

ROE

11.2%

CET 1

25.5%

Cost to income

56.7%

Problem loans

2.0%

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

	9M 2016	9M 2015
Net earnings	17.262	25.397
ROE	11,2%	19,8%
Net interest margin	3,1%	3,0%
Cost to income ratio	56,7%	38,4%

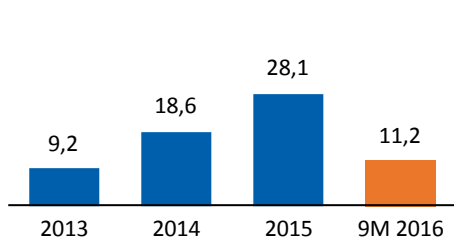
	30.09.2016	31.12.2015
Total assets	1.038.480	1.001.043
Loans to customers	715.907	680.350
Deposits	431.929	469.347
Borrowings	326.754	256.058
Problem loans	2,0%	2,5%
Leverage ratio	17,4%	16,7%
Number of employees	1.189	1.147
EUR/ISK	127,88	141,28

Arion Bank rating from S&P

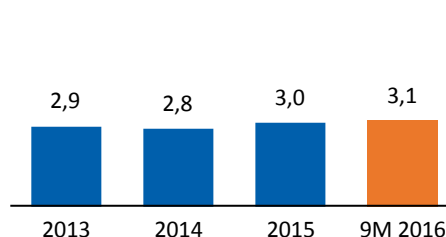
Long term: BBB Short term: A-2

Outlook: Positive

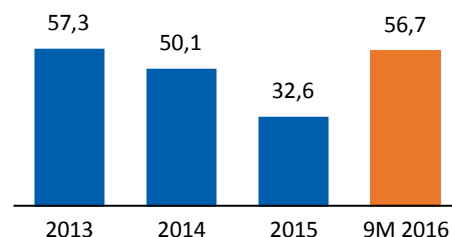
Return on equity (%)



Net interest margin (%)

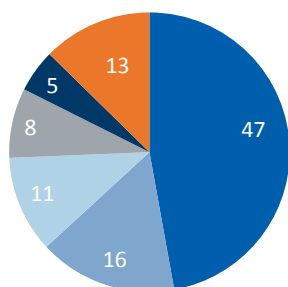


Cost-to-income ratio (%)

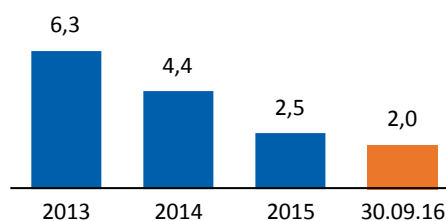


Loans to customers (%)

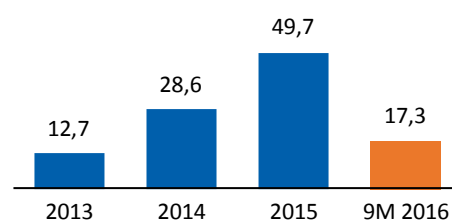
- Individuals (47%)
- Real estate (16%)
- Fishing industry (11%)
- Wholesale and retail (8%)
- Finance and insurance (5%)
- Other (14%)



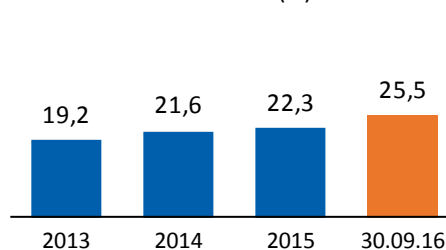
Problem loans (%)



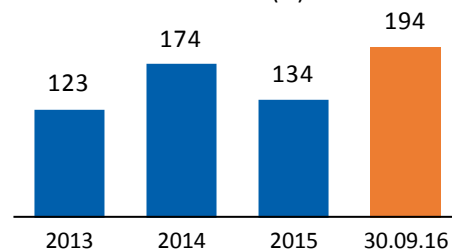
Net earnings (ISK billion)



CET 1 ratio (%)*



LCR ratio (%)



*Tier 1 ratio 2013

Disclaimer

This document has been prepared for information purposes only and should not be relied upon, or form the basis of any action or decision, by any person. Nothing in this document is, nor shall be relied on as, a promise or representation as to the future. In supplying this document, Arion Bank does not undertake any obligation to provide the recipient with access to any additional information or to update this document or to correct any inaccuracies herein which may become apparent.

The information relating to Arion Bank, its subsidiaries and associates and their respective businesses and assets contained in, or used in preparing, this document has not been verified or audited. Further, this document does not purport to provide a complete description of the matters to which it relates.

Some information may be based on assumptions or market conditions and may change without notice. Accordingly, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, forecasts, opinions and expectations contained in this document and no reliance should be placed on such information, forecasts, opinions and expectations. To the extent permitted by law, none of Arion Bank or any of their affiliates or advisers, any of their respective directors, officers or employees, or any other person, accepts any liability whatsoever for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document.

By accepting this document you agree to be bound by the foregoing instructions and limitations.