



Q3 2018:

ROE

2.3%

CET 1

21.6%

Cost to income

58.2%

Share of stage 3 loans, gross

2.9%

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
- Continued Improving economic environment in Iceland with 6.4% GDP growth in first half of 2018, 3.0% unemployment (May 2018) and 2.7% inflation (September 2018)
- 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)

	Q3 2018	Q2 2018
Net earnings	1,149	3,062
ROE	2.3%	5.9%
Net interest margin	2.7%	2.8%
Cost to income ratio	58.2%	62.3%

30.09.2018 31.12.2017

	30.09.2018	31.12.2017
Total assets	1,219,529	1,147,754
Loans to customers	819,965	765,101
Deposits	484,569	462,161
Borrowings	452,601	384,998
Stage 3 gross	2.9%	N/A
Leverage ratio	13.8%	15.4%
Number of employees	1,334	1,284
EUR/ISK	128.70	125.05

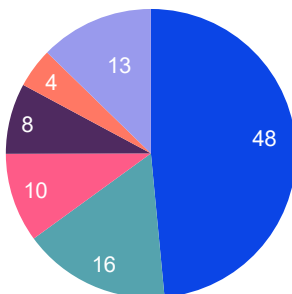
Arion Bank rating from S&P

Long term: BBB+ Short term: A-2

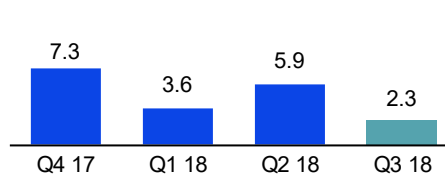
Outlook: Stable

Loans to customers (%)

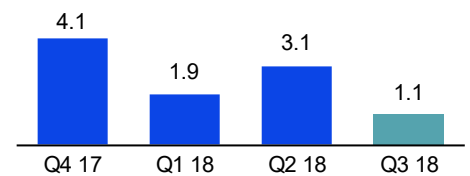
- Individuals (48%)
- Real estate (16%)
- Fishing industry (10%)
- Wholesale and retail (8%)
- Finance and insurance (5%)
- Other (13%)



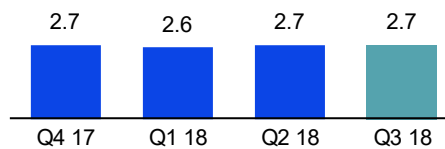
Return on equity (%)



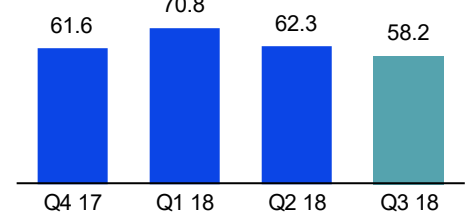
Net earnings (ISK billion)



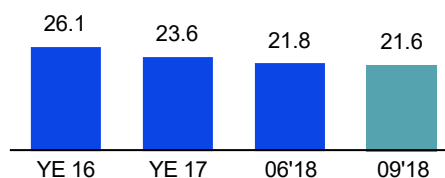
Net interest margin (%)



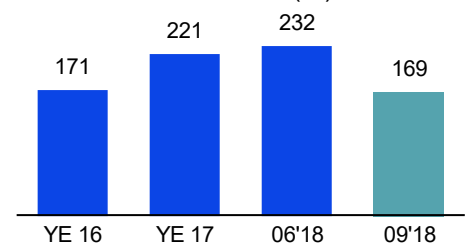
Cost-to-income ratio (%)



CET 1 ratio (%)*



LCR ratio (%)



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