

Arion Bank Factbook

30.06.2016

Unaudited

KFI - 5 years

ISK million	H1 2016	2015	2014	2013	2012
Profitability					
Return on equity	9.5%	28.1%	18.6%	9.2%	13.8%
Return on assets	1.9%	5.0%	3.0%	1.4%	1.9%
Return on risk-weighted-assets	2.6%	6.7%	4.0%	1.9%	2.5%
Earnings per share	4.63	20.98	14.23	6.51	8.31
Earnings per share from continuing operations	4.45	20.80	10.82	6.31	7.51
Net interest margin					
Net interest margin on interest bearing assets	3.1%	3.0%	2.8%	2.9%	3.4%
Net interest margin on total assets	2.9%	2.7%	2.6%	2.6%	3.1%
Efficiency					
Cost-to-income ratio	56.1%	32.6%	50.1%	57.3%	49.8%
Cost-to-total assets ratio	3.0%	2.9%	2.9%	2.8%	2.8%
Number of FTE's at year end	1,199	1,147	1,139	1,145	1,190
Asset quality					
Problem loans	1.9%	2.5%	4.4%	6.3%	12.5%
Loans in >90 days overdue	1.4%	2.1%	3.6%	4.5%	6.0%
Provision for losses/Gross impaired loans	74.4%	75.8%	62.9%	58.2%	53.0%
Gross impaired loans/Gross loans	3.8%	4.7%	5.3%	6.5%	17.1%
Past due loans but not impaired as % of gross loans	6.2%	6.2%	7.2%	6.7%	6.5%
Risk weighted assets / Total assets	71.8%	79.9%	74.5%	76.8%	73.0%
Financial strength					
Equity as % of total assets	20.2%	20.0%	17.4%	15.4%	14.5%
Liquidity					
Liquidity coverage ratio (LCR) ¹	179.8%	134.5%	174.0%	123.0%	-
Loans-to-deposits ratio	168.6%	145.0%	142.3%	135.0%	126.3%
Loans-to-deposits ratio (without covered bonds)	132.5%	116.0%	114.0%	106.4%	98.4%
Deposits from customers as % of total funding	69.5%	67.4%	64.4%	64.1%	63.1%
Covered bonds as % of total funding	25.1%	19.5%	18.3%	18.1%	17.6%
Capital					
Tier 1 ratio	26.8%	23.4%	21.8%	19.2%	19.1%
Tier 2 ratio	1.0%	0.8%	4.5%	4.4%	5.2%
Capital adequacy ratio	27.8%	24.2%	26.3%	23.6%	24.3%
Leverage ratio ¹	18.1%	16.7%	15.4%	14.5%	-

1) Figures not available for 2012

Income statement - 5 year summary

ISK million	H1 2016	H1 2015	H1 2014	H1 2013	H1 2012
Interest income	31,395	27,661	26,881	30,049	32,153
Interest expense	(16,769)	(14,486)	(14,915)	(17,382)	(18,273)
Net interest income	14,626	13,175	11,966	12,667	13,880
Fee and commission income	11,245	10,235	8,917	7,740	7,968
Fee and commission expense	(4,498)	(2,802)	(2,324)	(2,442)	(2,630)
Net fee and commission income	6,747	7,433	6,593	5,298	5,338
Net financial income	3,495	9,723	3,867	296	181
Share of profit of associates	694	4,217	(80)	12	7
Other operating income	1,861	1,523	3,354	2,413	2,999
Operating income	27,423	36,071	25,700	20,686	22,405
Salaries and related expense	(8,426)	(7,167)	(7,164)	(6,679)	(6,169)
Other operating expenses	(6,970)	(6,004)	(5,811)	(6,228)	(5,475)
Bank Levy	(1,485)	(1,388)	(1,375)	(188)	(510)
Net impairment	945	(81)	2,001	134	2,532
Earnings before tax	11,487	21,431	13,351	7,725	12,783
Income tax	(2,091)	(2,367)	(2,467)	(1,749)	(2,913)
Net earnings from continuing operations	9,396	19,064	10,884	5,976	9,870
Net gain (loss) from discontinued operations, net of tax	363	262	6,525	(65)	1,379
Net earnings	9,759	19,326	17,409	5,911	11,429
Other comprehensive income					
Net gain on AFS financial assets, net of tax	(2,903)	-	-	-	-
Exchange difference on translating foreign subsidiaries	94	(230)	(2)	(1)	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	(2,809)	(230)	(2)	(1)	-
Total comprehensive income	6,950	19,096	17,407	5,910	11,429
Attributable to					
Shareholders of Arion Bank	6,453	19,067	17,261	6,136	11,052
Non-controlling interest	497	29	146	(226)	197
Total comprehensive income	6,950	19,096	17,407	5,910	11,249
Earnings per share from continuing operations					
Basic and diluted earnings per share attributable to the shareholders of Arion Bank (ISK)	4.45	9.52	5.37	3.10	4.84

Balance sheet - 5 year summary

ISK million	H1 2016	2015	2014	2013	2012
Assets					
Cash and balances with Central Bank	77,108	48,102	21,063	37,999	29,746
Loans to credit institutions	85,607	87,491	108,792	102,307	101,011
Loans to customers	713,136	680,350	647,508	635,774	566,610
Financial instruments	121,246	133,191	101,828	86,541	137,800
Investment property	6,487	7,542	6,842	28,523	28,919
Investments in associates	904	27,299	21,966	17,929	7,050
Intangible assets	9,152	9,285	9,596	5,383	4,941
Tax assets	221	205	655	818	463
Other assets	21,142	17,578	15,486	23,576	24,135
Total assets	1,035,003	1,011,043	933,736	938,850	900,675
Liabilities					
Due to credit institutions and Central Bank	8,018	11,387	22,876	28,000	32,990
Deposits	423,089	469,347	454,973	471,866	448,683
Financial liabilities at fair value	4,722	7,609	9,143	8,960	13,465
Tax liabilities	3,812	4,922	5,123	4,924	3,237
Other liabilities	47,080	49,461	47,190	43,667	42,117
Borrowings	329,885	256,058	200,580	204,568	195,085
Subordinated liabilities	9,553	10,365	31,639	31,918	34,220
Total liabilities	826,159	809,149	771,524	793,903	769,797
Equity					
Share capital and share premium	75,861	75,861	75,861	75,861	75,861
Other reserves	1,739	4,548	1,632	1,637	1,639
Retained earnings	121,639	112,377	83,218	62,591	49,572
Total shareholders equity	199,239	192,786	160,711	140,089	127,072
Non-controlling interest	9,605	9,108	1,501	4,858	3,806
Total equity	208,844	201,894	162,212	144,947	130,878
Total liabilities and equity	1,035,003	1,011,043	933,736	938,850	900,675

Net interest income - 5 year summary

ISK million	H1 2016	H1 2015	H1 2014	H1 2013	H1 2012
Interest income					
Cash and balances with Central bank	2,029	284	332	463	301
Loans	26,785	25,301	24,274	24,718	27,478
Securities	2,237	1,609	1,979	4,484	4,164
Other	344	466	296	384	210
Interest income	31,395	27,660	26,881	30,049	32,153
Interest expense					
Deposits	(8,744)	(7,460)	(8,784)	(9,906)	(9,621)
Borrowings	(7,810)	(6,494)	(5,463)	(6,772)	(7,751)
Subordinated loans	(186)	(503)	(650)	(662)	(811)
Other	(29)	(28)	(18)	(42)	(90)
Interest expense	(16,769)	(14,485)	(14,915)	(17,382)	(18,273)
Net interest income	14,626	13,176	11,966	12,667	13,880
Interest bearing assets					
Cash and balances with Central Bank	77,108	33,189	17,361	25,717	16,280
Loans	798,743	770,944	776,923	676,989	650,655
Securities	81,575	75,087	69,147	134,102	130,216
Interest bearing assets	957,425	879,220	863,431	836,808	797,151
Interest bearing liabilities					
Due to credit institutions and Central Bank	8,018	13,961	29,277	25,727	20,837
Deposits	423,089	472,304	474,229	466,834	445,249
Financial liabilities at fair value	4,722	4,145	7,646	10,005	10,439
Borrowings	329,885	241,880	199,882	203,100	192,953
Subordinated liabilities	9,553	10,884	31,189	32,503	32,175
Interest bearing liabilities	775,268	743,175	742,222	738,169	701,653
Interest Gap	182,157	136,045	121,209	98,639	95,498
Net interest margin on interest bearing assets	3.1%	3.0%	2.8%	3.0%	3.4%

Loans to customers - 5 year summary

ISK million	H1 2016	2015	2014	2013	2012
Loans to customers					
Individuals	326,896	324,619	321,311	310,491	242,773
Corporates	386,240	355,731	326,197	325,283	323,837
Total loans to customers	713,136	680,350	647,508	635,774	566,610
Loans to individuals					
Overdrafts	16,569	16,840	17,955	18,205	17,236
Credit cards	10,932	10,842	11,065	11,296	10,302
Mortgage loans	275,422	271,895	271,639	258,065	190,897
Other loans	35,198	38,058	33,763	36,133	43,560
Provision on loans	(11,225)	(13,016)	(13,111)	(13,208)	(19,222)
Total loans to individuals	326,896	324,619	321,311	310,491	242,773
Neither past due nor impaired	294,310	291,277	277,859	268,485	200,080
Past due but not impaired	27,618	26,532	32,847	34,607	22,845
Individually impaired (gross)	13,826	17,403	21,621	19,110	38,023
Impairment amount	(8,858)	(10,593)	(11,016)	(11,711)	(18,175)
Total loans to individuals	326,896	324,619	321,311	310,491	242,773
Ratios:					
Provision for losses/Gross impaired loans	81.2%	74.8%	60.6%	69.1%	50.6%
Past due loans but not impaired as % of gross loans	8.2%	7.9%	9.9%	10.7%	8.8%
Gross impaired loans/Gross loans	4.1%	5.2%	6.5%	5.9%	14.6%

Loans to customers - 5 year summary

ISK million	H1 2016	2015	2014	2013	2012
Loans to corporates					
Overdrafts	24,113	24,248	24,420	19,669	18,470
Credit cards	1,169	1,054	943	878	769
Mortgage loans	14,285	12,889	10,406	8,103	4,376
Other loans	361,062	334,849	303,998	312,651	340,781
Provision on loans	(14,389)	(17,309)	(13,570)	(16,018)	(40,559)
Total loans to corporates	386,240	355,731	326,197	325,283	323,837
Neither past due nor impaired	365,939	337,153	308,588	304,880	275,837
Past due but not impaired	18,152	17,302	15,114	9,789	17,851
Individually impaired (gross)	14,027	16,024	13,693	24,029	68,414
Impairment amount	(11,878)	(14,748)	(11,198)	(13,415)	(38,265)
Total loans to corporates	386,240	355,731	326,197	325,283	323,837
Ratios:					
Provision for losses/Gross impaired loans	102.6%	108.0%	99.1%	66.7%	59.3%
Past due loans but not impaired as % of gross loans	4.6%	4.7%	4.5%	2.9%	4.9%
Gross impaired loans/Gross loans	3.5%	4.3%	4.1%	7.1%	18.9%
Loans to corporates specified by sector:					
Agriculture and forestry	1.6%	1.6%	1.7%	1.4%	1.5%
Services	4.9%	5.6%	5.6%	6.1%	5.8%
Financial and insurance activities	9.0%	9.4%	8.5%	8.5%	7.6%
Industry, energy and manufacturing	7.6%	6.0%	7.8%	7.0%	7.0%
Information and communication technology	7.7%	8.7%	7.1%	7.4%	8.9%
Public administration, human health and social activities	2.2%	2.3%	2.4%	2.7%	3.1%
Real estate activities and construction	28.7%	28.8%	24.9%	25.5%	21.3%
Fishing industry	21.4%	21.3%	23.4%	18.7%	20.9%
Transportation	1.6%	1.7%	1.7%	5.8%	6.7%
Wholesale and retail trade	15.5%	14.6%	16.9%	16.9%	17.2%
	100.0%	100.0%	100.0%	100.0%	100.0%

Capital and Risk Weighted Assets

ISK million

H1 2016

2015

2014

2013

2012

Capital base:

Total equity	208,844	201,894	162,212	144,947	130,878
Non-controlling interest not eligible for inclusion in CET1 capital	(9,605)	(9,108)	(1,501)	(4,858)	(3,806)
Intangible assets	(9,152)	(9,285)	(9,596)	(5,383)	(4,941)
Tax assets	(221)	(205)	(655)	(818)	(463)
Other statutory deductions	(515)	(3,151)	(111)	(119)	-
Common equity Tier 1 capital	189,351	180,145	150,349	133,769	121,668
Non-controlling interest not eligible for inclusion in CET1 capital	9,605	9,108	1,501	4,858	3,806
Tier 1 capital	198,956	189,254	151,850	138,627	125,474
Subordinated liabilities	9,553	10,365	31,639	31,918	34,220
Regulatory adjustment to Tier 2 capital	(1,504)	(771)	-	-	-
Other statutory deductions	(515)	(3,118)	(101)	(106)	-
Tier 2 Capital	7,534	6,476	31,538	31,812	34,220
Total Capital base	206,490	195,729	183,388	170,439	159,694

Risk weighted assets

Credit Risk	647,815	681,034	591,994	608,029	557,964
Market Risk FX	4,046	38,401	18,915	31,703	20,063
Market Risk Other	9,509	7,035	2,890	4,993	7,407
Operational Risk	81,441	81,441	82,211	76,097	72,329
Total risk weighted assets	742,811	807,911	696,010	720,822	657,763

Capital ratios

CET1 ratio using current RWA ¹	25.5%	22.3%	21.6%	-	-
Tier 1 ratio	26.8%	23.4%	21.8%	19.2%	19.1%
Capital adequacy ratio	27.8%	24.2%	26.3%	23.6%	24.3%

Leverage ratio

On-balance sheet exposures	1,010,894	982,348	912,303	921,079	-
Derivative exposures	4,171	3,789	1,348	1,929	-
Securities financing transaction exposures	12,665	16,287	10,044	10,381	-
Off-balance sheet exposures	71,987	127,675	59,922	25,199	-
Total exposure	1,099,717	1,130,099	983,617	958,588	-
Tier 1 capital	198,956	189,254	151,850	138,627	125,474
Leverage ratio²	18.1%	16.7%	15.4%	14.5%	-

Related ratios

RORWA	2.56%	7.02%	4.00%	1.86%	2.52%
RWA/Total assets	71.77%	79.91%	74.54%	76.78%	73.03%

1) Figures not available for 2013 and 2012

2) Figures not available for 2012

Arion Bank Factbook

Quarter summaries

KFI - 9 Quarters

ISK million	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Profitability									
Return on equity	13.3%	5.7%	51.6%	14.2%	10.2%	35.1%	14.8%	13.3%	38.5%
Return on assets	2.7%	1.1%	10.0%	2.5%	1.8%	6.3%	2.6%	2.2%	6.3%
Return on risk-weighted-assets	3.7%	1.5%	12.5%	3.3%	2.4%	8.4%	3.3%	2.9%	8.2%
Earnings per share	3.39	1.24	8.21	3.13	2.22	7.43	3.05	2.55	7.23
Earnings per share from continuing operations	3.26	1.19	8.16	3.12	2.18	7.34	2.93	2.52	4.01
Net interest margin									
Net interest margin on interest bearing assets	3.1%	3.1%	2.9%	3.1%	3.3%	2.6%	2.8%	2.9%	3.1%
Net interest margin on total assets	2.9%	2.9%	2.7%	2.9%	3.0%	2.4%	2.5%	2.7%	2.8%
Efficiency									
Cost-to-income ratio	52.6%	60.7%	24.5%	43.1%	47.5%	29.3%	53.5%	45.0%	40.5%
Cost-to-total assets ratio	3.1%	2.9%	3.5%	2.5%	2.7%	2.6%	3.6%	2.4%	2.9%
Number of FTE's at year end	1,199	1,163	1,147	1,151	1,123	1,112	1,120	1,135	1,118
Asset quality									
Problem loans	1.9%	2.1%	2.5%	3.2%	3.3%	3.2%	4.4%	4.6%	5.4%
Loans in >90 days overdue	1.4%	1.6%	2.6%	2.6%	3.6%	3.6%	3.6%	3.6%	3.1%
Provision for losses/Gross impaired loans	74.4%	72.9%	75.8%	66.2%	65.7%	66.7%	62.9%	57.7%	52.5%
Gross impaired loans/Gross loans	3.8%	3.7%	4.7%	4.4%	4.7%	4.9%	5.3%	6.0%	6.7%
Past due loans but not impaired as % of gross loans	6.2%	6.1%	6.2%	6.9%	10.0%	7.1%	7.2%	6.1%	6.5%
Risk weighted assets / Total assets	71.8%	71.5%	79.9%	73.3%	74.5%	72.5%	74.5%	77.4%	73.9%

KFI - 9 Quarters

ISK million	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Financial strength									
Equity as % of total assets	20.2%	19.9%	20.0%	17.3%	17.3%	17.6%	17.4%	17.0%	16.3%
Liquidity									
Liquidity coverage ratio (LCR) ¹	179.8%	153.4%	134.5%	145.0%	138.0%	192.0%	174.0%	137.1%	184.0%
Loans-to-deposits ratio	168.6%	160.2%	145.0%	134.9%	141.2%	137.7%	142.3%	135.2%	134.3%
Loans-to-deposits ratio (without covered bonds)	132.5%	125.9%	116.0%	108.6%	115.2%	110.1%	114.0%	109.6%	106.1%
Deposits from customers as % of total funding	69.5%	70.2%	67.4%	65.2%	64.0%	62.0%	64.4%	66.4%	64.6%
Covered bonds as % of total funding	25.1%	24.1%	19.5%	17.2%	16.6%	17.2%	18.3%	17.0%	18.2%
Capital									
Official CET 1 ratio	26.8%	25.8%	23.4%	21.4%	21.8%	19.1%	21.8%	20.3%	21.1%
Tier 2 ratio	1.0%	0.8%	0.8%	1.3%	1.4%	2.8%	4.5%	4.3%	4.5%
Official capital adequacy ratio	27.8%	26.6%	24.2%	22.7%	23.2%	21.9%	26.3%	24.6%	25.6%
Leverage ratio ¹	18.1%	17.3%	16.7%	15.0%	15.4%	14.5%	15.4%	-	-

1) Figures not available for Q3 2014 and Q2 2014

Income statement - 9 quarter summary

ISK million

	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Interest income	16,525	14,870	11,738	15,148	16,016	11,644	10,835	13,155	13,990
Interest expense	(9,172)	(7,597)	(5,033)	(8,036)	(8,624)	(5,861)	(4,924)	(6,812)	(7,507)
Net interest income	7,353	7,273	6,705	7,112	7,392	5,783	5,911	6,343	6,483
Fee and commission income	6,005	5,240	5,625	5,373	5,179	5,057	4,768	4,762	4,653
Fee and commission expense	(2,477)	(2,021)	(1,867)	(2,081)	(1,502)	(1,300)	(1,578)	(1,236)	(1,208)
Net fee and commission income	3,528	3,219	3,758	3,292	3,677	3,757	3,190	3,526	3,445
Net financial income	3,796	(301)	2,668	453	2,184	7,539	1,429	1,994	4,439
Share of profit of associates	17	677	22,510	2,739	6	4,211	3,525	53	(16)
Other operating income	626	1,235	537	709	1,032	491	1,683	636	2,372
Operating income	15,320	12,103	36,178	14,305	14,291	21,781	15,738	12,552	16,723
Salaries and related expense	(4,318)	(4,108)	(4,572)	(3,153)	(3,675)	(3,492)	(3,953)	(2,862)	(3,714)
Other operating expenses	(3,736)	(3,234)	(4,288)	(3,012)	(3,108)	(2,896)	(4,465)	(2,787)	(3,064)
Bank Levy	(743)	(742)	(650)	(779)	(659)	(730)	(636)	(633)	(715)
Net impairment	1,448	(503)	(2,973)	(33)	(1,863)	1,782	(742)	876	34
Earnings before tax	7,971	3,516	23,695	7,328	4,986	16,445	5,942	7,146	9,264
Income tax	(1,354)	(737)	504	(1,272)	(647)	(1,720)	(222)	(1,989)	(1,152)
Net earnings from continuing operations	6,617	2,779	24,199	6,056	4,339	14,725	5,720	5,157	8,112
Net gain (loss) from discontinued operations, net of tax	259	104	83	15	79	183	241	67	6,433
Net earnings	6,876	2,883	24,282	6,071	4,418	14,908	5,961	5,224	14,545
Other comprehensive income									
Net gain on AFS financial assets, net of tax	(2,715)	(188)	2,903	-	-	-	-	-	-
Exchange difference on translating foreign subsidiaries	22	72	(34)	277	(225)	(5)	-	(2)	(4)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	(2,693)	(116)	2,869	277	(225)	(5)	-	(2)	(4)
Total comprehensive income for the period	4,183	2,767	27,151	6,348	4,193	14,903	5,961	5,222	14,541
Attributable to									
Shareholders of Arion Bank	4,085	2,368	19,278	6,539	4,208	14,859	6,095	5,104	14,451
Non-controlling interest	98	399	7,873	(191)	(15)	44	(134)	118	90
Total comprehensive income for the period	4,183	2,767	27,151	6,348	4,193	14,903	5,961	5,222	14,541
Earnings per share from continuing operations									
Basic and diluted earnings per share attributable to the shareholders of Arion Bank (ISK)	3.26	1.13	9.62	3.12	2.18	7.34	2.93	2.52	4.01

Balance sheet - 9 quarter summary

ISK million	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Assets									
Cash and balances with Central Bank	77,108	70,218	48,102	73,289	33,189	63,575	21,063	33,335	17,361
Loans to credit institutions	85,607	91,672	87,491	93,326	103,815	125,643	108,792	108,621	139,838
Loans to customers	713,136	694,004	680,350	678,807	667,129	649,089	647,508	652,598	637,085
Financial instruments	121,246	132,729	133,191	111,191	111,419	106,675	101,828	99,223	99,271
Investment property	6,487	6,382	7,542	7,817	7,851	7,915	6,842	2,901	6,020
Investments in associates	904	896	27,299	13,847	13,987	24,965	21,966	22,025	25,128
Intangible assets	9,152	9,153	9,285	9,194	9,353	9,493	9,596	5,337	5,375
Tax assets	221	209	205	987	891	420	655	660	734
Other assets	21,142	23,343	17,578	21,018	27,177	16,549	15,486	17,471	18,181
Total assets	1,035,003	1,028,606	1,011,043	1,009,476	974,811	1,004,324	933,736	942,171	948,993
Liabilities									
Due to credit institutions and Central Bank	8,018	11,288	11,387	11,470	13,961	21,561	22,876	21,131	29,277
Deposits	423,090	433,228	469,347	503,155	472,304	471,271	454,973	482,518	474,229
Financial liabilities at fair value	4,722	9,577	7,609	5,511	4,145	7,311	9,143	6,038	7,646
Tax liabilities	3,812	4,722	4,922	6,773	6,203	6,027	5,123	6,103	4,995
Other liabilities	47,079	44,669	49,461	49,222	56,989	50,794	47,190	43,464	47,232
Borrowings	329,885	310,540	256,058	248,172	241,880	249,751	200,580	191,947	199,882
Subordinated liabilities	9,553	9,921	10,365	10,378	10,884	20,494	31,639	31,205	31,189
Total liabilities	826,159	823,945	809,149	834,681	806,366	827,209	771,524	782,406	794,450
Equity									
Share capital and share premium	75,861	75,861	75,861	75,861	75,861	75,861	75,861	75,861	75,861
Other reserves	1,739	4,431	4,548	1,679	1,402	1,627	1,632	1,633	1,635
Retained earnings	121,639	114,861	112,377	95,968	89,706	98,082	83,218	77,149	72,043
Total shareholders equity	199,239	195,153	192,786	173,508	166,969	175,570	160,711	154,643	149,539
Non-controlling interest	9,605	9,508	9,108	1,287	1,476	1,545	1,501	5,122	5,004
Total equity	208,844	204,661	201,894	174,795	168,445	177,115	162,212	159,765	154,543
Total liabilities and equity	1,035,003	1,028,606	1,011,043	1,009,476	974,811	1,004,324	933,736	942,171	948,993

Net interest income - 9 quarter summary

ISK million

	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Interest income									
Cash and balances with Central bank	1,764	265	270	183	142	142	201	169	154
Loans	13,675	13,110	10,313	13,801	14,792	10,509	9,583	11,953	12,658
Securities	909	1,328	939	984	777	832	840	845	1,009
Other	177	167	217	180	305	161	210	188	170
Interest income	16,525	14,870	11,739	15,148	16,016	11,644	10,834	13,155	13,991
Interest expense									
Deposits	(4,605)	(4,139)	(3,484)	(4,508)	(4,313)	(3,147)	(3,174)	(4,025)	(4,336)
Borrowings	(4,461)	(3,349)	(1,489)	(3,361)	(4,100)	(2,394)	(1,393)	(2,413)	(2,834)
Subordinated loans	(91)	(95)	(98)	(100)	(197)	(306)	(318)	(324)	(327)
Other	(15)	(15)	38	(67)	(14)	(14)	(39)	(50)	(12)
Interest expense	(9,172)	(7,598)	(5,033)	(8,036)	(8,624)	(5,861)	(4,924)	(6,812)	(7,509)
Net interest income	7,353	7,273	6,705	7,112	7,392	5,783	5,911	6,343	6,482
Interest bearing assets									
Cash and balances with Central Bank	77,108	70,218	48,102	73,289	33,189	63,575	21,063	33,335	17,361
Loans	798,743	785,676	767,841	772,134	770,944	774,732	756,300	761,219	776,923
Securities	81,575	81,975	82,715	72,934	75,087	70,550	70,704	69,113	69,147
Interest bearing assets	957,425	937,869	898,657	918,358	879,220	908,856	848,067	863,668	863,431
Interest bearing liabilities									
Due to credit institutions and Central Bank	8,018	11,288	11,387	11,470	13,961	21,561	22,876	21,131	29,277
Deposits	423,089	433,228	469,347	503,155	472,304	471,271	454,973	482,518	474,229
Financial liabilities at fair value	4,722	9,577	7,609	5,511	4,145	7,311	9,143	6,038	7,646
Borrowings	329,885	310,540	256,058	248,172	241,880	249,751	200,580	191,947	199,882
Subordinated liabilities	9,553	9,921	10,365	10,378	10,884	20,494	31,639	31,205	31,189
Interest bearing liabilities	775,268	774,554	754,766	778,687	743,175	770,388	719,210	732,839	742,222
Interest Gap	182,157	163,315	143,891	139,671	136,045	138,468	128,857	130,829	121,209
Net interest margin on interest bearing assets	3.1%	3.1%	2.9%	3.1%	3.3%	2.6%	2.8%	2.9%	3.1%

Loans to customers - 9 quarter summary

ISK million	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Loans to customers									
Individuals	326,896	323,468	324,619	322,386	315,404	312,211	321,311	320,477	314,038
Corporates	386,240	370,536	355,731	356,421	351,725	336,878	326,197	332,121	323,047
Total loans to customers	713,136	694,004	680,350	678,807	667,129	649,089	647,508	652,598	637,085
Loans to individuals									
Overdrafts	16,569	17,465	16,840	17,809	18,062	18,508	17,955	18,525	18,044
Credit cards	10,932	10,403	10,842	10,574	10,650	10,135	11,065	10,228	9,084
Mortgage loans	275,422	272,279	271,895	272,841	264,681	262,883	271,639	257,122	259,118
Other loans	35,198	35,247	38,058	34,985	34,442	34,272	33,763	47,218	40,477
Provision on loans	(11,225)	(11,926)	(13,016)	(13,823)	(12,431)	(13,587)	(13,111)	(12,616)	(12,685)
Total loans to individuals	326,896	323,468	324,619	322,386	315,404	312,211	321,311	320,477	314,038
Neither past due nor impaired	294,310	294,183	291,277	284,977	273,687	273,560	277,859	282,283	272,704
Past due but not impaired	27,618	23,957	26,532	29,153	33,066	30,391	32,847	28,342	31,143
Individually impaired (gross)	13,826	14,944	17,403	18,149	19,454	19,219	21,621	20,454	20,720
Impairment amount	(8,858)	(9,616)	(10,593)	(9,893)	(10,803)	(10,959)	(11,016)	(10,602)	(10,529)
Total loans to individuals	326,896	323,468	324,619	322,386	315,404	312,211	321,311	320,477	314,038
Ratios									
Provision for losses/Gross impaired loans	81.2%	79.8%	74.8%	76.2%	63.9%	70.7%	60.6%	61.7%	61.2%
Past due loans but not impaired as % of gross loans	8.2%	7.2%	7.9%	8.8%	10.1%	9.4%	9.9%	8.6%	9.6%
Gross impaired loans/Gross loans	4.1%	4.5%	5.2%	5.5%	6.0%	5.9%	6.5%	6.2%	6.4%

Loans to customers - 9 quarter summary

ISK million	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Loans to corporates									
Overdrafts	24,113	24,463	24,248	23,699	25,272	25,305	24,420	23,453	23,444
Credit cards	1,169	1,113	1,054	994	997	1,004	943	939	716
Mortgage loans	14,285	13,607	12,889	12,516	11,990	11,601	10,406	8,940	9,199
Other loans	361,062	343,918	334,849	331,758	328,224	311,740	303,998	313,286	304,324
Provision on loans	(14,389)	(12,565)	(17,309)	(12,546)	(14,758)	(12,772)	(13,570)	(14,497)	(14,636)
Total loans to corporates	386,240	370,536	355,731	356,421	351,725	336,878	326,197	332,121	323,047
Neither past due nor impaired	365,939	349,133	337,153	334,863	313,161	317,228	308,588	311,702	300,525
Past due but not impaired	18,152	19,508	17,302	19,374	36,034	16,997	15,114	13,141	11,575
Individually impaired (gross)	14,027	11,756	16,024	12,707	13,149	13,583	13,693	20,009	23,749
Impairment amount	(11,878)	(9,861)	(14,748)	(10,523)	(10,619)	(10,930)	(11,198)	(12,731)	(12,802)
Total loans to corporates	386,240	370,536	355,731	356,421	351,725	336,878	326,197	332,121	323,047
Provision for losses/Gross impaired loans	102.6%	106.9%	108.0%	98.7%	112.2%	94.0%	99.1%	72.5%	61.6%
Past due loans but not impaired as % of gross loans	4.6%	5.1%	4.7%	5.3%	9.9%	4.9%	4.5%	3.8%	3.4%
Gross impaired loans/Gross loans	3.5%	3.1%	4.3%	3.5%	3.6%	3.9%	4.1%	5.8%	7.1%
Loans to corporates specified by sector:									
Agriculture and forestry	1.6%	1.6%	1.6%	1.7%	1.6%	1.6%	1.7%	1.6%	1.5%
Services	4.9%	5.4%	5.6%	5.5%	6.3%	5.6%	5.6%	5.4%	6.3%
Financial and insurance activities	9.0%	9.1%	9.4%	9.0%	8.9%	9.5%	8.5%	8.7%	8.9%
Industry, energy and manufacturing	7.6%	6.2%	6.0%	6.0%	5.6%	6.2%	7.8%	7.4%	7.4%
Information and communication technology	7.7%	8.0%	8.7%	7.2%	7.3%	6.8%	7.1%	6.9%	7.3%
Public administration, human health and social activities	2.2%	2.3%	2.3%	2.2%	2.2%	2.6%	2.4%	1.8%	1.9%
Real estate activities and construction	28.7%	28.2%	28.8%	28.4%	26.6%	24.6%	24.9%	29.5%	28.5%
Fishing industry	21.4%	22.6%	21.3%	21.6%	21.1%	22.9%	23.4%	21.0%	20.9%
Transportation	1.6%	1.6%	1.7%	2.8%	3.2%	3.3%	1.7%	1.9%	1.7%
Wholesale and retail trade	15.5%	15.1%	14.6%	15.6%	17.3%	16.9%	16.9%	15.8%	15.6%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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