

ROE

6.3%

CET 1

27.3%

Cost to income

64.4%

Problem loans

1.5%

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 6.2% GDP growth (9M 2016), 2.6% unemployment (December 2016) and 1.9% inflation (February 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 by the Banker magazine in 2015 and 2013 and the best investment bank in Iceland by Euromoney in 2016

Key figures

(ISK million)

	Q1 2017	Q1 2016
Net earnings	3.353	2.883
ROE	6,3%	5,7%
Net interest margin	2,8%	3,1%
Cost to income ratio	64,4%	60,2%

31.03.2017 31.12.2016

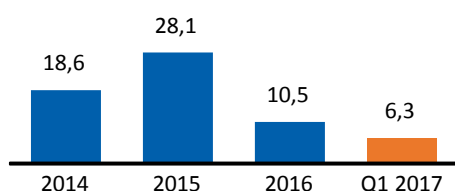
Total assets	1.119.648	1.036.024
Loans to customers	720.198	712.422
Deposits	475.641	412.064
Borrowings	355.633	339.476
Problem loans	1,5%	1,6%
Leverage ratio	17,0%	18,0%
Number of employees	1.204	1.239
EUR/ISK	120,77	119,13

Arion Bank rating from S&P

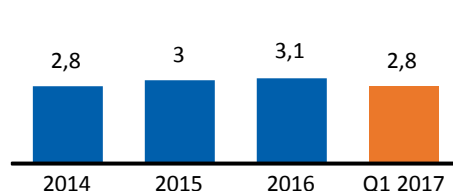
Long term: BBB Short term: A-2

Outlook: Positive

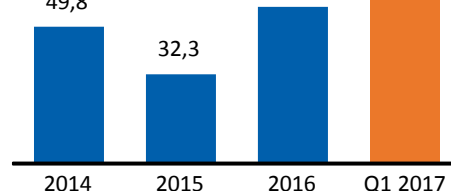
Return on equity (%)



Net interest margin (%)

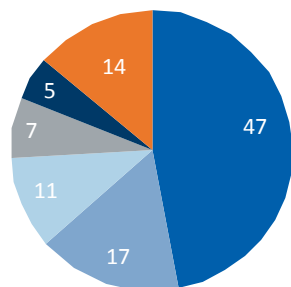


Cost-to-income ratio (%)

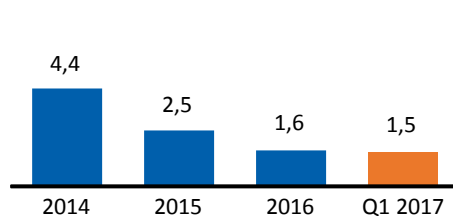


Loans to customers (%)

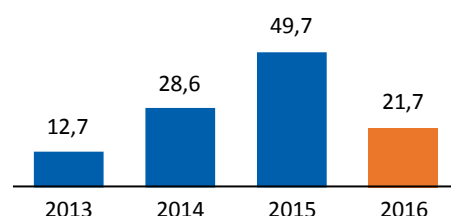
- Individuals (47%)
- Real estate (16%)
- Fishing industry (11%)
- Wholesale and retail (8%)
- Finance and insurance (5%)
- Other (13%)



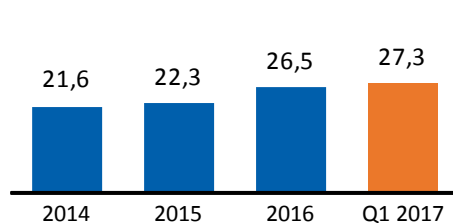
Problem loans (%)



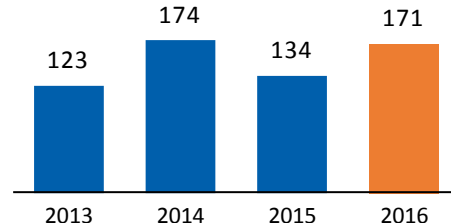
Net earnings (ISK billion)



CET 1 ratio (%)*



LCR ratio (%)



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