



## ROE

9.7%

## CET 1

27.7%

## Cost to income

50.6%

## Problem loans

1.3%

## 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 5.0% GDP growth (3M 2017), 2.3% unemployment (May 2017) and 1.8% inflation (July 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)

	H1 2017	H1 2016
Net earnings	10,466	9,759
ROE	9.7%	9.5%
Net interest margin	3.0%	3.1%
Cost to income ratio	50.6%	55.8%

30.06.2017 31.12.2016

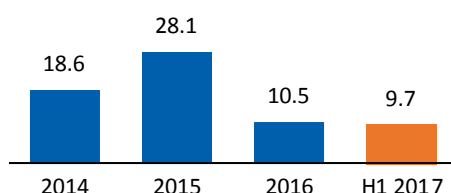
Total assets	1,126,411	1,036,024
Loans to customers	733,649	712,422
Deposits	437,494	412,064
Borrowings	380,061	339,476
Problem loans	1.3%	1.6%
Leverage ratio	17.4%	18.0%
Number of employees	1,223	1,239
EUR/ISK	117.83	119.13

## Arion Bank rating from S&P

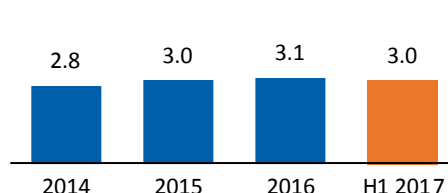
Long term: BBB Short term: A-2

Outlook: Positive

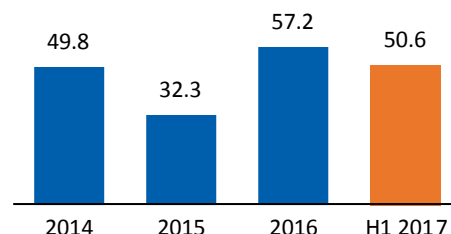
Return on equity (%)



Net interest margin (%)

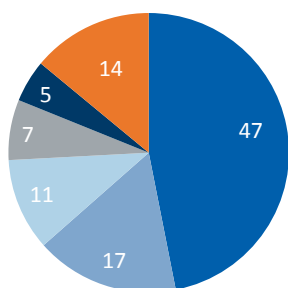


Cost-to-income ratio (%)

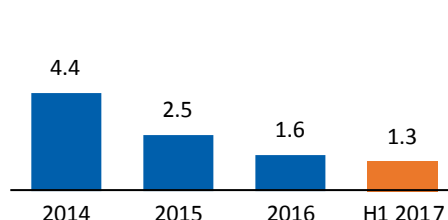


Loans to customers (%)

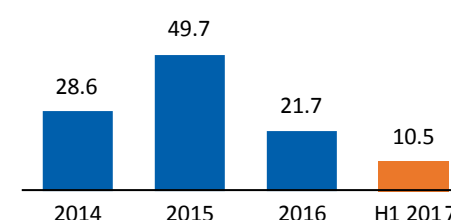
- Individuals (47%)
- Real estate (16%)
- Fishing industry (11%)
- Wholesale and retail (8%)
- Finance and insurance (5%)
- Other (13%)



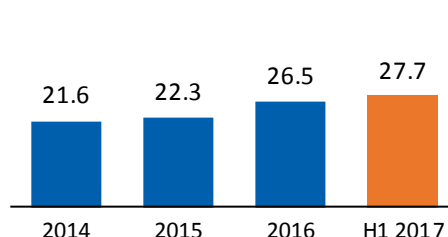
Problem loans (%)



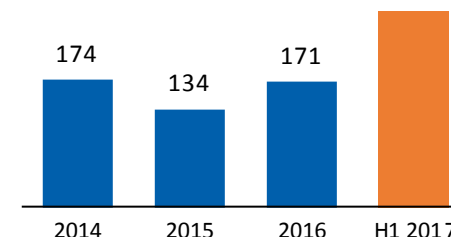
Net earnings (ISK billion)



CET 1 ratio (%)\*



LCR ratio (%)



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