



Press Release

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## Moody's assigns Arion Bank A3 long term bank deposit rating and Baa1 long term issuer rating with a positive outlook

Moody's Investors Service has assigned for the first time an A3 long-term and Prime-2 short term foreign and local currency bank deposit ratings, and Baa1 long term issuer ratings to Arion Bank. The assigned long-term deposit and issuer ratings carry a positive outlook.

The ratings reflect Arion's robust capitalisation as evident by its strong leverage ratio, coupled with good and improving core profitability, low level of problem loans and adequate liquidity balanced against single name and geographical concentrations, market related risks, and reliance on market funding.

The positive outlook reflects the Bank's improved risk profile and the agency's expectation that profitability will be less volatile in the next 12-18 months which will support the Bank's performance.

### **Benedikt Gíslason, CEO of Arion Bank**

"Moody's has assigned Arion Bank a credit rating for the first time and we are very pleased with the result. The credit rating is based on good profitability which is derived from diversified source of income from asset management, investment banking and insurance as well as interest income from traditional banking. In addition, Moody's emphasized strong capital position, low level of problem loans and liquidity as strengths in the Bank's credit rating. We are also very happy with the fact that the credit rating has a positive outlook."

### **For any further information please contact:**

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## Attachments

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[Moody's assigns Arion Bank A3 long term bank deposit rating and Baa1 long term issuer rating with a positive outlook](#)

[Rating Action Moodys Assigns First Time Long Term Deposit Ratings Of A3 And Issuer Ratings O 12Jul22](#)