

## ROE

6.3%

## CET 1

26.6%

## Cost to income

55.3%

## Problem loans

1.4%

## Arion Bank

- Arion Bank is a leading franchise in financial services in Iceland. Arion Bank is a universal relationship bank which provides a full range of financial services
- Improving economic environment in Iceland with 3.4% GDP growth (Q2 2017), 3.0% unemployment (September 2017) and 1.9% inflation (Oct. 2017)
- Strong balance sheet with equal split between retail and corporate loans, high capital ratios and improving NPLs
- The Bank was named bank of the year in Iceland for 2017 by Euromoney and the best investment bank in Iceland by Global Finance

## Key figures

(ISK million)

	9M 2017	H1 2016
Net earnings	10,353	9,759
ROE	6.3%	9.5%
Net interest margin	2.9%	3.1%
Cost to income ratio	55.3%	55.8%

30.09.2017 31.12.2016

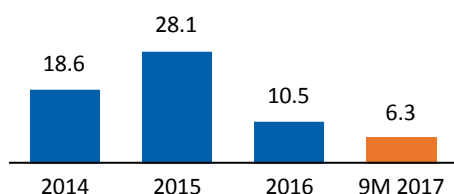
	30.09.2017	31.12.2016
Total assets	1,144,852	1,036,024
Loans to customers	750,947	712,422
Deposits	445,981	412,064
Borrowings	400,400	339,476
Problem loans	1.4%	1.6%
Leverage ratio	16.7%	18.0%
Number of employees	1,293	1,239
EUR/ISK	124.55	119.13

## Arion Bank rating from S&P

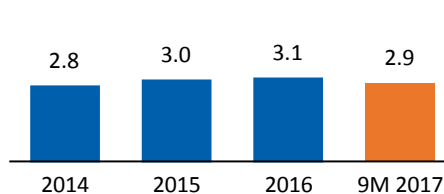
Long term: BBB+ Short term: A-2

Outlook: Stable

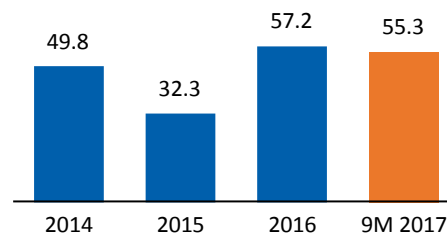
Return on equity (%)



Net interest margin (%)

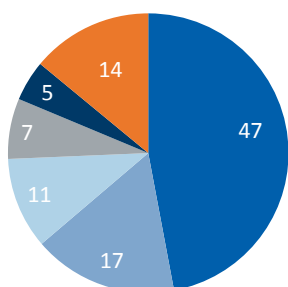


Cost-to-income ratio (%)

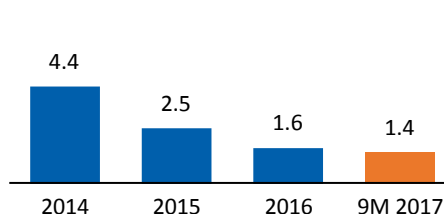


Loans to customers (%)

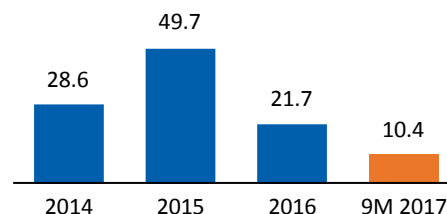
- Individuals (47%)
- Real estate (17%)
- Fishing industry (11%)
- Wholesale and retail (7%)
- Finance and insurance (5%)
- Other (14%)



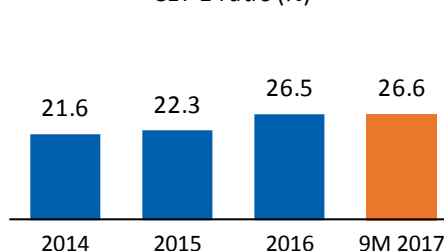
Problem loans (%)



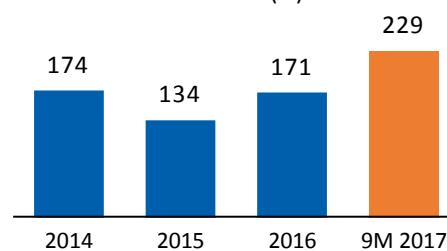
Net earnings (ISK billion)



CET 1 ratio (%)\*



LCR ratio (%)



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