

## ROE

9.5%

## CET 1

25.5%

## Cost to income

56.1%

## Problem loans

1.9%

## 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 4.0% GDP growth (9m 2015), 2.3% unemployment and 1.1% inflation
- 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 by the Banker magazine in 2015 and 2013 and the best investment bank in Iceland by Euromoney in 2016

## Key figures

	H1 2016	H1 2015
Net earnings	9,759	19,322
ROE	9.5%	22.8%
Net interest margin	3.1%	3.0%
Cost to income ratio	56.1%	36.5%

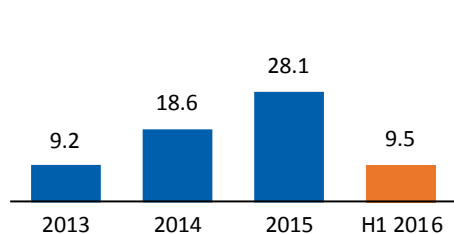
	30.06.2016	31.12.2015
Total assets	1,035,003	1,001,043
Loans to customers	713,136	680,350
Deposits	423,089	469,347
Borrowings	329,885	256,058
Problem loans	1.9%	2.5%
Leverage ratio	18.1%	16.7%
Number of employees	1,199	1,147
EUR/ISK	136.80	141.28

## Arion Bank rating from S&P

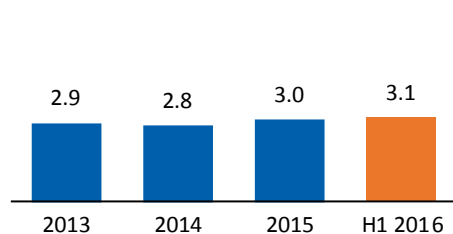
Long term: BBB- Short term: A-3

Outlook: Positive

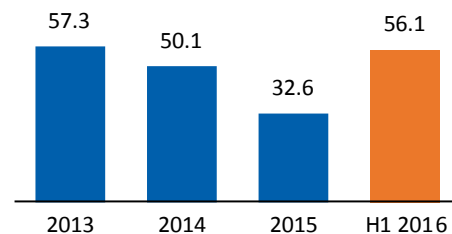
Return on equity (%)



Net interest margin (%)

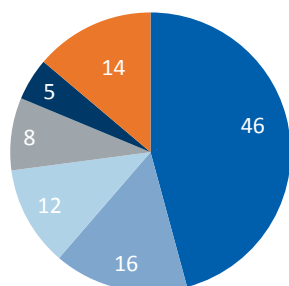


Cost-to-income ratio (%)

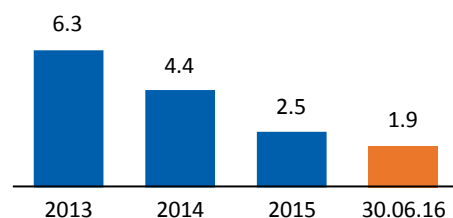


Loans to customers (%)

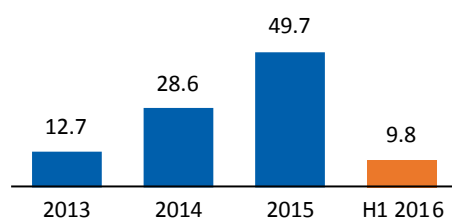
- Individuals (48%)
- Real estate (15%)
- Fishing industry (11%)
- Wholesale and retail (8%)
- Finance and insurance (5%)
- Other (14%)



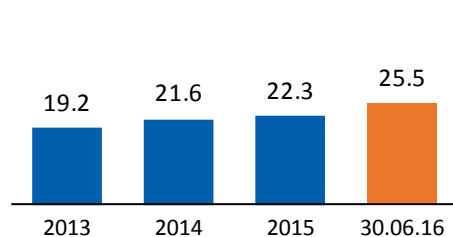
Problem loans (%)



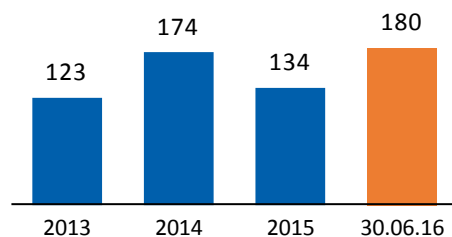
Net earnings (ISK billion)



CET 1 ratio (%)\*



LCR ratio (%)



\*Tier 1 ratio 2013

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