Second quarter results 2019

Investor presentation

8 August 2019

Arion Bank

Q2 2019

Highlights during the quarter

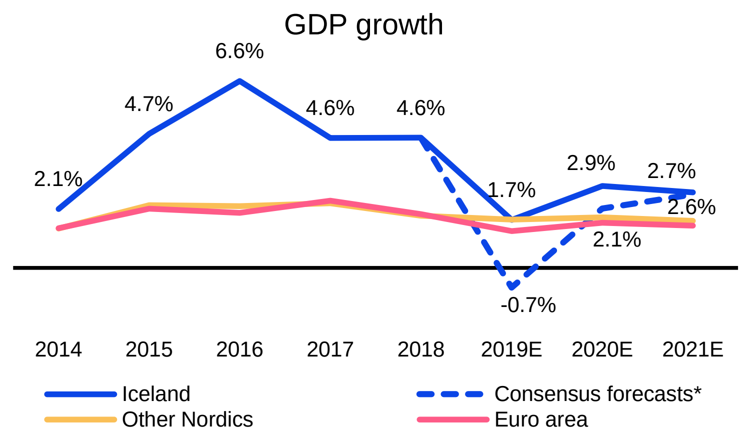
- Core earnings continued to improve
- The temporarily weaker macro is having a minor effect on loan growth and impairments
- Continued evolution of digital offering. Insurance products and personal financial management tools now integrated in the Arion app
- Valitor sales process is ongoing
- A strategic review of current business has been initiated

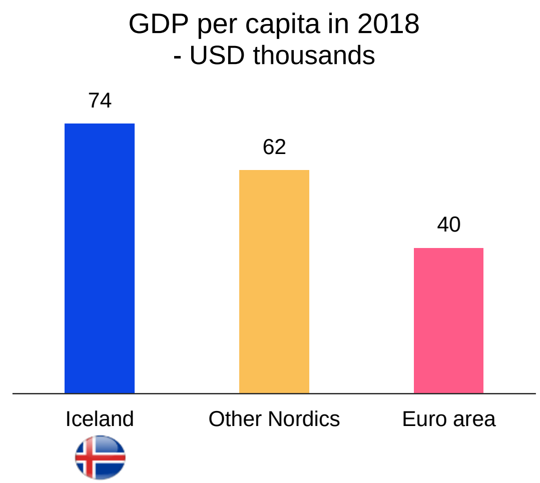
Macroeconomic environment

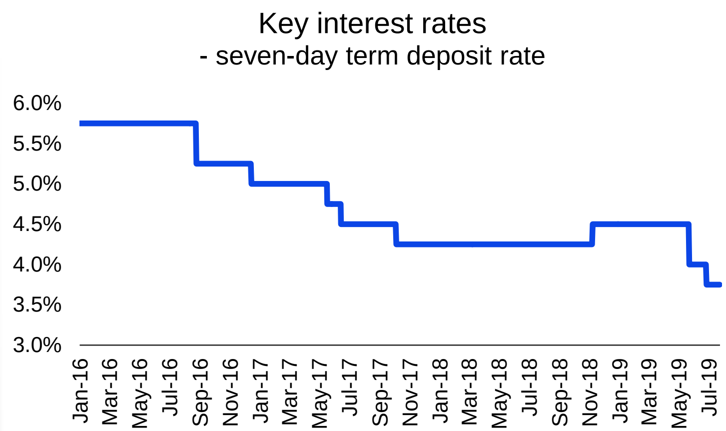
Outlook for negative growth in 2019 with a quick rebound

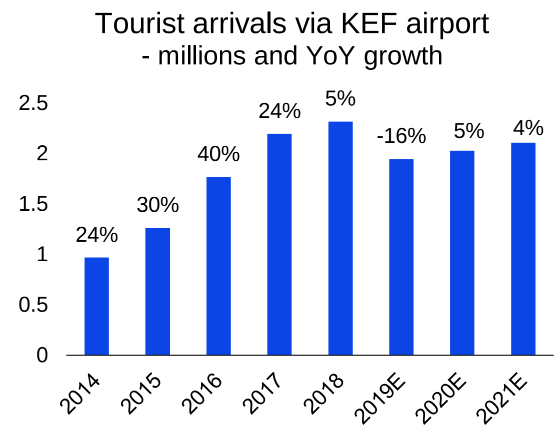
After a strong 4.6% GDP growth in 2018, economic activity looks set to slow down

- Falling exports are expected to bring an end to one of the longest growth periods the Icelandic economy has experienced
- Despite a possible contraction, GDP per capita will remain high
- The tourism industry has boomed since 2011. Even though the growth period is over for the time being, it provides a welcome respite to allow improvements to be made to an overstretched infrastructure
- The economy is well equipped to handle a short contraction, with the Central Bank having already taken the first steps by lowering interest rates by 75 bps
- The proposed fiscal easing supports the monetary policy, further softening the blow to the economy
- Growth in exports is expected next year as the effect of the bankruptcy of WOW air and the grounding of new passenger aircrafts recedes
- Capelin fisheries are expected to rebound from this year's historic lows







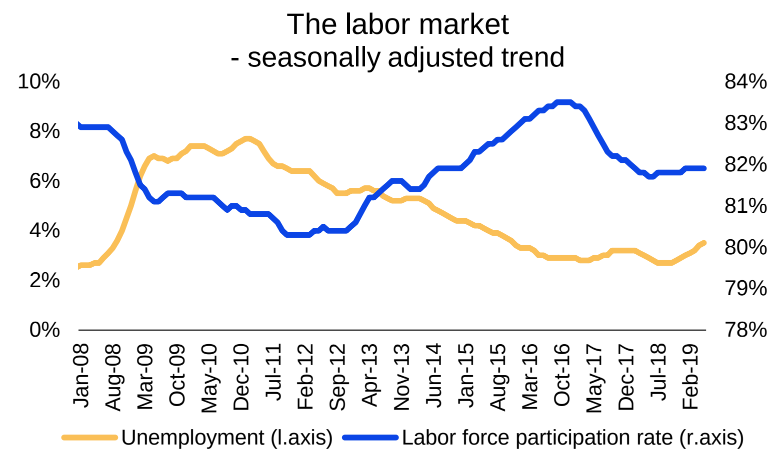


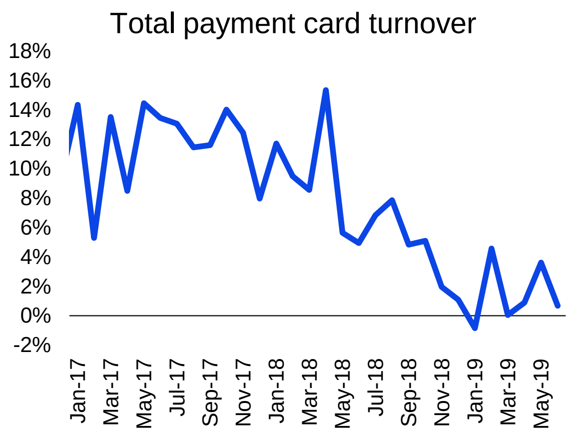
Sources: Icelandic Tourist Board, CBI, Statistics Iceland, Arion Research, IMF. * Domestic analysts

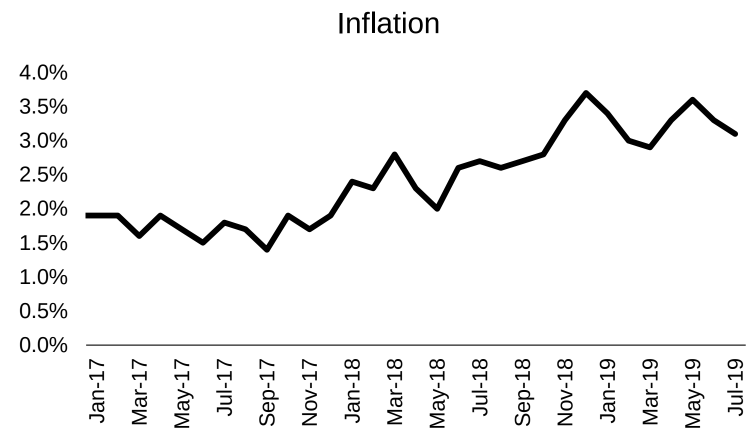
The economy is cooling down

Unemployment is on the rise, inflation has picked up and household consumption is wavering

- The removal of capital controls on off-shore ISK in March, the bankruptcy of WOW air in late March and further foreign investment by pension funds contributed to an almost 3% depreciation of the ISK in Q2 2019
- New collective wage agreements in April coincided with a softer economic outlook and reduced uncertainty in the economy
- The inflation outlook has improved due to recent strengthening of the ISK
- Unemployment has increased over the past months, a trend many expect to continue in the autumn when tourism passes its peak
- Consumer confidence has been sliding, which has been reflected in slower payment card turnover growth





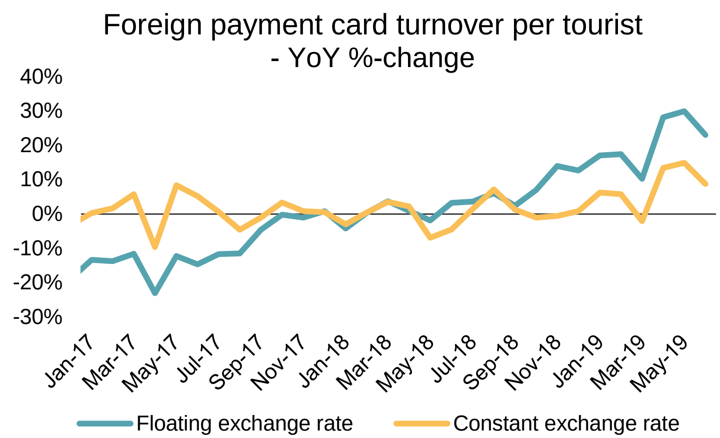


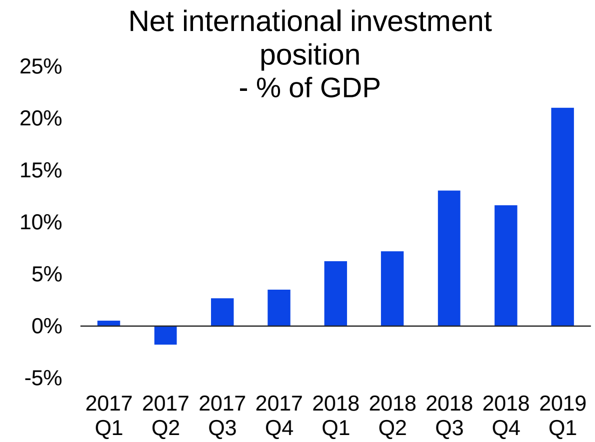
Sources: CBI, Statistics Iceland, Arion Research

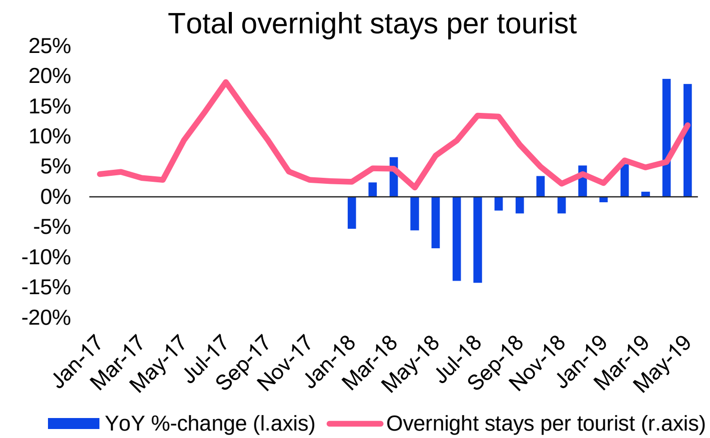
Recent indications of a softer landing than anticipated

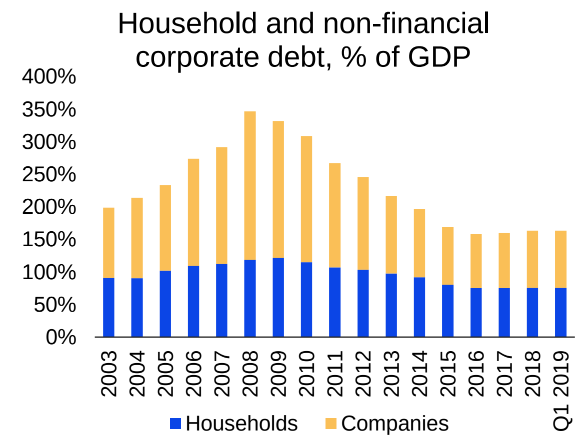
The consumption pattern of tourists has changed since WOW air's bankruptcy

- Since the bankruptcy of WOW air, spending per tourist has increased significantly, both in ISK and FX
- A plausible explanation for this is that each tourist is staying longer on average than before
- The drop in total overnight stays is mainly due to unlisted accommodation while hotels have mostly held their ground
- The recent tourism figures are extremely positive for the Icelandic tourist sector and the economy as a whole, softening the economic blow of the bankruptcy of WOW air
- The economy is well equipped to handle a slowdown, with a positive net external position and historically low debt levels, both in the private and public sector
- Recent economic development, coupled with monetary easing has contributed to: long-term ISK yields coming down, strong performance of Icelandic equities and the Icelandic housing market holding its ground









Sources: CBI, Centre for Retail Studies, Statistics Iceland, Arion Research

Q2 2019

Core earnings continue to improve

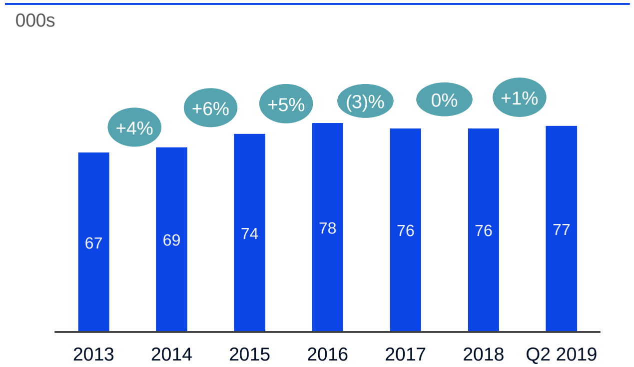
- Growing NII compared with both Q2 2018 and Q1 2019 – NIM stable and in line with expectations
- Temporarily slowing economy reduces loan book growth as does the Bank’s focus on NIM and profitability of loans
- Commission and financial income stable and continued strong insurance performance as cross sale activities are implemented
- Credit quality still strong despite some stage 2 impairments on the back of temporarily weaker economy
- Operating expenses developing in the right direction

Digital services are changing customer behavior

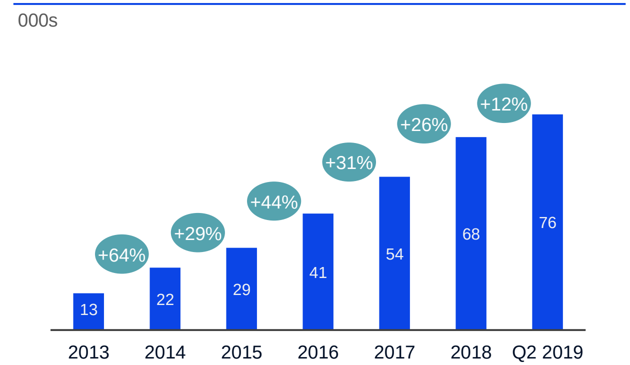
The Bank's digital journey has produced outstanding results

- The growth in active Arion Bank app users was 12% in the first 6 months
- New digital branches continue to drive increased customer usage
- In 2019 the Bank has launched 5 customer facing digital solutions

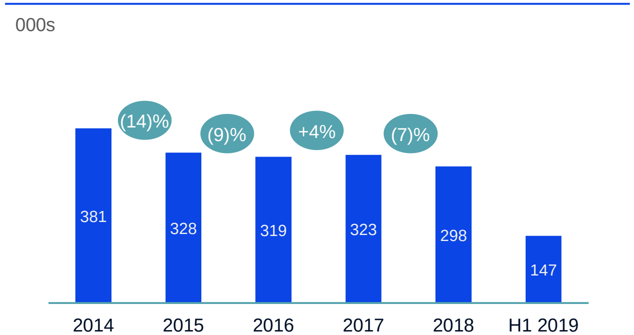
Active online bank users[1]



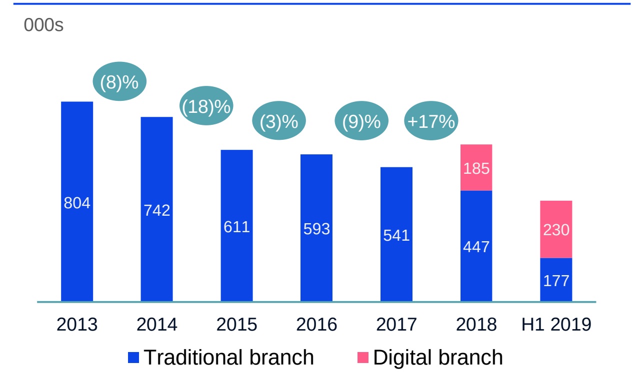
Active Arion App users[1]



Number of calls to the call centre



Number of visits to branches[2]



Source: Company information
1. 30 day active online users/individuals and 30 day active app users, counted on June 30th each year. Definition by Finalta
2. Data: Qmatic ticketing system for traditional branches and Mobotix camera counting system for digital branches. Two different methods.
3. According to survey conducted by MMR

New digital product offerings launched in 2019

Vörður Insurance

Launched in July 2019

Customers can get a quote for car and home insurance and complete the purchase within a few seconds in the Arion app. The insurance offering is personalized to each customer based on data & analytics.

Open App

Launched in February 2019

Everyone can use the Arion app by logging in through digital authentication, without having prior business with the Bank. The following products were made available for direct purchase in app:

Credit cards
Savings account
Debit cards
Consumer loans

Mobile Wallet*

Launched in July 2019

In the Arion app customers can link their credit and debit cards to a mobile wallet and use their Android device to pay in stores that have contactless card machines.

**For android devices in Arion app*

Apple Pay

Launched in May 2019

Customers can link their credit and debit cards to Apple Pay directly through the Arion app and use their iPhone to pay in shops that have contactless card machines.

Personal Finance Management

Launched in July 2019

In the Arion app customers now have an insights option giving them an overview of their spending by period in specified categories.

Sustainable and responsible banking

Arion Bank recognized as a company which has achieved excellence in corporate governance

UN Principles

- UNEP FI is a partnership between United Nations Environment and more than 240 financial institutions across the world working to understand today's environmental, social and governance challenges.
- Arion Bank signed a statement that it would endorse and adopt six new UNEP FI Principles for Responsible Banking in harmony with society and the environment.

Carbon offsetting 5,000 trees planted

- Agreement signed with Kolviður on offsetting carbon emissions produced by operations.
- Kolviður will plant up to 5,000 trees for the current operating year.
- Carbon offsetting the Bank's day-to-day operations forms a part of the Bank's environment policy.

Q2 2019

Headline Figures

Net earnings

ISK 2.1 bn.

Q2 2018:
ISK 3.1 bn.

CET 1

21.4%

31.12.2018:
21.2%

Cost-to-income ratio

54.2%

Q2 2018:
55.4%

Share of stage 3 loans, gross*

2.4%

31.12.2018:
2.6%

Return on equity

4.3%

Q2 2018:
5.9%

Leverage ratio

13.3%

31.12.2018:
14.2%

Number of employees

880

31.12.2018:
904

Mortgages/Total loans

42.0%

31.12.2018:
41.1%

* Following the implementation of IFRS 9 on 1 January 2018 a new measurement is used:
(Gross loans in stage 3 + POCI loans in RISK class 5) / Gross carrying amount of loans to customers

Income statement

Income statement Q2 2019

Positive trends in core operations but improvements still needed

- Strong growth in net interest income despite a decreasing loan book
- Core operating income excluding one-offs trending positively, approx. 9% increase YoY
- Other operating income which is mainly fair value changes on investment properties and didn't yield in the quarter
- Opex is 4% down from Q2 2018 and Q1 2019
- Net impairments are impacted by both single name as well as stage 1 and 2 impairments according to IFRS 9. These impairments apply mainly to corporates
  - The single name exposure relates mainly to TravelCo which was foreclosed at the end of Q2, with a negative effect of ISK 536 million
- The Bank continues to invest in Valitor's growth. Valitor sales process is ongoing

	Q2 2019	Q2 2018	Diff%	Q1 2019	Diff%
Net interest income	7,808	7,314	7%	7,434	5%
Net commission income	2,478	2,712	(9%)	2,218	12%
Net insurance income	823	758	9%	253	225%
Net financial income	1,023	1,119	(9%)	766	34%
Share of profit of associates	(7)	2	-	727	-
Other operating income	95	600	(84%)	310	(69%)
Operating income	**12,220**	**12,505**	**(2%)**	**11,708**	**4%**
Salaries and related expenses	(3,805)	(3,949)	(4%)	(3,630)	5%
Other operating expenses	(2,813)	(2,978)	(6%)	(3,232)	(13%)
Operating expenses	**(6,618)**	**(6,927)**	**(4%)**	**(6,862)**	**(4%)**
Bank levy	(912)	(879)	4%	(906)	1%
Net impairment	(988)	(166)	-	(1,081)	(9%)
Net earnings before income tax	**3,702**	**4,533**	**(18%)**	**2,859**	**29%**
Income tax expense	(891)	(1,302)	(32%)	(622)	43%
Net earnings from continuing operations	**2,811**	**3,231**	**(13%)**	**2,237**	**26%**
Discontinued operations, net of tax	(715)	(169)	323%	(1,219)	(41%)
Net earnings	**2,096**	**3,062**	**(32%)**	**1,018**	**106%**

 All amounts in ISK million

Income statement H1 2019

Operating income and expenses trending positively

- Strong growth in net interest income in line with strategy
- Net insurance income developing in line with expectations
  - Beta version of insurance digital solution has been launched in the Arion Bank app
- NFI down from H1 2018, partly due to sale of Refresco in 2018, but increase in share of profit of associates in 2019 is due to the sale of Farice
- Bank levy increases, partly due to short term deposits which are likely to come down in later quarters. Bank levy is calculated on liability position at year end
- Net impairments increase and are primarily due to single name exposures of WOW air and Travelco
- The Bank continues to invest in Valitor's growth.
  - Legal case settlement with Datacell and SPP concluded with a negative effect of ISK 0.6 billion

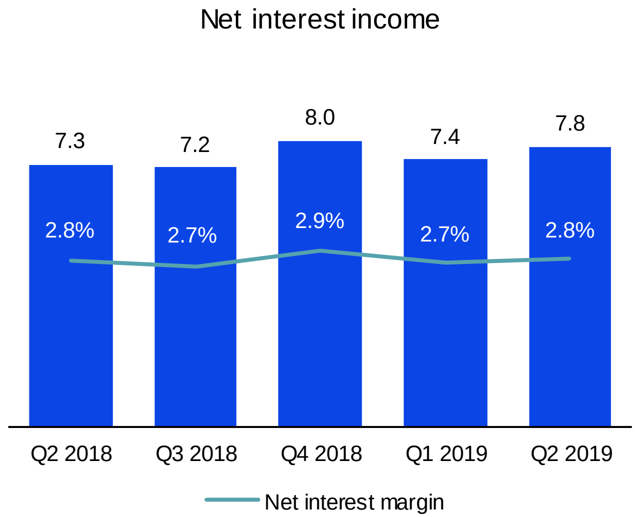
	H1 2019	H1 2018	Diff	Diff%
Net interest income	15,242	14,141	1,101	8%
Net commission income	4,696	4,917	(221)	(4%)
Net insurance income	1,076	901	175	19%
Net financial income	1,789	2,506	(717)	(29%)
Share of profit of associates	720	(18)	738	-
Other operating income	405	868	(463)	(53%)
Operating income	**23,928**	**23,315**	**613**	**3%**
Salaries and related expenses	(7,435)	(7,565)	130	(2%)
Other operating expenses	(6,045)	(6,121)	76	(1%)
Operating expenses	**(13,480)**	**(13,686)**	**206**	**(2%)**
Bank levy	(1,818)	(1,683)	(135)	8%
Net impairment	(2,069)	(301)	(1,768)	-
Net earnings before income tax	**6,561**	**7,645**	**(1,084)**	**(14%)**
Income tax expense	(1,513)	(2,192)	679	(31%)
Net earnings from continuing operations	**5,048**	**5,453**	**(405)**	**(7%)**
Discontinued operations, net of tax	(1,934)	(442)	(1,492)	338%
Net earnings	**3,114**	**5,011**	**(1,897)**	**(38%)**

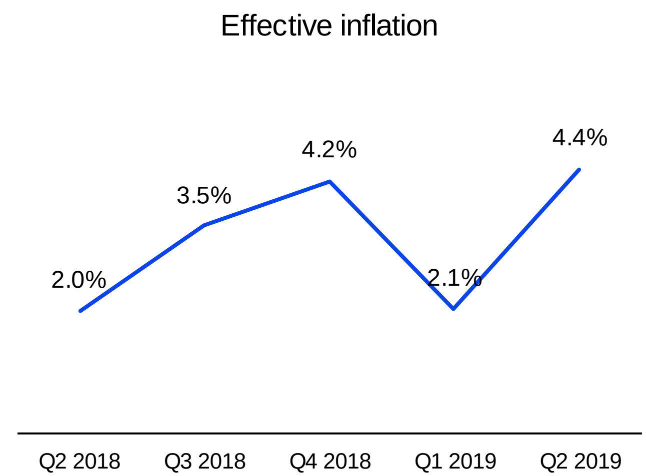
 All amounts in ISK million

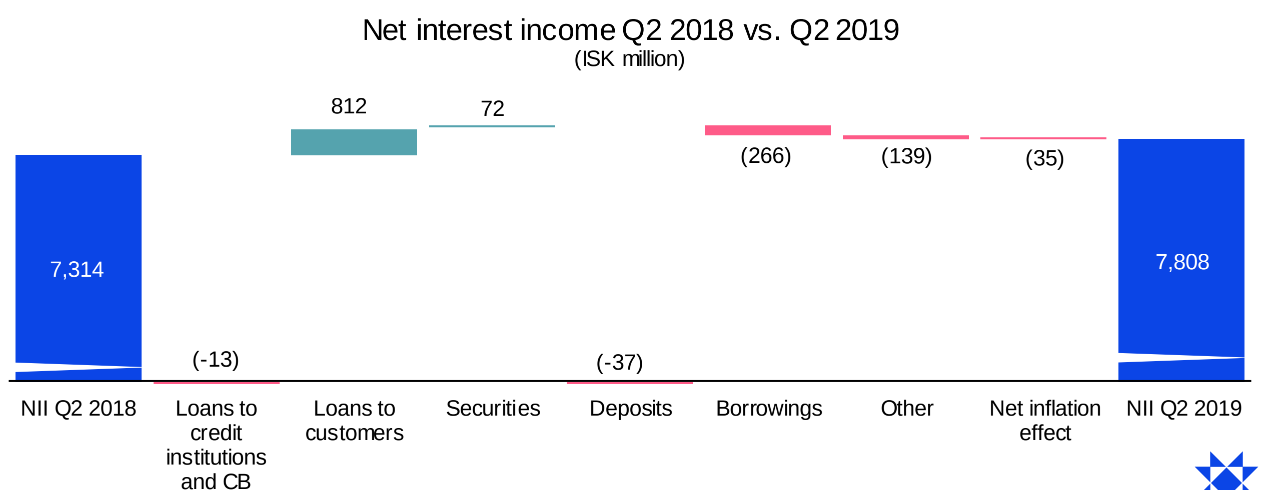
Net interest income

Continued progress on the lending and funding side

- Net interest income increased by 7% from Q2 2018 due to loan growth (6% Y0Y),
  - The Bank's strategy of increased focus on returns rather than loan growth is reflected in increased income from loans to customers
- The NIM development is especially positive when taking into account:
  - The Bank has issued ISK 10.8 billion of Tier 2 subordinated bonds in 2019
  - Policy rate lowered with a negative effect on NIM
  - Higher ratio of FX deposits with negative carry
  - Net inflation effect is negative from Q2 2018 to Q2 2019 as 36% lower CPI imbalance outweighs increase in inflation
- The Bank has increased the portion of ISK in its liquidity buffer, thus improving net interest income



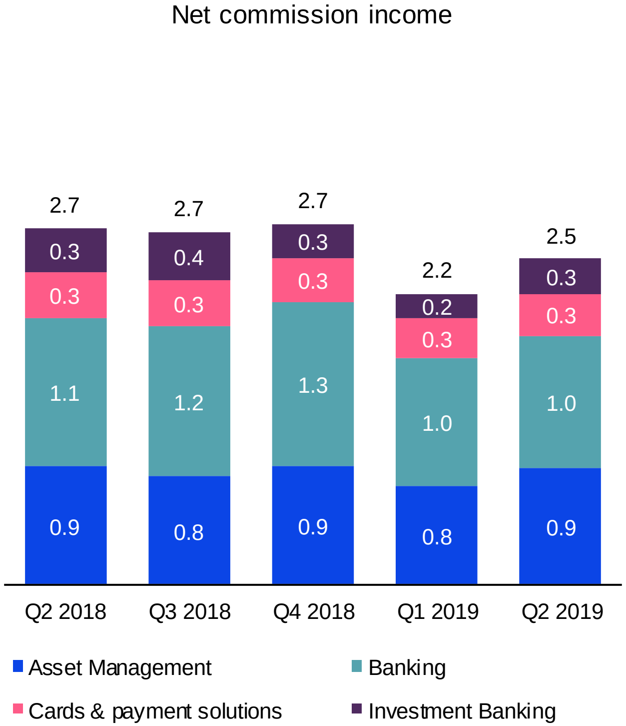




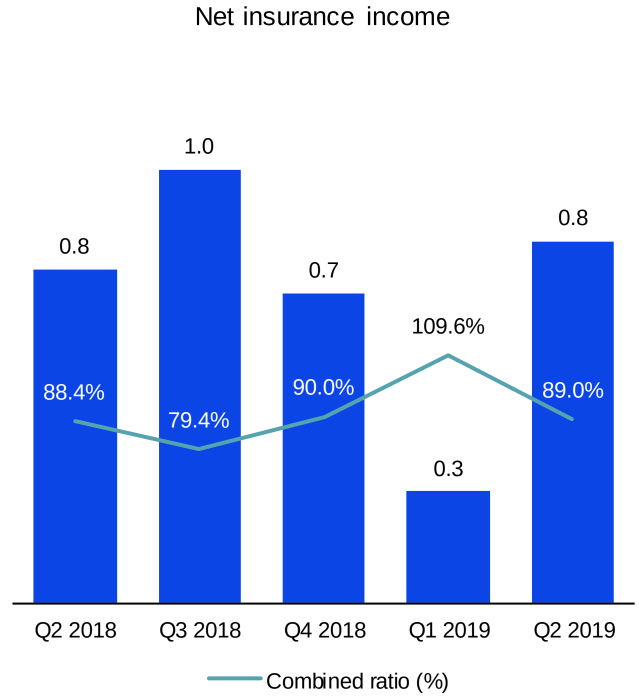
 All amounts in ISK billion

Net commission and net insurance income

Net commission income is relatively stable but net insurance income is up 9% from Q2 2018



- Net commission income down from Q2 2018 but up from Q1
- Income in Banking reduced from Q2 2018 mainly due to lower prepayment fees than last year
- Corporate Advisory arm of Investment Banking continues to be volatile but Capital Markets holds a strong position in the market



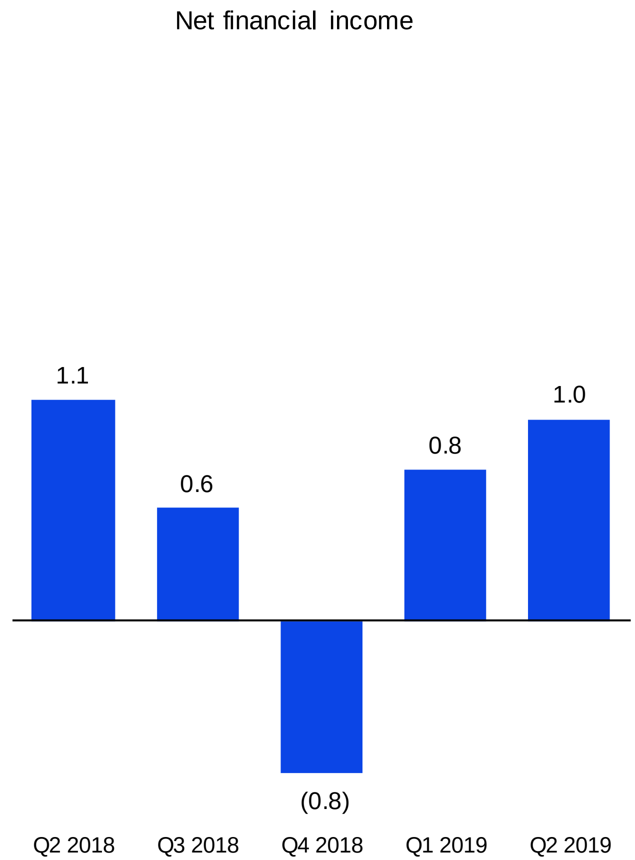
- Increase in net insurance income from Q1 2019 due to seasonality in non-life insurance but solid improvement from Q2 last year
- Volatility in non-life, often affected by weather conditions in Q1
- Combined ratio in Q2 is competitive in the domestic market
- Earned premiums increased by 8% in Q2 YoY

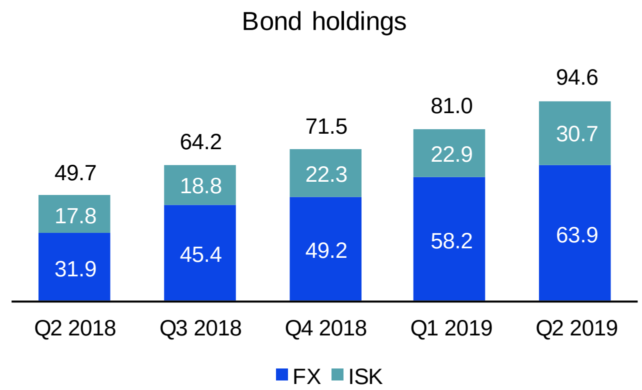
 All amounts in ISK billion

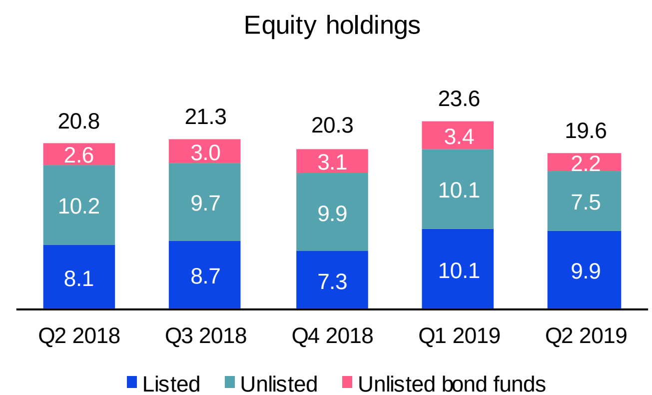
Net financial income

Market conditions were favorable in Q2

- Profit from sale of Stodir was ISK 0.3 billion and the largest single contributor during the quarter
  - The Bank regarded this as an important transaction as Stodir is a large shareholder in the Bank
  - The sale released substantial capital
- Bond holdings are mainly part of liquidity management
- Equity holdings are mainly strategic positions
- Total portfolio of Vordur is ISK 16.3 billion; ISK 11.2 billion of bonds and ISK 5.1 billion in equity instruments



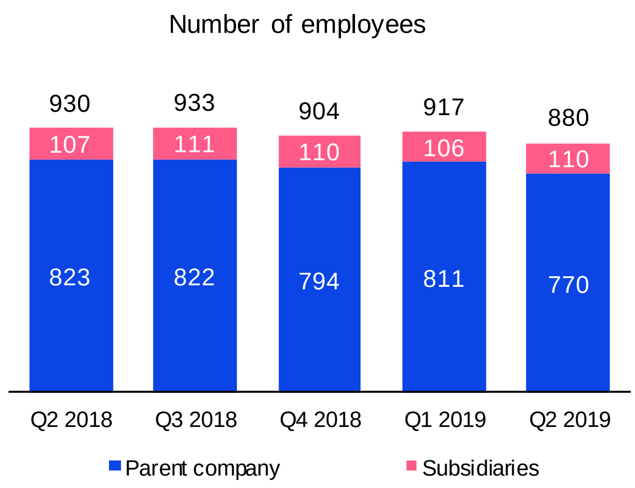


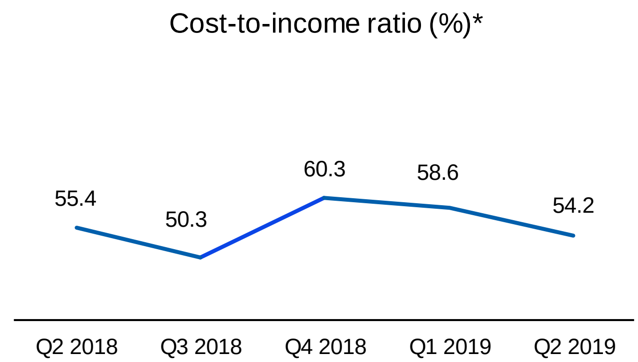


Total operating expenses

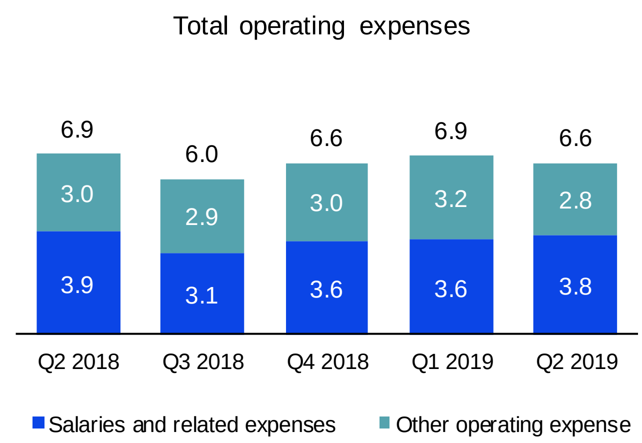
Cost-to-income ratio trending down

- FTE's decreased by 5.4% on a group level and by 6.4% in the parent company from Q2 2018
- General wage inflation of 5.6% from Q2 2018 continues to put pressure on salary expenses. The Bank nevertheless managed to keep salary expenses stable
- Other operating expenses in Q2 were the lowest the Bank has seen over the last ten quarters
- Continued investment in IT projects, such as core system SOPRA and digital solutions
- Decrease in professional services following the IPO of the Bank. Considerable cost however relating to being a listed bank in Reykjavik and Stockholm





* Cost-to-income ratio (salaries and related expenses + other operating expenses/operating income)



 All amounts in ISK billion

Balance sheet

Balance sheet - Assets

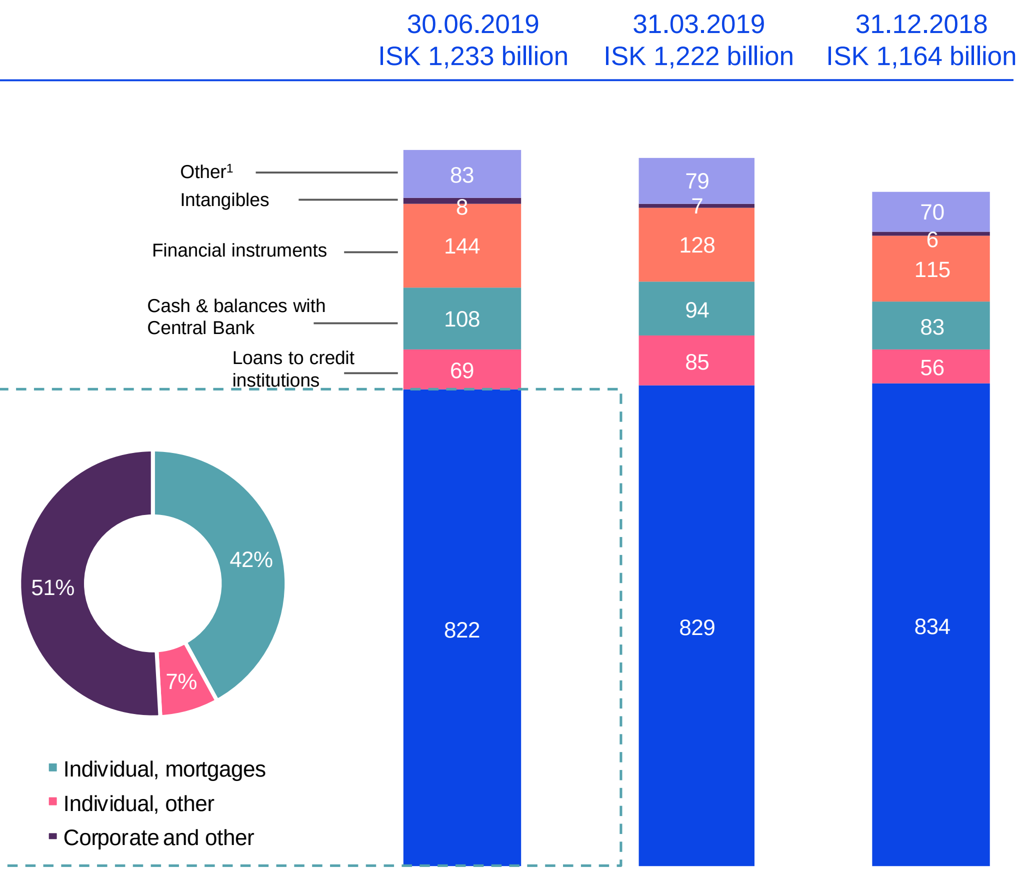
Larger balance sheet – slight contraction in loans to customers

- The balance sheet has grown by 5.9% compared with year-end 2018
- Loans to customers decreased by 1.5% from year-end 2018 and 0.9% from Q1
  - In line with strategy; the focus is on quality lending and increased NIM, both in mortgage and corporate lending
- Very strong liquidity position despite dividend payment during Q1 2019
  - Total LCR ratio is 198% and ISK LCR ratio is 116%
  - Strong liquidity position allows the Bank to prepay unfavorable wholesale funding or buy back bonds and own shares

Other and intangibles: 6.8% of total assets

ISK 321 billion, of which **ISK 255 billion liquidity reserve** (51% of customer deposits)

Loans to customers
66.6% of total assets



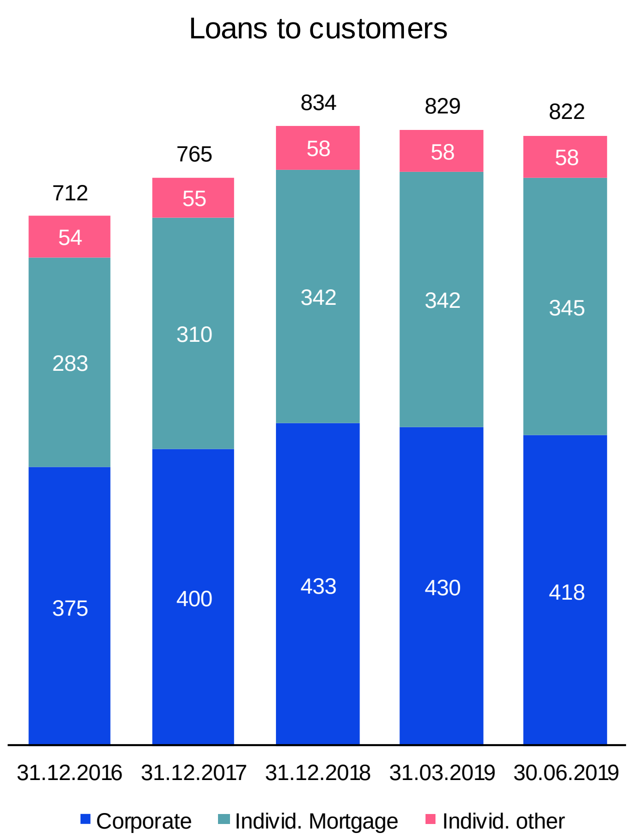
[1]Other includes investment property, investment in associates, tax assets, assets and disposal groups held for sale and other assets

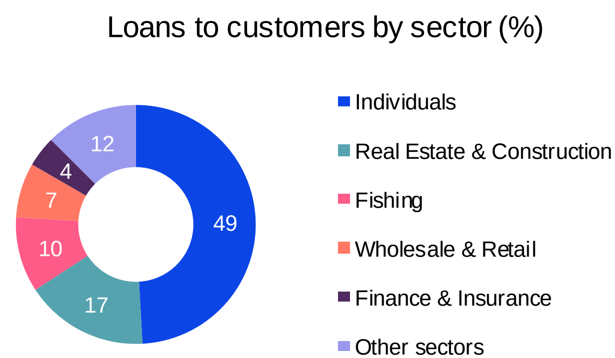
 All amounts in ISK billion

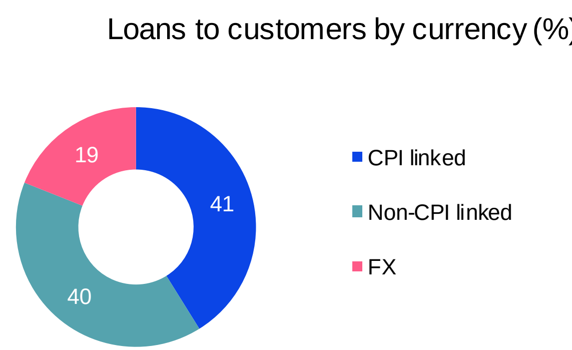
Loans to customers

Returns prioritized over loan growth

- Good balance between individual and corporate loans
  - Loans to individuals remain stable
  - Loans to corporates decrease by 3.5% from YE 2018 and 2.7% from Q1 2019
  - Good diversification in the corporate loan book
- Demand for new lending affected by temporary economic slowdown
  - Reflected in loan commitments
- The loan book is collateralized 89.7%, compared with 90.6%, at YE 2018
- The Bank has lower exposure than peers in the tourist sector, with 6.2% of the loan book compared with 9% in the industry according to the Central Bank







 All amounts in ISK billion

Balance sheet – Liabilities and equity

Very strong capital position – Leverage ratio of 13% substantially stronger than Scandinavian peers

- Strong equity position and a very high leverage ratio despite capital release
  - Dividend payments of ISK 9.1 billion in Q1
  - Leverage ratio still 2-3 times higher than Scandinavian peers
- The funding mix is well balanced between deposits, covered bonds and senior unsecured bonds
- Deposits increased by 8.3% from YE 2018 and 6.0% YoY – continued focus on deposits going forward
- The Bank has issued a number of Tier 2 subordinated bonds in line with its capital strategy
  - ISK 2.5 billion during Q2, adding to ISK 7.3 billion from prior periods. Further issuance finalized in Q3

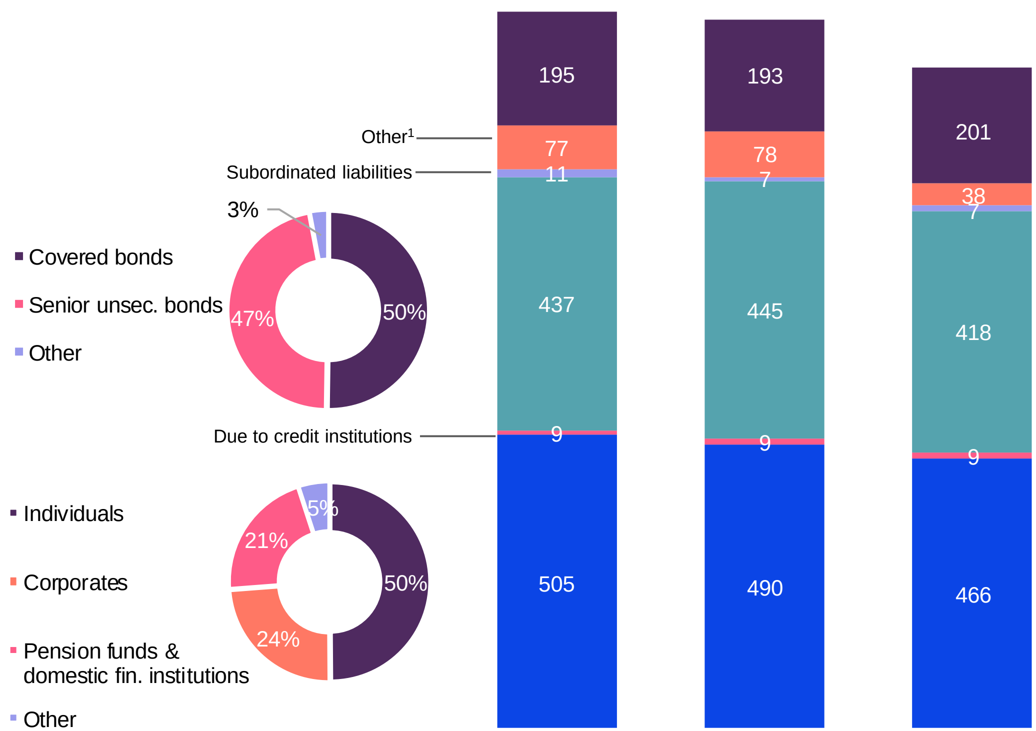
30.06.2019	31.03.2019	31.12.2018
ISK 1,233 billion	ISK 1,222 billion	ISK 1,164 billion

Equity
CET1 ratio 21.4%
Leverage ratio 13.3%

Borrowings (in ISK)
ISK 232 billion
EUR 159 billion
Other currencies 46 billion

Deposits
On demand 73%
Up to 3M 15%
More than 3M 12%

8.3% increase from YE2018



¹ Other includes Financial liabilities at fair value, tax liabilities, Liabilities associated with disposal groups held for sale and Other liabilities

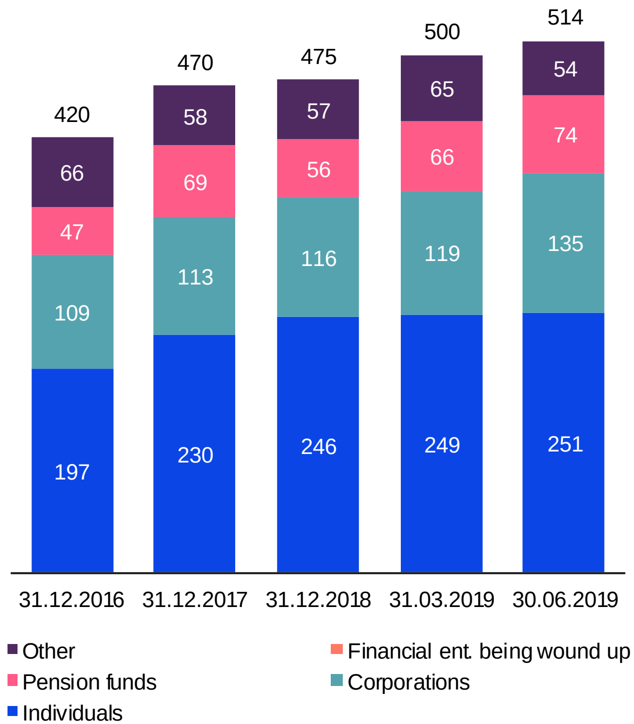
 All amounts in ISK billion

Deposits

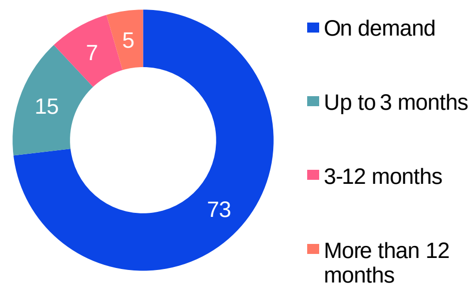
Continued focus on deposits both from individuals and corporates

- Deposits represent 41% of the Bank's funding
- Deposits from individuals have grown significantly in the last few years
  - 2.0% growth from YE 2018
- Special emphasis has been on corporate deposits
  - 16.7% growth from YE 2018
- FX deposits increased significantly during the quarter, most likely short term
  - FX deposits 20% of deposits, up from 18% at 31.03.2019 and 14% at 31.12.2018
  - The Bank is in a challenging position when it comes to short term FX deposits as they tend not to be NIM positive and are subject to the bank levy

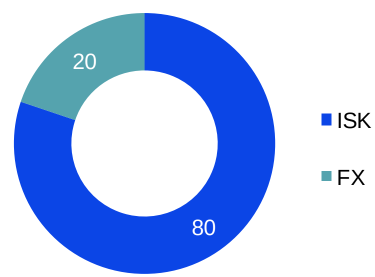
Deposits and due to credit institutions and Central Bank



Maturity of deposits (%)



Deposits by currency (%)

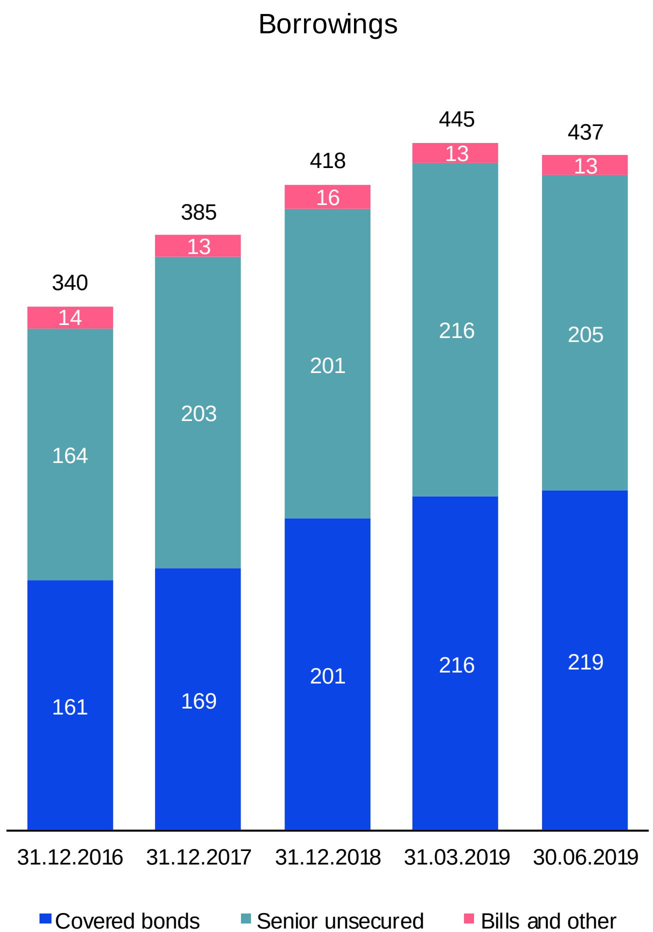


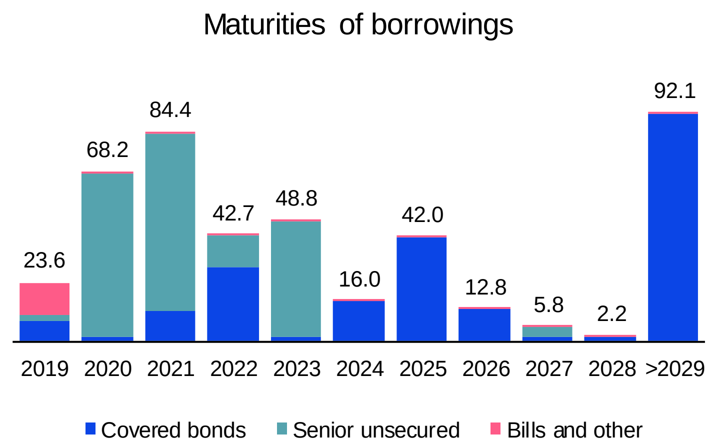
 All amounts in ISK billion

Borrowings

Well balanced maturity schedule

- Strong credit rating but outlook recently changed from stable to negative across Icelandic banks
- The Bank issued several EMTN private placements in H1, totalling ISK 14.4 billion. One issue in Q2, SEK 150 million 3 year bond, ISK 1.9 billion
- The Bank issued covered bonds to finance mortgages in the Icelandic market, total of ISK 8.9 billion in Q2 (ISK 25.2 billion in H1 2019)
- Commercial paper issued in Q2 amounted to ISK 5.5 billion (ISK 12.8 billion in H1 2019)
- The Bank is continuously working to reduce its funding costs, both through prepayments, buy-backs or other activities
- The Bank prepaid ISK 7 billion of its structured Covered bond issuance in April, yielding 3.75% indexed
  - Further prepayment in July of ISK 12 billion





Ratings - S&P (July 2019)

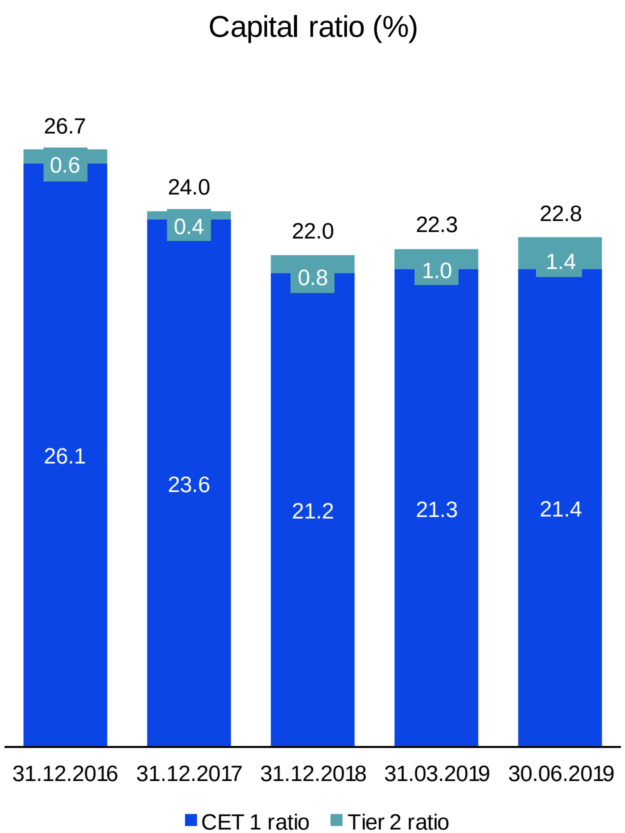
Senior unsecured	BBB+	A
Short term debt	A-2	A-1
Outlook	Negative	Stable

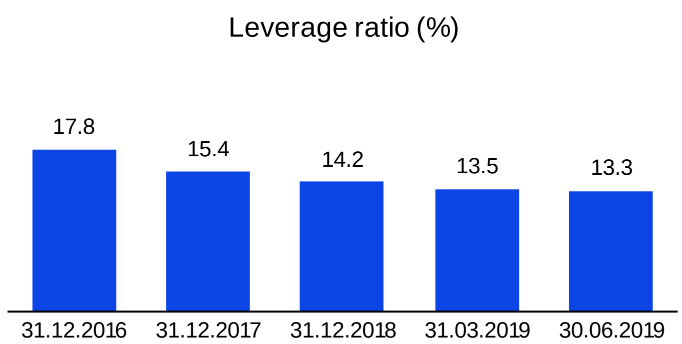
 All amounts in ISK billion

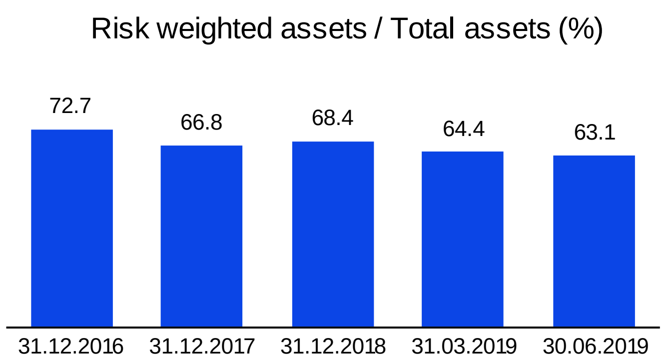
Own funds

Increased focus on capital allocation and return on capital

- Capital ratio increased by 50 bps from Q1 mainly due to new Tier 2 issuance, amounting to ISK 2.5 billion in Q2
  - Additional ISK 4.9 billion of Tier 2 was issued in July
- Arion Bank monitors the debt capital markets to identify the right timing for issuance of Additional Tier 1 (AT1)
  - The process has been affected by a negative ruling on the tax treatment of coupon payments and the Bank is evaluating its options
- Leverage ratio is coming down in line with the Bank's strategy to distribute surplus capital
- The Bank is reducing risk weighted assets in its operations



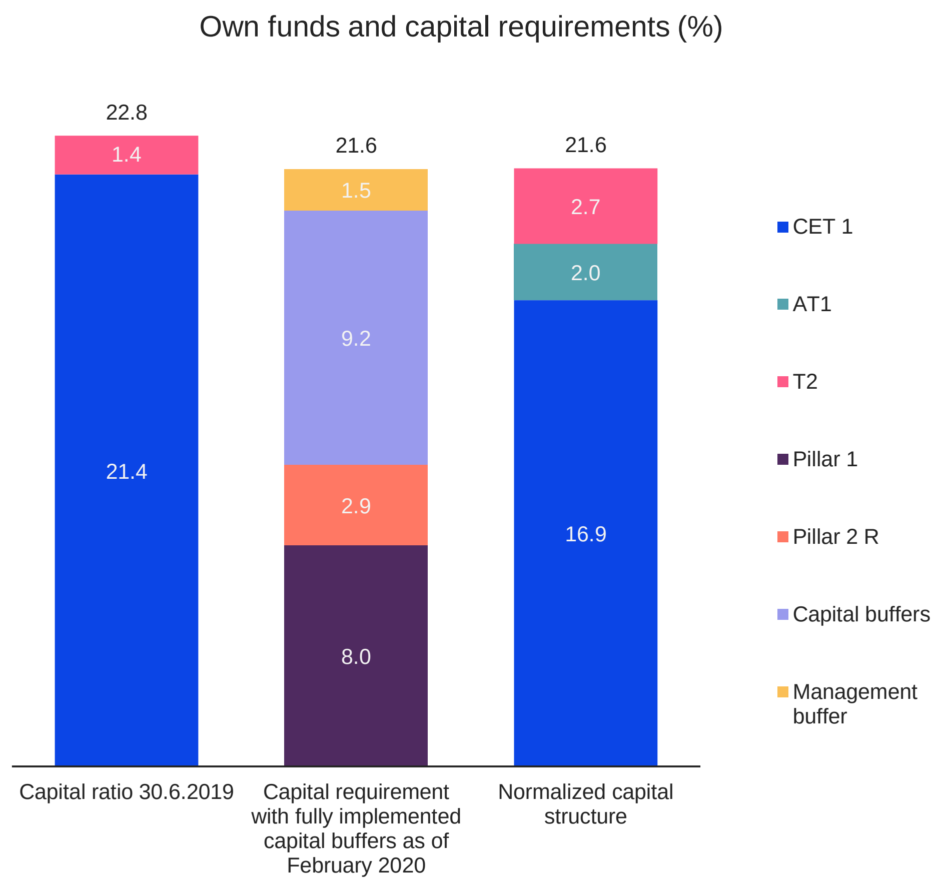




Capital adequacy

Own funds and capital requirements

- The Bank's total capital adequacy ratio is 22.8% as at 30 June 2019. The ratio increased by 0.5% in the second quarter, primarily due to the issuance of Tier 2 eligible subordinated liabilities
- In October 2018, FME concluded the annual Supervisory Review and Evaluation Process (SREP) for the Bank. The Pillar 2 additional requirement is 2.9% of risk-weighted assets based on the Group's financial statement as at 31 December 2017
- The countercyclical capital buffer in Iceland increased by 0.5% in May 2019 and a further increase of 0.25% comes into effect in February 2020
- Based on fully implemented capital buffers as at February 2020, the Group's total regulatory capital requirement is 20.1% of risk-weighted assets
- Taking into account the Bank's internal management buffer of 1.5%, the Bank's total capital benchmark level is 21.6%. Accordingly, the Bank's surplus capital was ISK 9.2 billion on 30 June 2019, which is in excess of foreseeable dividend distributions according to the Bank's dividend policy
- In addition the Bank can potentially distribute approx. ISK 25 billion as a result of additional Tier 2 issuance (ISK 10 billion) and if an AT1 issuance is successful (ISK 15 billion), based on unchanged RWA's



Going forward

Continued focus on Net interest margin and reduction of capital employed

- The Bank will prepay approx. ISK 60 billion covered bonds (Arion CB2) in October 2019
- The owner of a large majority of the bond is the Housing Financing Fund (HFF)
- Parallel to the prepayment, the Bank will sell a mortgage portfolio amounting to approx. ISK 50 billion to HFF
- The interest rate on Arion CB2 is significantly higher than of covered bonds financing in todays market
- This transaction will result in lower funding costs, lower Bank levy and more effective use of capital

Cost control continues to be one of the key focus points supported by cost cutting initiatives and the digital strategy

The sales process of Valitor is ongoing

Arion Bank still has opportunity to issue 0.7% of T2 and will explore issuance of AT1

The Bank is planning to initiate share buyback program in the second half of 2019

Q2 2019

A rapidly changing banking environment requires some adjustments in strategy

A comprehensive review of the business strategy has been initiated

Selected areas of focus in the strategy review

Adapt to a rapidly changing banking environment – assess resource allocations and priorities across the business

Profitability – the journey to reach the ROE target of >10%

- Capital optimization – continued unwinding of legacy funding and capital allocation
- Credit quality focus and risk diversification measures
- Digital solutions and automation – focus on realizing real efficiencies
- Organizational efficiencies

Measures to counter effects from a temporarily weaker Icelandic economy, but also external factors such as Brexit and global trade issues

Arion Bank is committed to its medium term targets

Return on Equity
Exceed **10%**

Loan Growth
Prudent lending **in line with economic growth**

CET 1 Ratio
(Subject to regulatory requirements)
Decrease to circa **17%**

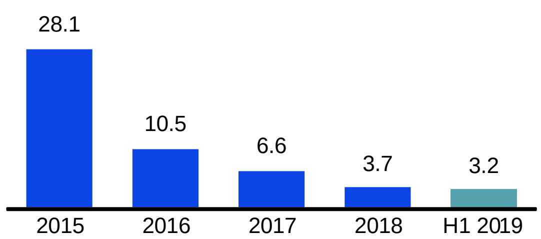
Cost to Income Ratio
Decrease to circa **50%**

Dividend Policy / Share buy-back
Pay-out ratio of approximately 50% of net earnings attributable to shareholders through either dividends or buyback of the Bank's shares or a combination of both. Additional distributions will be considered when Arion Bank's capital levels are above the minimum requirements set by the regulators in addition to the Bank's management buffer

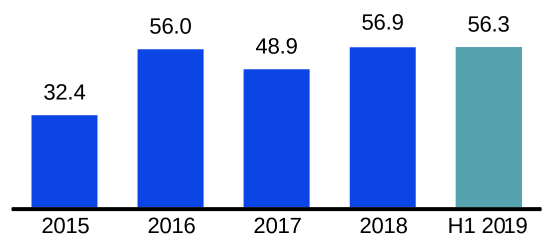
KFI's and other information

Key financial indicators - annual

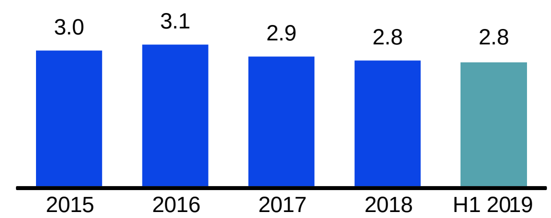
Return on equity (%)



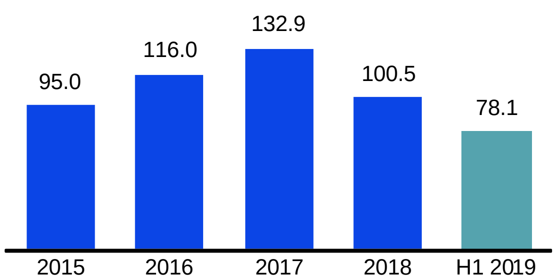
Cost-to-income ratio (%)



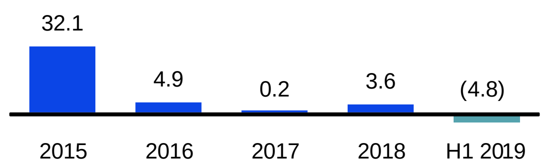
Net interest margin (%)



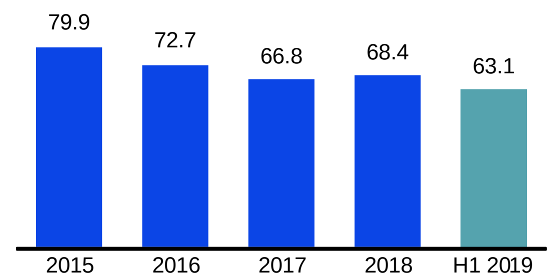
CPI Imbalance – ISK bn.



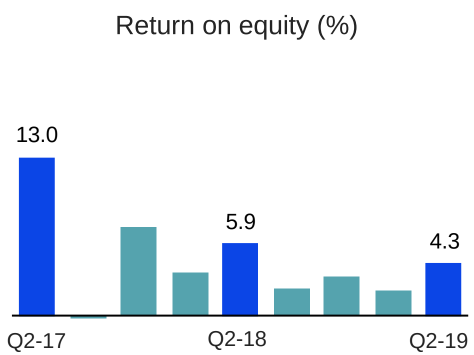
FX Imbalance – ISK bn.

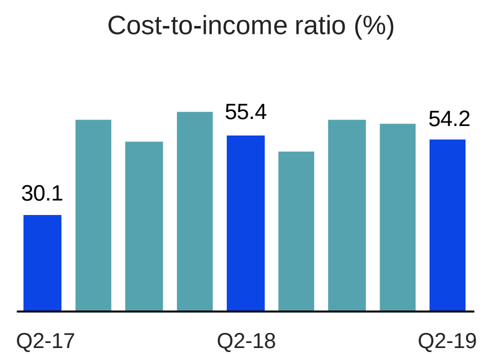


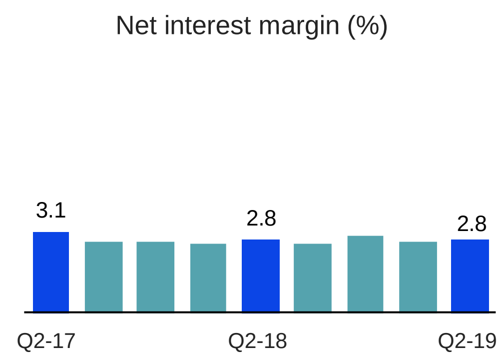
Risk weighted assets / Total assets (%)

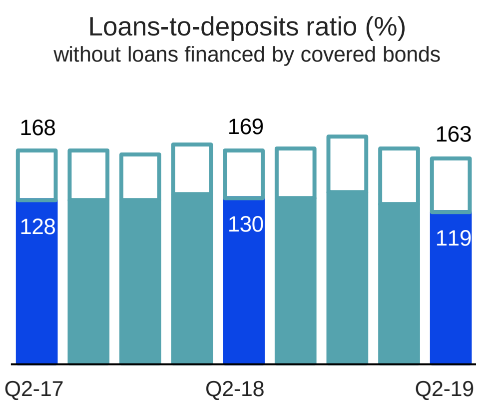


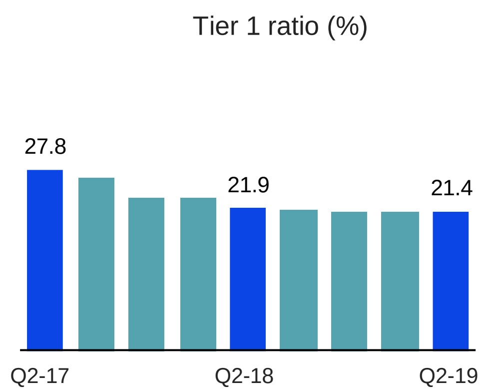
Key financial indicators - quarterly

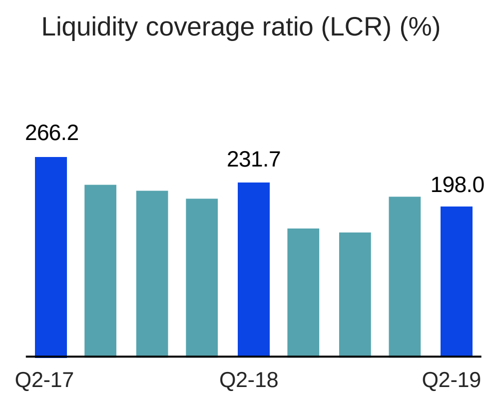












Key figures

Operations	H1 2019	H1 2018	H1 2017	H1 2016	H1 2015	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Net interest income	15,242	14,141	14,824	14,626	13,175	7,808	7,434	7,969	7,209	7,314
Net commission income	4,696	4,917	4,608	6,747	7,434	2,478	2,218	2,746	2,687	2,712
Operating income	23,928	23,315	24,813	27,638	36,402	12,220	11,708	10,950	11,906	12,505
Operating expenses	13,480	13,686	10,519	15,155	13,176	6,618	6,862	6,599	5,993	6,927
Net earnings	3,114	5,011	10,468	9,760	19,322	2,096	1,018	1,616	1,150	3,062
Return on equity	3.2%	4.7%	9.7%	9.5%	22.8%	4.3%	2.1%	3.2%	2.3%	5.9%
Net interest margin	2.8%	2.7%	3.0%	3.1%	3.0%	2.8%	2.7%	2.9%	2.7%	2.8%
Return on assets	0.5%	0.9%	1.9%	1.9%	4.0%	0.7%	0.3%	0.5%	0.4%	1.1%
Cost-to-income ratio	56.3%	58.7%	42.4%	54.8%	36.2%	54.2%	58.6%	60.3%	50.3%	55.4%
Cost-to-total assets	2.2%	2.4%	1.9%	3.0%	2.7%	2.2%	2.3%	2.2%	2.0%	2.4%
Balance Sheet										
Total assets	1,233,419	1,174,844	1,126,411	1,035,003	974,812	1,233,419	1,222,695	1,164,326	1,219,529	1,174,844
Loans to customers	821,731	803,694	733,649	713,136	667,129	821,731	829,246	833,826	819,965	803,694
Mortgages	369,583	348,434	309,339	289,707	190,008	369,583	366,381	365,820	359,960	348,434
Share of stage 3 loans, gross	2.4%	3.0%	-	-	-	2.4%	2.5%	2.6%	2.9%	3.0%
Problem loans	-	-	1.3%	1.9%	3.3%	-	-	-	-	-
RWA/ Total assets	63.1%	67.8%	67.0%	71.8%	74.5%	63.1%	64.4%	68.4%	66.2%	67.8%
Tier 1 ratio	21.4%	21.9%	27.8%	26.8%	21.8%	21.4%	21.3%	21.2%	21.7%	21.9%
Leverage ratio	13.3%	14.3%	17.4%	0.0%	0.0%	13.3%	13.5%	14.2%	13.8%	14.3%
Liquidity coverage ratio	198.0%	231.7%	266.2%	179.8%	138.0%	198.0%	213.0%	164.4%	169.1%	231.7%
Loans to deposits ratio	162.8%	168.8%	167.7%	168.6%	141.2%	162.8%	169.1%	178.9%	169.2%	168.8%

Balance sheet

Assets	30.06.2019	31.03.2019	2018	2017	2016	2015
Cash & balances with CB	108	94	83	140	88	48
Loans to credit institutions	69	85	56	87	80	87
Loans to customers	822	829	834	765	712	680
Financial assets	144	128	115	109	117	133
Investment property	7	7	7	7	5	8
Investments in associates	1	1	1	1	1	27
Other assets	83	78	69	39	32	27
Total Assets	**1,233**	**1,223**	**1,164**	**1,148**	**1,036**	**1,011**

Liabilities and Equity	30.06.2019	31.03.2019	2018	2017	2016	2015
Due to credit institutions & CB	9	9	9	7	8	11
Deposits from customers	505	490	466	462	412	469
Other liabilities	77	78	64	67	65	62
Borrowings	437	445	418	385	339	256
Subordinated liabilities	11	7	7	-	-	10
Shareholders Equity	195	193	201	226	211	193
Non-controlling interest	0	0	0	0	0	9
Total Liabilities and Equity	**1,233**	**1,223**	**1,164**	**1,148**	**1,036**	**1,011**

 All amounts in ISK billion

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