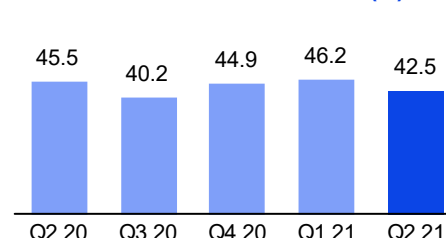
### Net earnings (ISK billion)



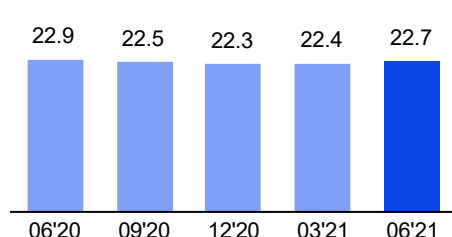
### Net interest margin (%)



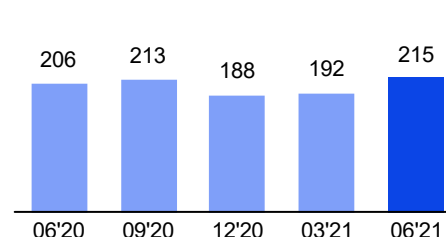
### Cost-to-income ratio (%)



### CET 1 ratio (%)



### LCR ratio (%)



\*The 6M results are reviewed by the Bank's auditor. The quarterly statements and the split between quarters are not reviewed or audited by the Bank's auditor.

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