

ROE

5.7%

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

CET 1

24.9%

- Improving economic environment in Iceland with 4.5% GDP growth (9m 2015), 3.8% unemployment and 2.0% inflation

Cost to income

60.7%

- Strong balance sheet with equal split between retail and corporate loans, high capital ratios and improving NPLs

Problem loans

2.1%

- Arion Bank's credit rating was upgraded by S&P in July 2015 from BB+ (with positive outlook) to BBB- (with stable outlook)
- The Bank was named bank of the year in Iceland by the Banker magazine in 2015 and 2013

Key figures

	Q1 2016	Q1 2015
Net earnings	2.883	14.908
ROE	5,7%	35,1%
Net interest margin	3,1%	2,6%
Cost to income ratio	60,7%	29,3%

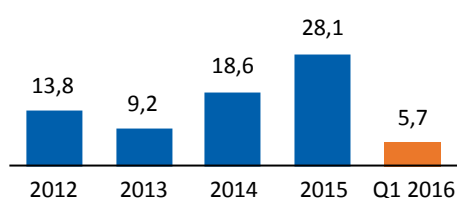
31.03.2016 31.12.2015

Total assets	1.028.606	1.001.043
Loans to customers	694.004	680.350
Deposits	433.228	469.347
Borrowings	310.540	256.058
Problem loans	2,1%	2,5%
Leverage ratio	17,3%	16,7%
Number of employees	1.163	1.147
EUR/ISK	140,58	141,32

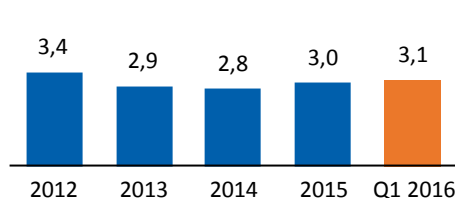
Arion Bank rating from S&P

Long term: BBB- Short term: A-3

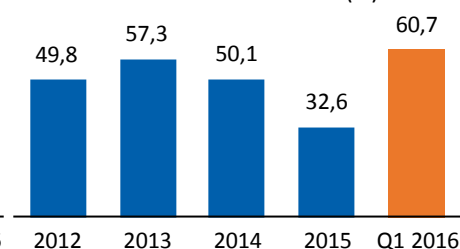
Return on equity (%)



Net interest margin (%)

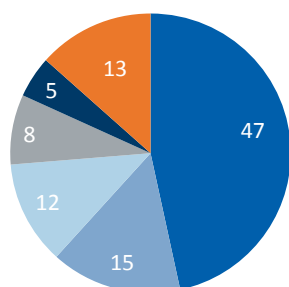


Cost-to-income ratio (%)

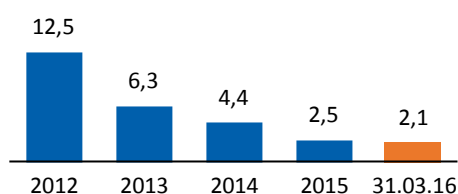


Loans to customers (%)

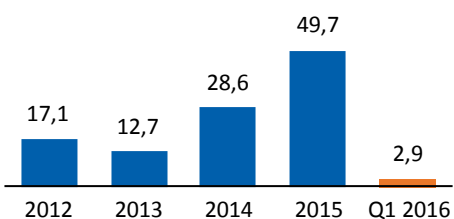
- Individuals (48%)
- Real estate (15%)
- Fishing industry (11%)
- Wholesale and retail (8%)
- Finance and insurance (5%)
- Other (14%)



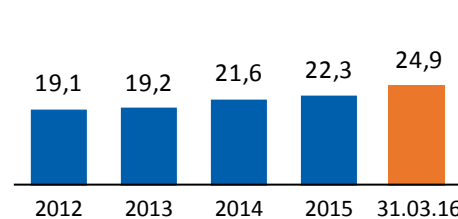
Problem loans (%)



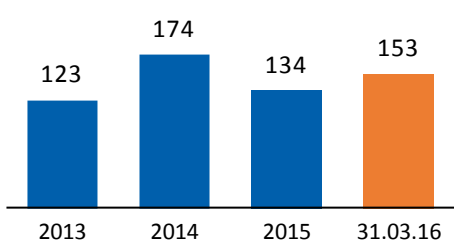
Net earnings (ISK billion)



CET 1 ratio (%)*



LCR ratio (%)



*Tier 1 ratio 2012-2013

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