

### ROE

28.1%

### 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

22.3%

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

### Cost to income

32.6%

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

### Problem loans

2.5%

- 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

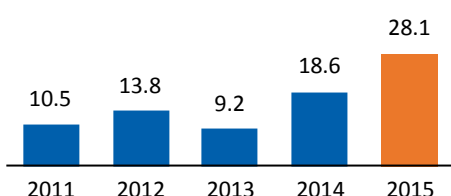
### Key figures

	2015	2014
Net earnings	49,679	28,594
ROE	28.1%	18.6%
Net interest margin	3.0%	2.8%
Cost to income ratio	32.6%	50.1%
Total assets	1,001,043	933,736
Loans to customers	680,350	647,508
Deposits	469,347	454,973
Borrowings	256,058	200,580
Problem loans	2.5%	4.4%
Leverage ratio	16.7%	15.4%
Number of employees	1,147	1,120
EUR/ISK	141.32	154.27

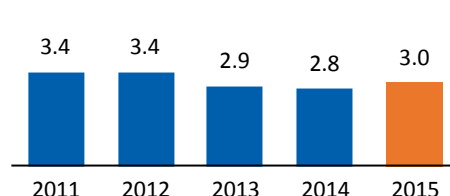
### Arion Bank rating from S&P

Long term: BBB- Short term: A-3

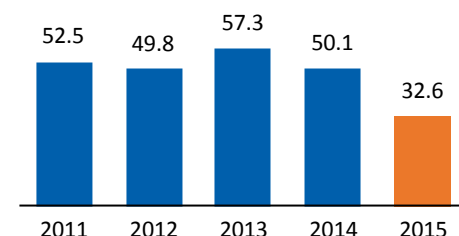
Return on equity (%)



Net interest margin (%)

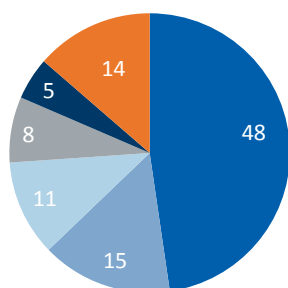


Cost-to-income ratio (%)

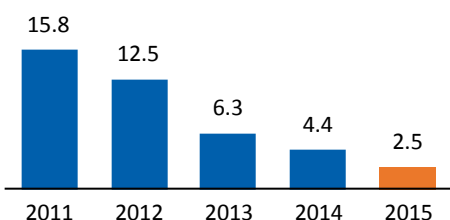


Loans to customers (%)

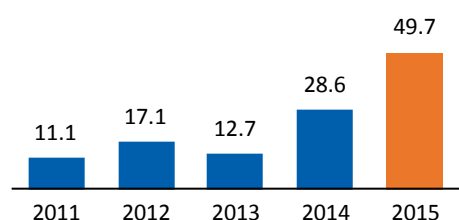
- Individuals (48%)
- Real estate (15%)
- Fishing industry (11%)
- Wholesale and retail (8%)
- Finance and insurance (5%)
- Other (14%)



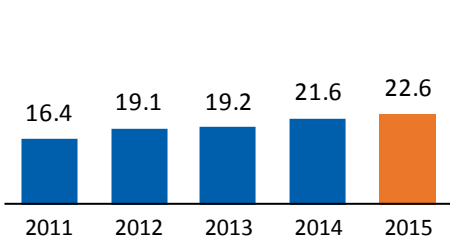
Problem loans (%)



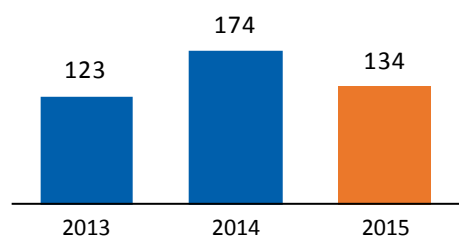
Net earnings (ISK billion)



CET 1 ratio (%)\*



LCR ratio (%)



\*Tier 1 ratio 2011-2013

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