

ROE

10.5%

CET 1

26.5%

Cost to income

57.2%

Problem loans

1.6%

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 4.2% GDP growth (2015), 3.0% unemployment and 1.8% inflation (september 2016)
- 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

(ISK million)

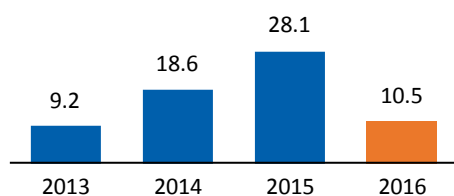
	2016	2015
Net earnings	21,739	49,679
ROE	10.5%	28.1%
Net interest margin	3.1%	3.0%
Cost to income ratio	57.2%	32.6%
Total assets	1,036,024	1,001,043
Loans to customers	712,422	680,350
Deposits	412,064	469,347
Borrowings	339,476	256,058
Problem loans	1.6%	2.5%
Leverage ratio	18.0%	16.7%
Number of employees	1,239	1,147
EUR/ISK	119.13	141.28

Arion Bank rating from S&P

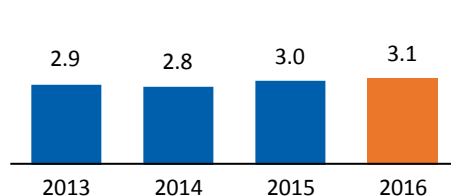
Long term: BBB Short term: A-2

Outlook: Positive

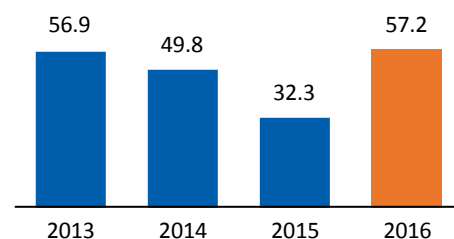
Return on equity (%)



Net interest margin (%)

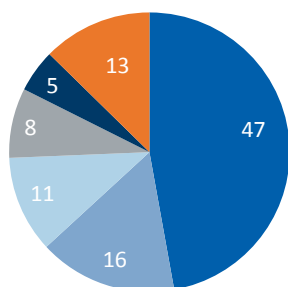


Cost-to-income ratio (%)

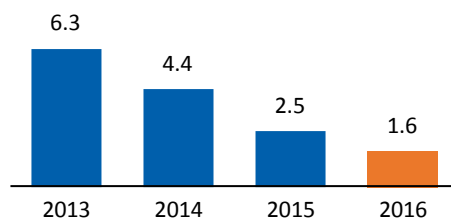


Loans to customers (%)

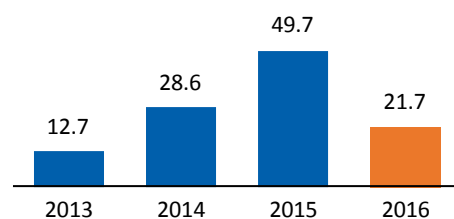
- Individuals (47%)
- Real estate (16%)
- Fishing industry (11%)
- Wholesale and retail (8%)
- Finance and insurance (5%)
- Other (13%)



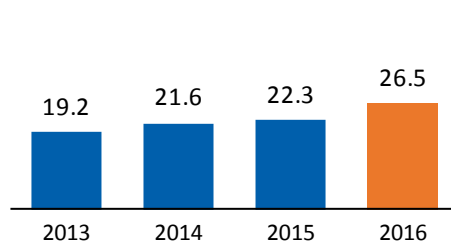
Problem loans (%)



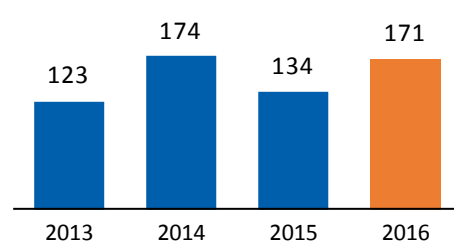
Net earnings (ISK billion)



CET 1 ratio (%)*



LCR ratio (%)



*Tier 1 ratio 2013

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