Second quarter results 2018

Investor presentation 2 August 2018

Q2 2018

Highlights

Arion Bank was listed on Nasdaq Iceland and Stockholm on 15 June. This is the first listing of an Icelandic bank on the main market in Iceland since 2008

The Board of Directors has approved to propose to a shareholders meeting in September that the Bank pays an extraordinary dividend amounting to ISK 10 billion in Q3

Arion Bank completed four new digital projects in Q2 in line with it's digital strategy

The Balance Sheet remains strong and the Bank continued to support both individual and corporate customers

Valitor continues with its ambitious international growth strategy. In Q2 Arion Bank appointed management advisors to assist in a strategic review of the future ownership of Valitor

Successful IPO and listing

Arion Bank listed on the main lists of Nasdaq Iceland and Nasdaq Stockholm

Heavily oversubscribed IPO

Successful IPO marketing took place from 31 May to 14 June – 70% investors were international

Kaupskil and Attestor Capital sold **28.7%** in the Bank for ISK **39 billion** – ISK 75 or SEK 6.11 a share

Market capitalization of Arion Bank when listed was ISK 135 billion

Simultaneous listing in Iceland and Sweden

First simultaneous listing on Nasdaq Nordic for around 10 years. Second largest in Sweden this year

Second largest new listing ever on Icelandic stock market and the Bank is the second largest company on the market

Arion Bank is the first bank to be listed on the Main List of Nasdaq Iceland for more than a decade

Innovative digital solutions

Arion Bank – the leading digital bank in Iceland*

Eye-catching digital solutions

Retail Banker International awards prize to the Bank for **the most disruptive innovation** for its digital mortgage process and credit assessment

Retail Banker International **nominated Arion Bank for a total of five awards** in the field of digital solutions

Arion Bank **was nominated for the Knowledge Awards 2018** – focus on digital solutions

New website – arionbanki.is

New website arionbanki.is – emphasis on convenient services and a revamped look

Diverse online services – online banking, credit appraisals, mortgages, short-term loans etc.

Investment bank of the year

Arion Bank named **investment bank of the year in 2018** in Iceland by **Euromoney**

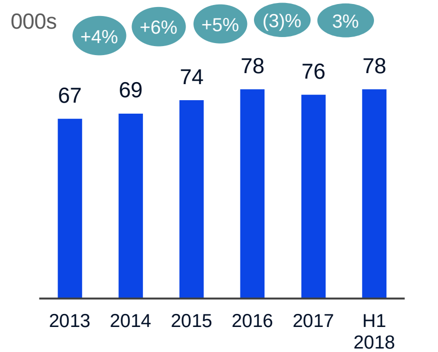
*according to MMR survey

Our digital strategy is delivering tangible results

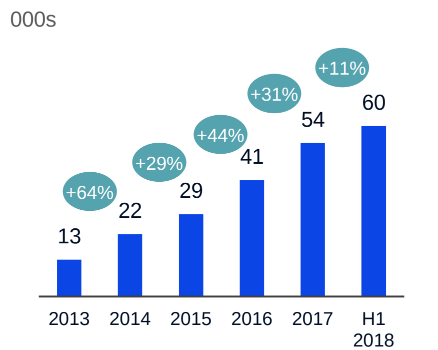
The trend continues

Increasing digital impact

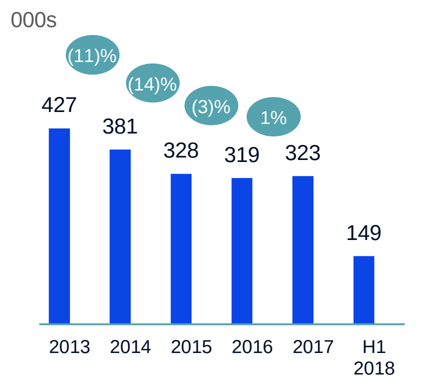
Active online bank users[1]



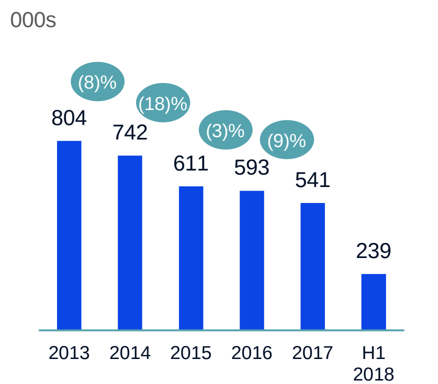
Active Arion Bank app users[1]



Number of calls to the call centre



Number of visits to branches[2]



Digital initiatives

- **Digital banking** is key in our strategic direction and imperative in responding to our customers‘ ever changing and increasing needs. Our digital journey focuses on reshaping end-to-end customer journeys into fully digital flows, accessible online 24/7
- New digital services introduced have resulted in the number of **active digital users increasing** at a steady pace while number of visits to branches and calls to the call center have decreased accordingly
- **Recent key digital initiatives** launched in H1 include car financing, consumer lending, regular savings, capital markets and private banking customer onboarding, digital signatures for all contracts, notification of new bills received, automatic bill payments, and financing of bills / claims
- We see clear **increase in customer demand** for our digital services with the number of credit assessment almost doubling from launch in 2017 and new mortgages and car financing increasing by approx. 50%
- Visible impact of our digital initiatives on **customer satisfaction** with our NPS rising by 14 points since fall of 2016 when we launched our first digital service

Source: Company information

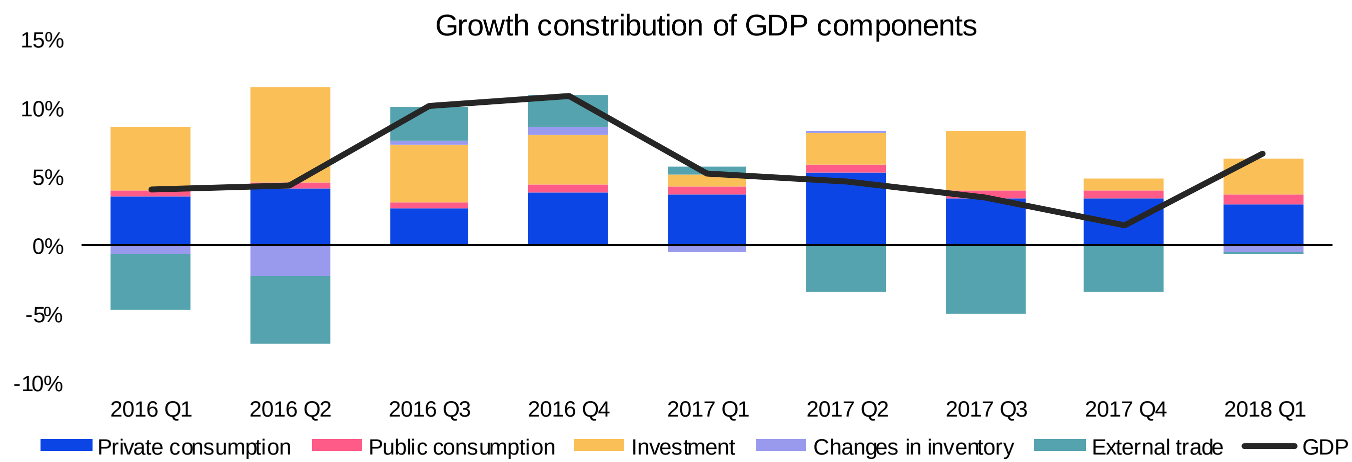
1. 30 day active online users/individuals and 30 day active app users, counted on June 30th each year. Definition by Finalta
2. Retail bank – numbers not available for some of the smaller branches in rural areas of Iceland

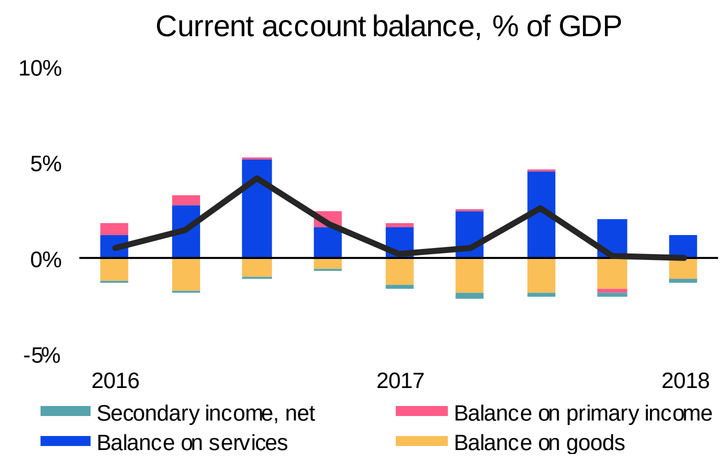
Macroeconomic environment

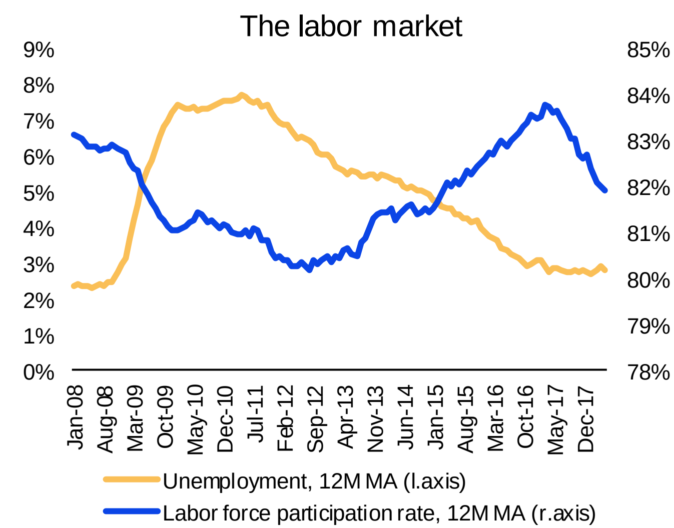
Impressive start to the year: 6.6% GDP growth in Q1

A strike in the seafood industry in Q1 2017 greatly affects the YoY growth and most expect a much slower growth as the year goes on

- Economic growth measured 6.6% in Q1 2018. As in previous quarters growth was mainly driven by private consumption and investment, although exports, and first and foremost goods exports, contributed as well
- Private consumption, the main driving force at this time behind GDP growth, powers on, supported by strong labour market and increased purchasing power
- Slower growth in tourism and other export sectors, coupled with growing goods trade deficit has reduced current account surplus
- Arion Research forecasts 3% GDP growth in 2018, driven by private consumption and housing







Sources: CBI, Statistics Iceland, Arion Research

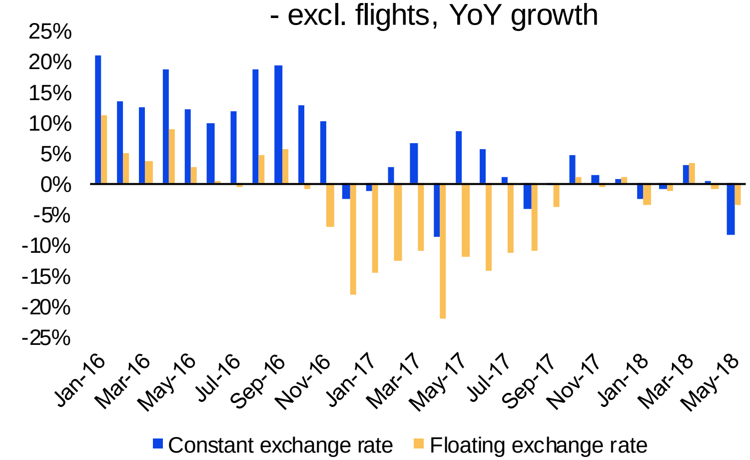
Tourism has passed its peak growth

Tourist arrivals increased by 4,9% in Q2, making it the weakest quarter in terms of growth since 2010

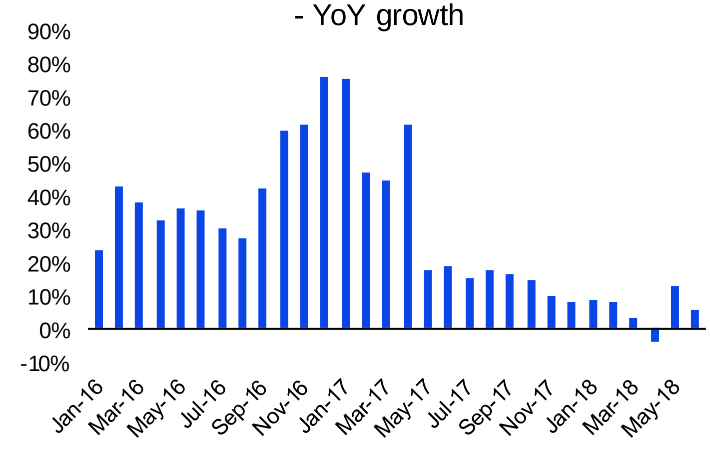
- Despite the fact that tourism is rapidly slowing down and the current account surplus is shrinking, the króna has been remarkably stable for the past year. The CBI has frequently mentioned a good balance on the FX market and hasn't seen a reason to intervene
- Tourist arrivals via Kef Airport increased by 5.5% in the first half of 2018, compared to 39% growth in the same time last year. Growth in foreign card turnover has also slowed down and there is evidence that suggests that each tourist is spending less during his/her stay
- Analysts still expect continued growth in tourism over the next years, albeit at a much slower pace

The ISK against major trade currencies

Foreign payment card turnover per visitor - excl. flights, YoY growth



Tourist arrivals via Kef Airport - YoY growth

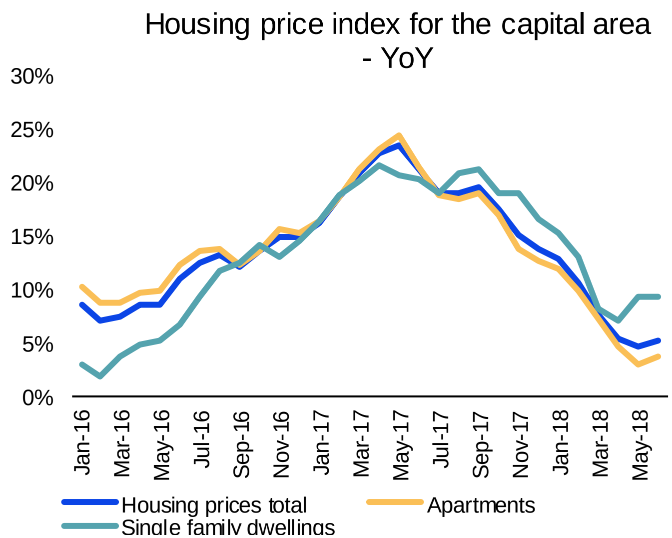


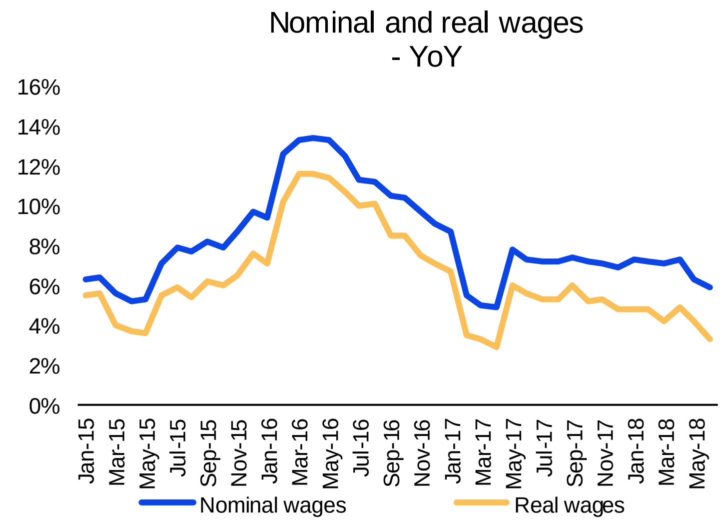
Sources: CBI, Statistics Iceland, Arion Research

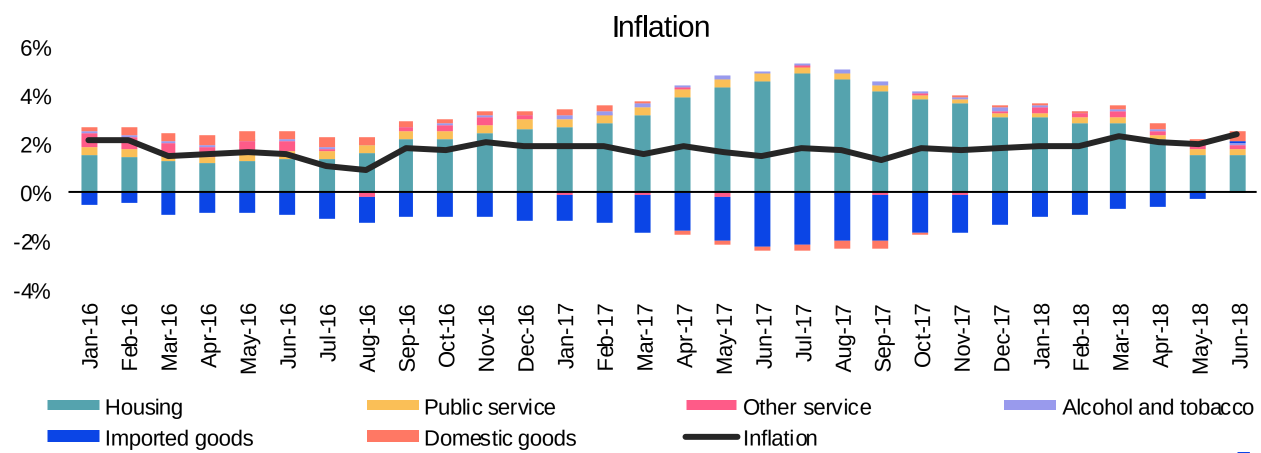
Increasing domestic inflationary pressure

Inflation has been climbing in recent months, surpassing the CBI's inflation target

- The composition of inflation has been changing in the past months. While inflation is still driven by rising house prices import prices have begun to add to inflation pressure, after having offset domestic inflationary pressures for the past years
- House price increases in the capital area have peaked, at least for now, and there is outlook for slower price increases outside the capital area in the coming quarters
- It's likely that inflationary pressures will continue to pick up, with the exchange rate effects tapering off and tough wage bargaining on the horizon
- Arion Research forecasts 2.7% annual average inflation in 2018, climbing to 3.5% in 2019. Inflation will thus still be within the tolerance levels of the CBI







Sources: Registers Iceland, Statistics Iceland, Arion Research

Key operational development in Q2

Loan growth continued in Q2 and loans to customers increased by 2.8% in the quarter and 5.0% in the first half of 2018

The Bank's net interest margin increased to 2.8% in Q2 from 2.6% in Q1 despite strong FX liquidity, low inflation and repricing of loans

Commission income in Q2 was up 27% from Q1

Insurance income more than quadrupled from Q1 as Vördur is back on track

Other expenses are stable from Q1 but a general wage inflation continues to be a challenge

Q2 2018

Headline Figures

Net earnings
ISK 3.1 bn.
Q1 2018:
ISK 1.9 bn.

CET 1
21.8%
31.12.2017:
23.6%

Cost-to-income ratio
62.3%
Q1 2018:
70.8%

Share of stage 3 loans, gross
2.3%
31.12.2017:
N/A

Return on equity
5.9%
Q1 2018:
3.6%

Leverage ratio
14.3%
31.12.2017:
15.4%

Number of employees
1,309
31.03.2017:
1,299

Mortgages/Total loans
40.7%
31.12.2017:
40.6%

Income statement

Income statement Q2 2018

Strong improvement from the first quarter

- Healthy volume growth with lending up 2.7% from Q1 and 9.5% over the last 12 months
- Net interest income up 10% from Q1 with NIM widening from 2.6% to 2.8% despite lower inflation
- Strong growth in net commission and insurance income both q-on-q and y-on-y in-line with strategy
- Salary expenses impacted by new wage agreement and growth of Valitor, with other expenses flat vs Q1
- One offs and unusually favorable market conditions in Q2 2017 make comparison difficult

	Q2 2018	Q1 2018	Diff%	Q2 2017	Diff%
Net interest income	7,613	6,908	10%	8,160	(7%)
Net commission income	4,492	3,542	27%	3,508	28%
Net financial income	927	1,340	(31%)	1,975	(53%)
Net insurance income	758	143	430%	606	25%
Share of profit of associates	2	(18)	-	(900)	-
Other operating income	610	269	127%	1,811	(66%)
Operating income	**14,402**	**12,184**	**18%**	**15,160**	**(5%)**
Salaries and related expenses	(5,011)	(4,636)	8%	(4,560)	10%
Other operating expenses	(3,964)	(3,996)	(1%)	(1,223)	224%
Operating expenses	**(8,975)**	**(8,632)**	**4%**	**(5,783)**	**55%**
Bank levy	(880)	(804)	9%	(777)	13%
Net impairment	(192)	(99)	94%	410	(147%)
Net earnings before taxes	**4,355**	**2,649**	**64%**	**9,010**	**(52%)**
Income tax expense	(1,287)	(818)	57%	(1,895)	(32%)
Discontinued operations, net of tax	(6)	118	-	0	-
Net earnings	**3,062**	**1,949**	**57%**	**7,115**	**(57%)**

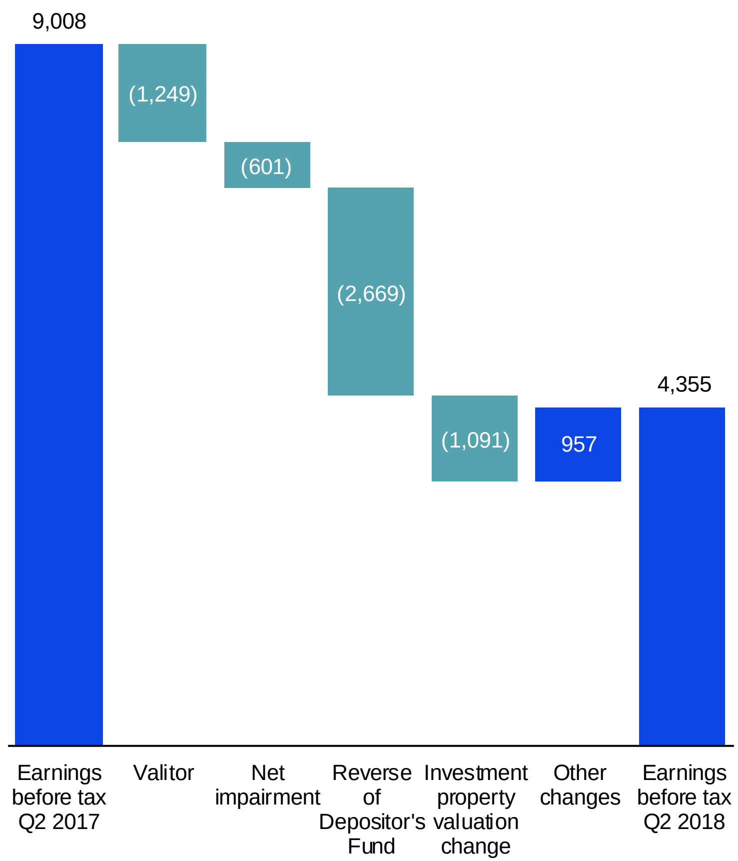
 All amounts in ISK million

Q2 Performance bridge

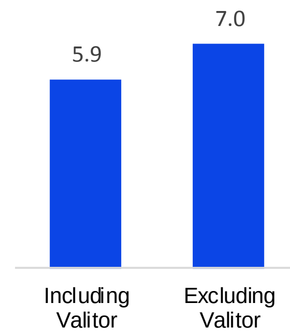
Substantial positive one offs in Q2 2017

- Comparison to Q2 2017 impacted by one offs which were not present in Q2 2018
- Other income of Valitor in Q2 2017 includes financial income from equity holdings in Visa Inc. which were transferred to the parent company in Q1 2018
- Net impairment was positive in Q2 2017 but is mildly negative in Q2 2018
- The Bank was able to reverse a payment obligation from the Depositor’s and Investor’s guarantee Fund in Q2 2017
- The Bank had unusually high valuation changes in investment property in Q2 2017

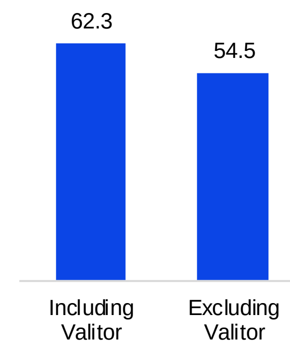
Change in earnings before tax
Q2 2017 - Q2 2018



ROE (%)



Cost-to-income (%)



Valitor

In ISK million	**Q2 18**	**Q1 18**	**Q2 17**
Net interest income	317	84	271
Net commission income	1,576	1,151	937
Other income	(22)	36	1,571
Operating income	**1,871**	**1,271**	**2,779**
Operating expenses	(2,050)	(1,872)	(1,742)
Net impairment	(25)	36	8
Earnings before tax	**(204)**	**(565)**	**1,045**

 All amounts in ISK million

Income statement H1 2018

Operating income down 5% - both salaries and OPEX is up 6.4%

- Decreased net interest income from H1 2017 mainly due to high liquidity in FX and competitive market environment
- Significant increase in net commission income mostly due to growth in card fees at Valitor and in Retail Banking
- Net insurance income decreases due to unusually adverse seasonal factors in Q1
- Net financial income and other operating income decrease from H1 2017 due to significant valuation changes during that period
- Increase in salaries mostly due to general salary increase and increased FTE's
- Net impairment normalizing from a high positive number in H1 2017

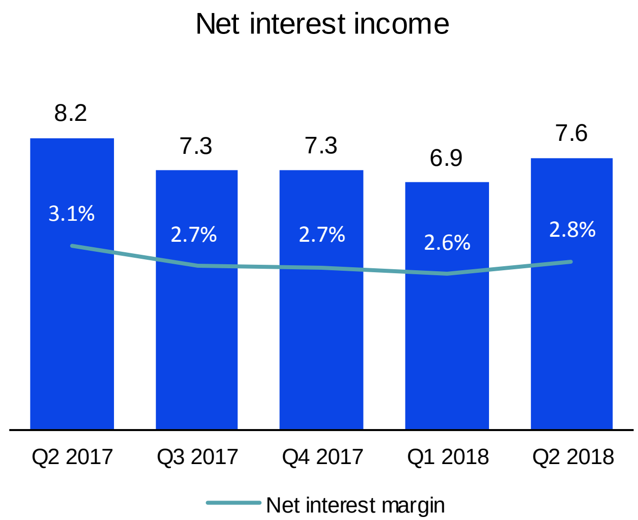
	H1 2018	H1 2017	Diff	Diff%
Net interest income	14,521	15,320	(799)	(5%)
Net commission income	8,034	6,839	1,195	17%
Net financial income	2,267	3,205	(938)	(29%)
Net insurance income	901	1,052	(151)	(14%)
Share of profit of associates	(16)	(934)	918	-
Other operating income	879	2,375	(1,496)	(63%)
Operating income	**26,586**	**27,857**	**(1,271)**	**(5%)**
Salaries and related expenses	(9,647)	(8,783)	(864)	10%
Other operating expenses	(7,960)	(5,057)	(2,903)	57%
Operating expenses	**(17,607)**	**(13,840)**	**(3,767)**	**27%**
Bank levy	(1,684)	(1,574)	(110)	7%
Net impairment	(291)	1,289	(1,580)	-
Net earnings before taxes	**7,004**	**13,732**	**(6,728)**	**(49%)**
Income tax expense	(2,105)	(3,266)	1,161	(36%)
Discontinued operations, net of tax	112	0	112	-
Net earnings	**5,011**	**10,466**	**(5,455)**	**(52%)**

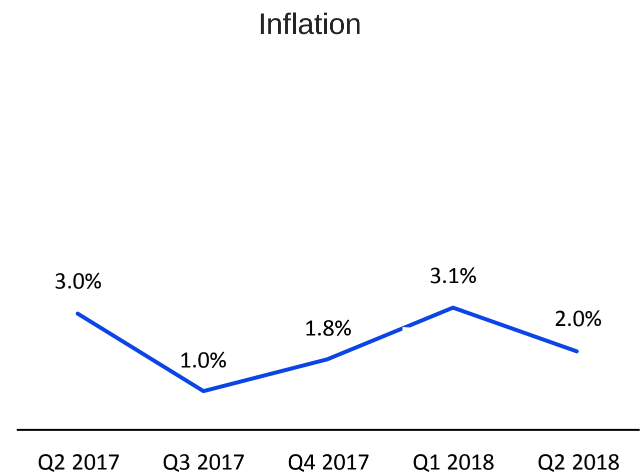
· All amounts in ISK million

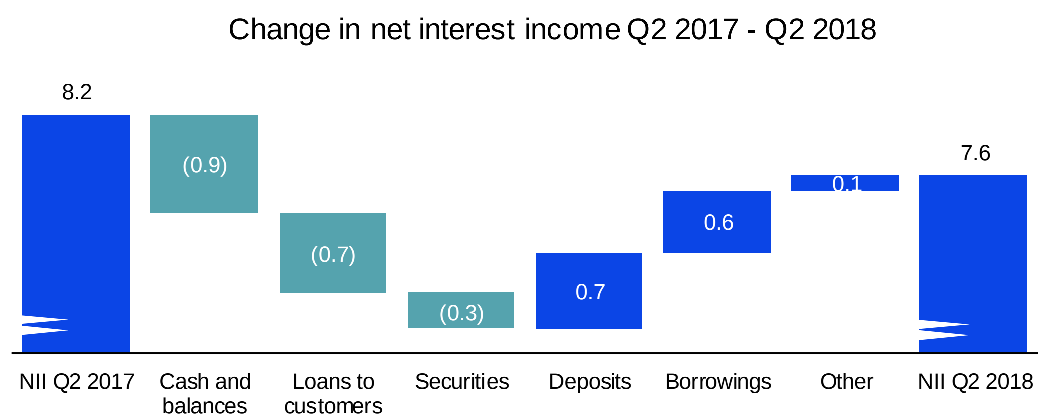
Net interest income

NIM improves despite subdued inflation, repricing of loans and large FX liquidity position

- Net Interest Margin (NIM) increases from previous quarters through repayment of legacy senior bonds and activity on the lending side
- Cash and balances as well as securities are in low yielding FX as opposed to high yielding ISK in Q2 2017 depressing NIM
- Loan book growth from Q2 2017 not reflected in Net Interest Income (NII) due to lower interest margins on new lending and lower inflation during the period
- Interest expense from borrowings and deposits decrease from Q2 last year despite significant increase in both items





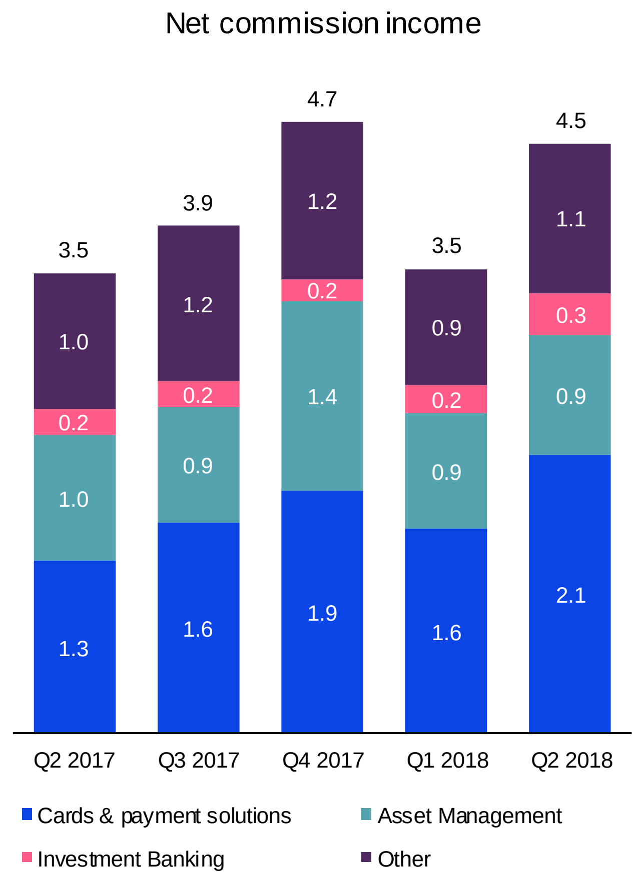


 All amounts in ISK billion

Net commission income

Solid improvement in net commission income both from Q1 and Q2 last year

- Net commission income from cards and payment solutions up by 61% from Q2 2017 partly due to increased international operations in Valitor and increased activity in Retail Banking
  - However strong Icelandic krona negatively affects income from Valitor's international operations
- Other commission income improves significantly
  - Retail Banking improves partially linked to tourist volumes
  - Activities in Corporate Banking with large corporate customers have been significant
- Asset Management has a strong position in the Icelandic market and is stable from Q1
- Investment Banking improves substantially, partly relating to the Bank's IPO
  - Capital Markets continues to hold a strong position in the domestic market, which was rather subdued in Q2

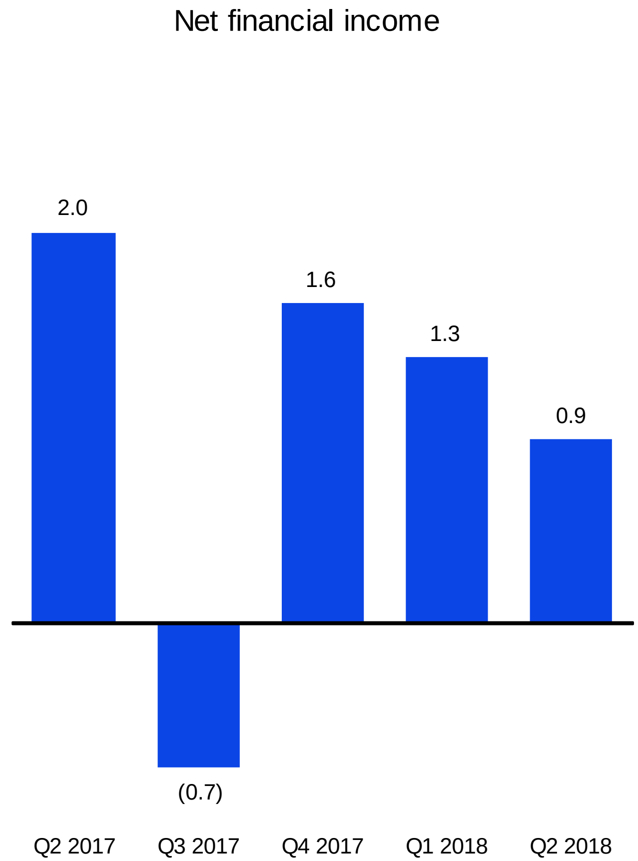


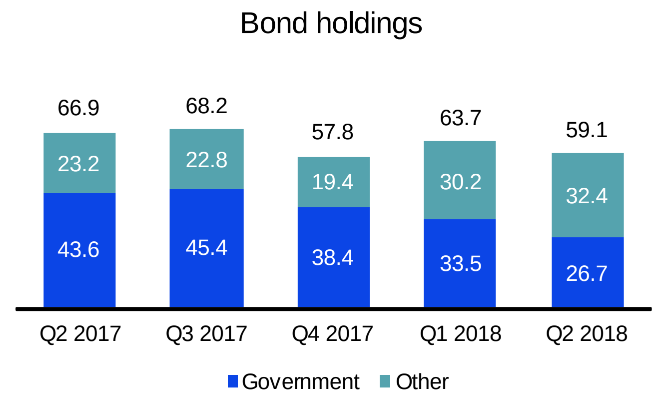
 All amounts in ISK billion

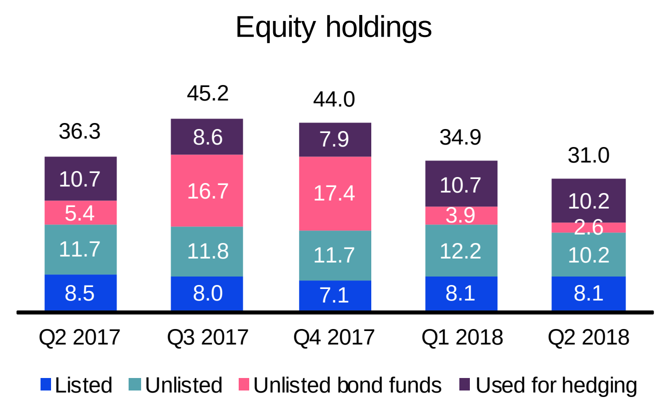
Net financial income

Bond and equity holdings continue to decrease as the Bank sells equity holdings

- NFI is normalizing after a period of volatility in recent years
- Net financial income is mostly due to fair value changes in equity holdings
- Holdings in unlisted bond funds relating to the Bank's management of FX liquidity, was reduced but is now reflected in bond holdings
- Equities held by Vördur amounted to ISK 4.1 billion at the end of the period





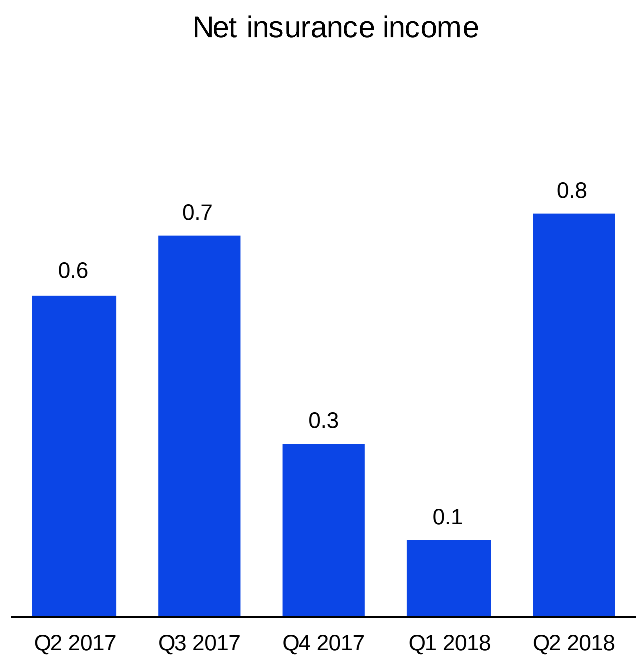


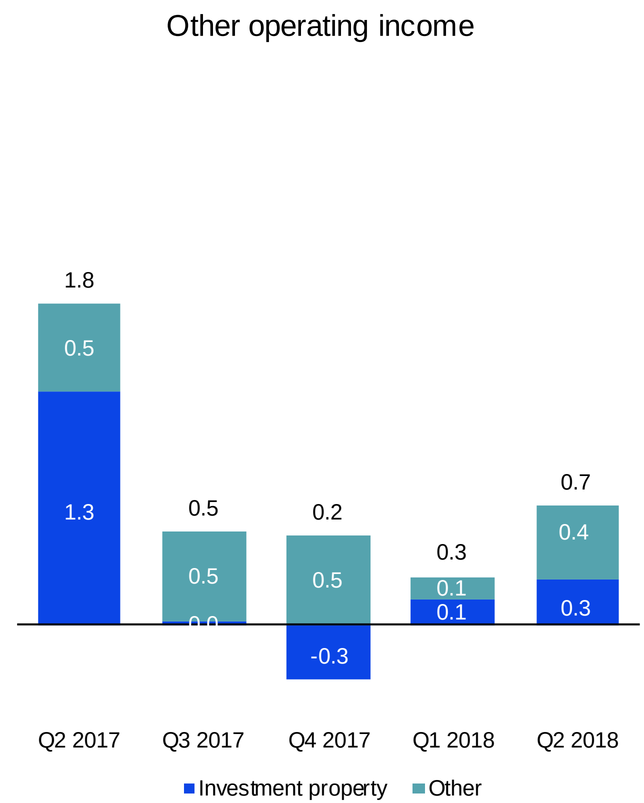
 All amounts in ISK billion

Net insurance income and other income

Vördur is back on track

- Massive increase of net insurance income from Q1 attributable to abnormal levels of car insurance claims in Q1
- The average claim has increased relating to a newer car fleet and higher wage levels
- Income from investment property under other operating income in Q2 is almost entirely due to valuation changes



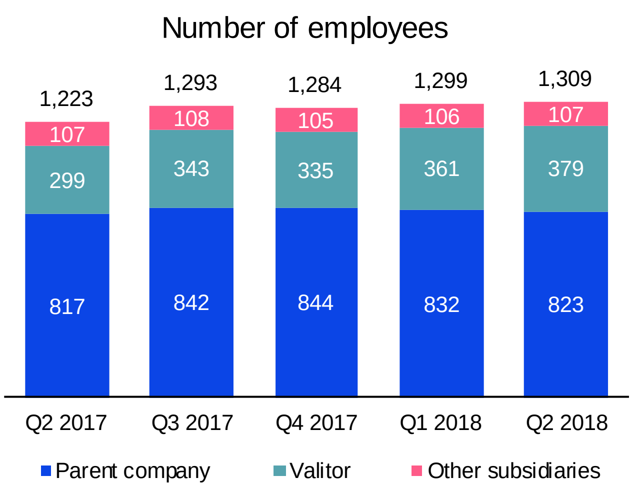


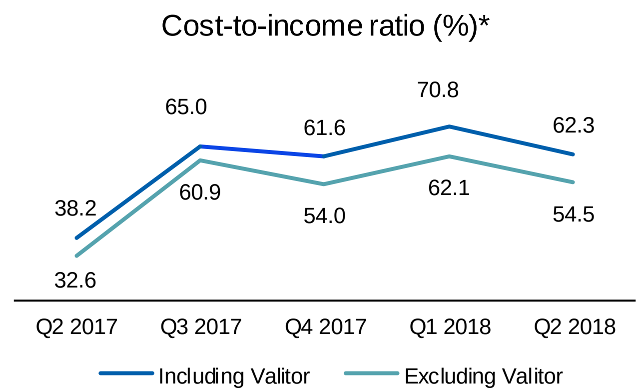
 All amounts in ISK billion

Total operating expenses

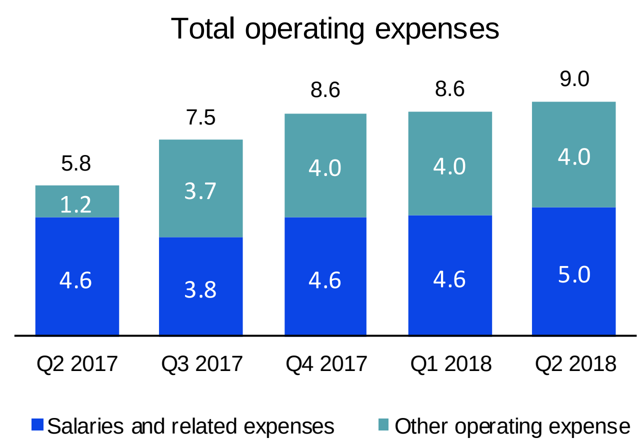
Positive developments in the cost-to-income ratio in Q2

- FTE's at group level increased by 7% from Q2 last year, 27% at Valitor and 1% at parent company
- Valitor growth strategy increases the cost-to-income ratio substantially
- Wage inflation puts pressure on salaries expenses. A ISK 400 million increase from Q1 is largely explained by a general wage increase in May
- Other operating expenses relatively stable





* Cost-to-income ratio (salaries and related expenses + other operating expenses/operating income)



 All amounts in ISK billion

Balance sheet

Balance sheet - Assets

The balance sheet remains strong and simple

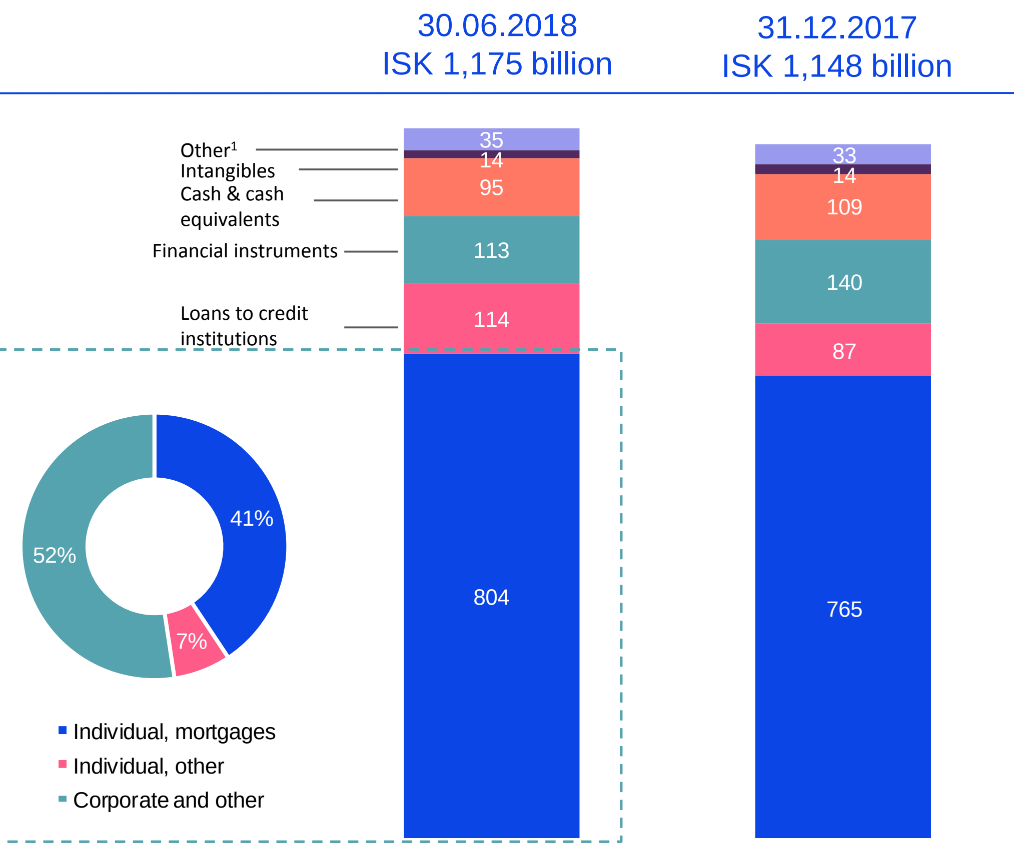
- The balance sheet grew by 2.4% in the first half of 2018
- Loans to customers grew by 5.0% during the first half of the year and 9.5% from 30.06.2017, substantially more than economic growth
- The loan portfolio continues to be well balanced
- Strong liquidity position despite capital release of approx. ISK 24 billion in Q1

Other and intangibles: 4%

ISK 322 billion, of which **ISK 225 billion liquidity reserve** (47% of customer deposits)

Loans to customers
69% of total assets

5.0% increase from YE 2017



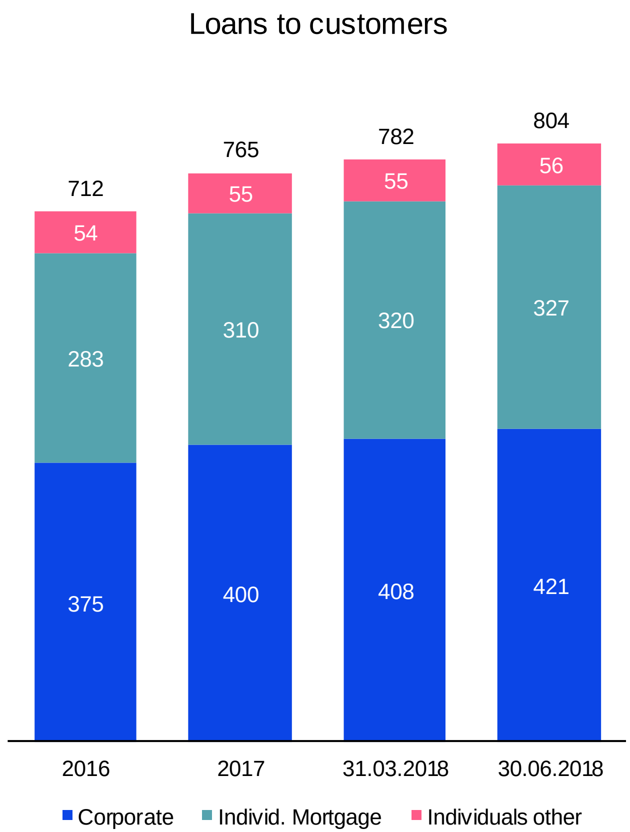
[1]Other assets include investment property, investment in associates, tax assets and other assets

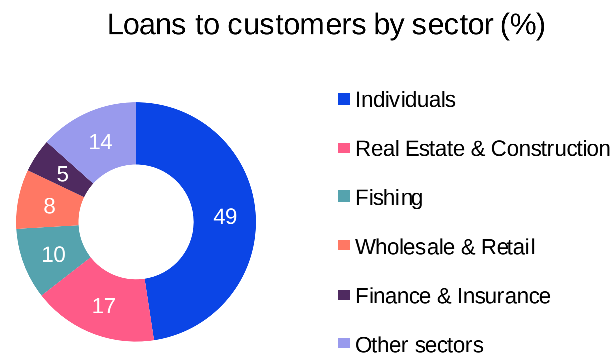
 All amounts in ISK billion

Loans to customers

Well balanced loan portfolio between corporates and individuals

- Loans to customers increased by 2.7 % in Q2 (5.0% in H1 and 9.5% from 30.06.2017)
  - 2.1% growth in the mortgage portfolio in Q2 driven by new digital solutions and a strong housing market despite strong competition
  - The corporate loan portfolio grew by 3.1% in Q2, mainly in wholesale and retail trade and real estate and construction
- Good diversification in the corporate loan book
- Outlook for new lending is strong
- Credit quality indicators change due to IFRS 9 implementation (see next slide)





All amounts in ISK billion

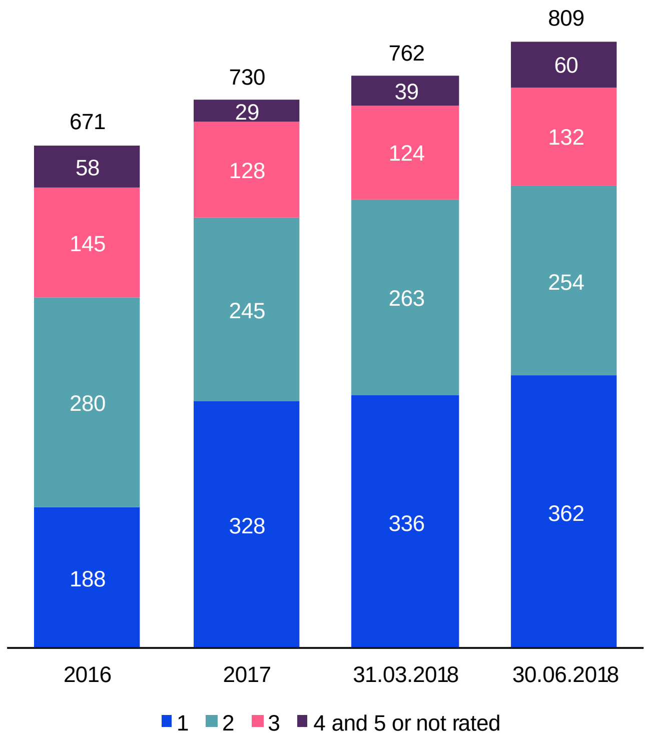
Loans to customers

The quality of the loan book continues to improve

- Internal credit rating has improved significantly in recent years:
    - 76% of gross loans to customers in either risk class 1 or 2 at 30.06.2018 (74% at YE 2017)
- Collateral held against loans stable at a healthy level
- IFRS 9 had a limited effect on the Bank

Risk classification

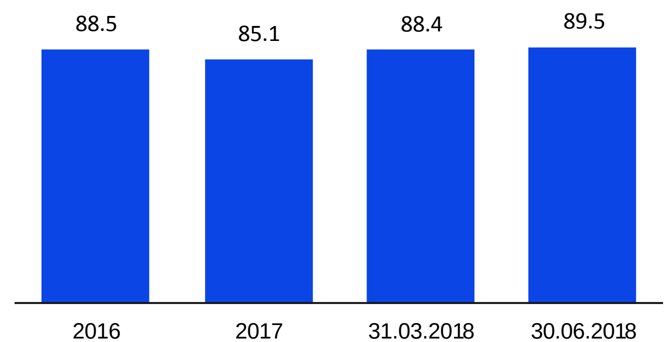
(risk classification only applies to loans that are neither past due nor impaired until YE 2017. Figures for 30.06.2018 include only loans classed as stage 1 and 2)



IFRS 9 credit quality

Share of stage 3 loans, gross	2.3%
Share of stage 3 loans, net	1.5%
Share of stage 3 loans mortgages, gross	1.7%
Share of stage 3 loans mortgages, net	1.6%
Credit impairment provision ratio Stage 1 loans	0.2%
Credit impairment provision ratio Stage 2 loans	1.7%
Credit impairment provision ratio Stage 3 loans	34.8%
Total credit impairment provision ratio	1.4%

Collateral held against loans (%)



 All amounts in ISK billion

Balance sheet – Liabilities and equity

Strong equity position and well balanced funding

- Deposits increase by 3% from YE 2017 and 5.1% in Q2
- A share buyback and dividend payment in Q1 reduces the equity of the Bank
- Successful wholesale funding activities both in Iceland and in the international markets
- Strong equity position and a very high leverage ratio despite capital release

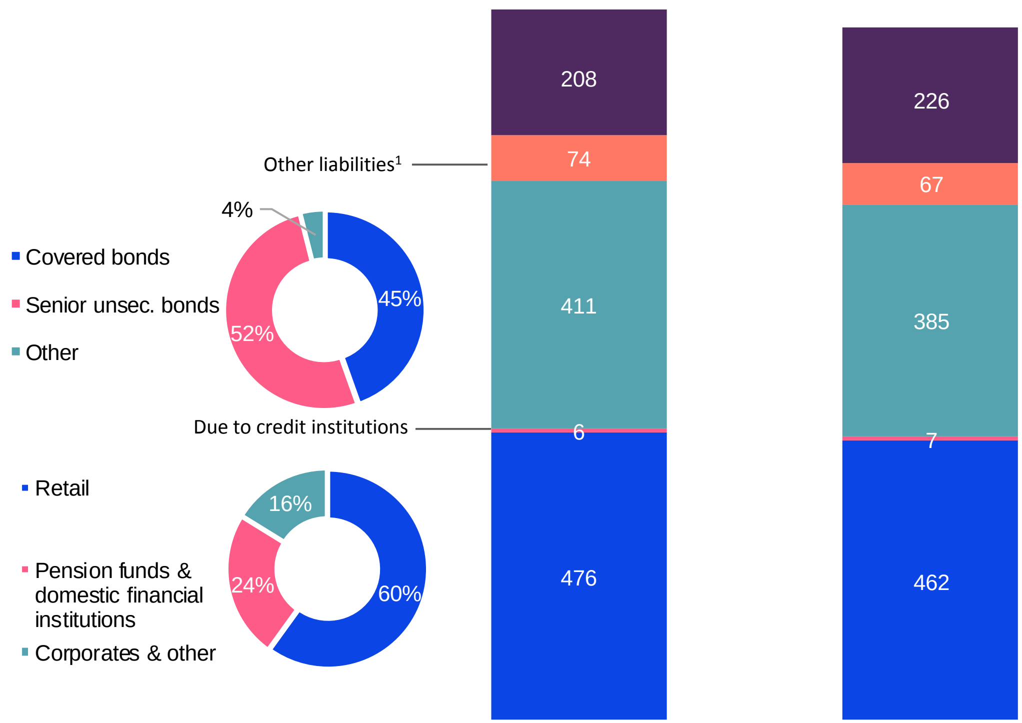
30.06.2018	31.12.2017
ISK 1,175 billion	ISK 1,148 billion

Equity
CET1 ratio 21.8%
Leverage ratio 14.3%

Borrowings (in ISK)
ISK 200 billion
EUR 172 billion
Other currencies 38 billion

Deposits
On demand 69%
Up to 3M 18%
More than 3M 13%

3.0% increase from YE2017



[1] Other liabilities include Financial liabilities at fair value, tax liabilities and Other liabilities

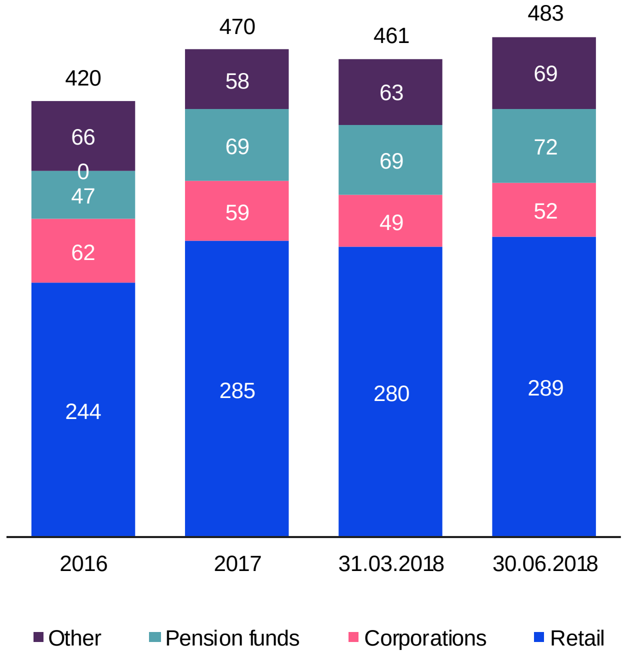
 All amounts in ISK billion

Deposits

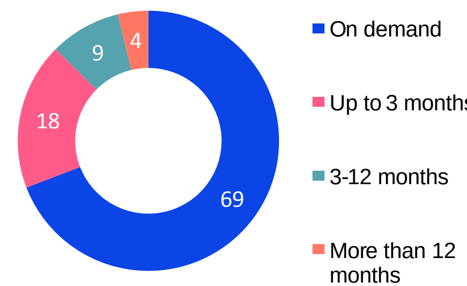
Deposits increased by 5.1% in the second quarter

- Deposits represent 41% of the Bank's funding
- Deposits from retail customers have grown 26% (compound annual growth rate) in the last two years
  - Improved macro economic conditions reflected in growth in deposits from retail customers
- Deposits at the same level as previous years after drop in 2016 when deposits from Kaupthing were changed to a long term EMTN resettable note

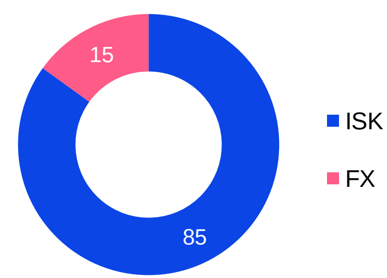
Deposits and due to credit institutions and Central Bank



Maturity of deposits (%)



Deposits by currency (%)

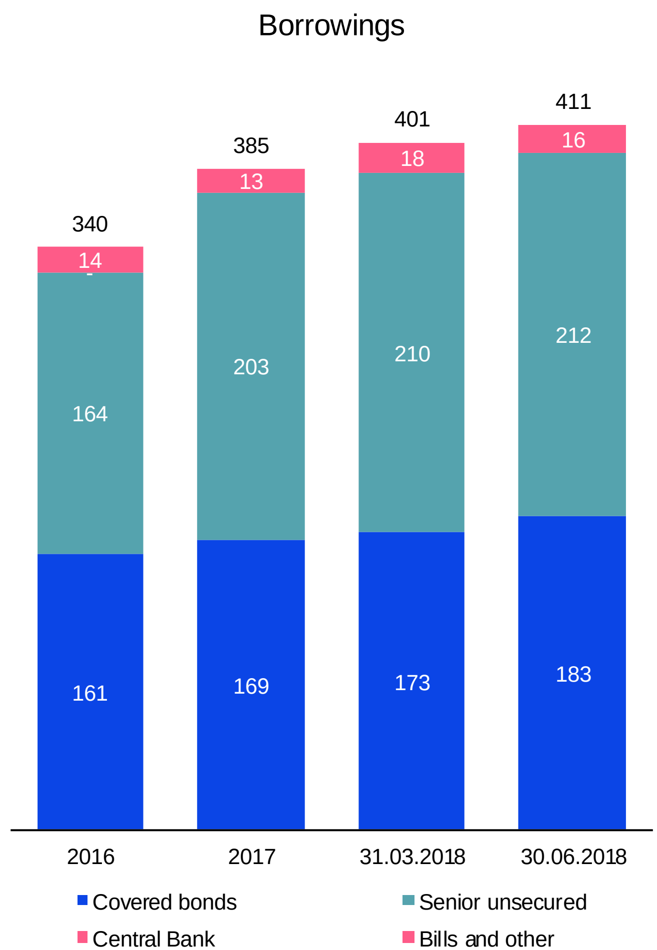


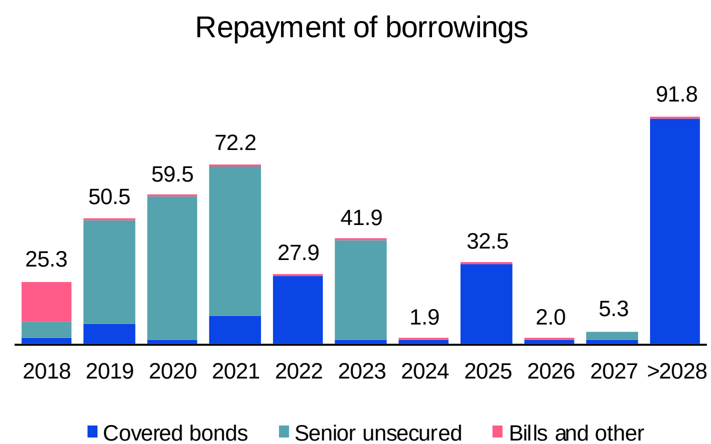
 All amounts in ISK billion

Borrowings

Maturity schedule of wholesale funding well spread out

- In March the Bank's first senior Eurobond matured. This was a three year, EUR 300 million senior unsecured bond issues at 3.1% over interbank rates
- In March the Bank issued new 5 year, EUR 300 million senior unsecured bond or approx. ISK 37 billion at interest cost equal to 0.65% over interbank rates. The bond issue was oversubscribed, orders were received from over 40 investors with total demand around EUR 375 million
- The Bank issued covered bonds to finance mortgages in the Icelandic market, total of ISK 15.9 billion during H1 2018
- Bills issued in H1 amounted to ISK 15.6 billion
- S&P confirmed the ratings of Arion Bank in July





Ratings - S&P

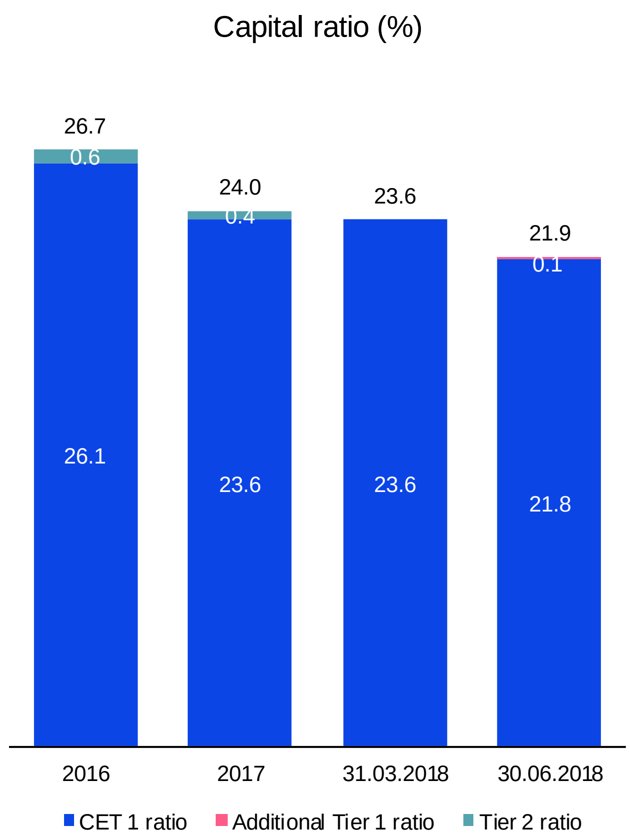
Senior unsecured	BBB+	A
Short term debt	A-2	A-1
Outlook	Stable	Stable

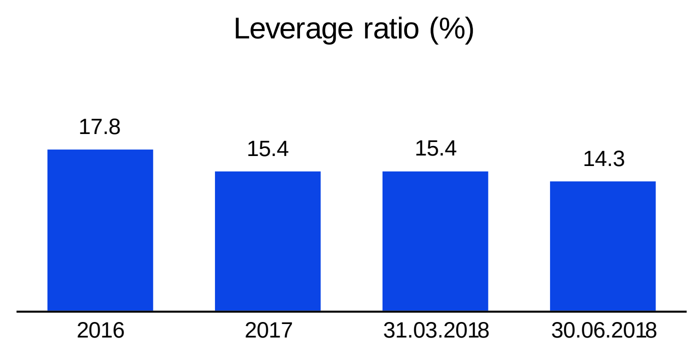
 All amounts in ISK billion

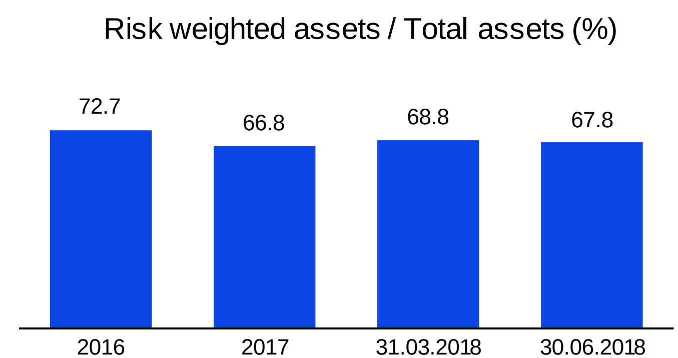
Capital base

Release of surplus capital initiated in Q1 with further distribution expected

- Capital ratio decreases by 170 bps in Q2, mainly due to a proposed dividend payment of ISK 10 bn. expected to be distributed in Q3 but also because of increased RWA density from year end 2017
- RWA are calculated on the basis of the standardized approach and increase from 66.8% at year end 2017 to 67.8% in Q2, mainly because of a currency imbalance at Valitor. The Bank's aim is to lower this imbalance and it's risk weight density
- Leverage ratio decreases to 14.3% which is very strong in an international context



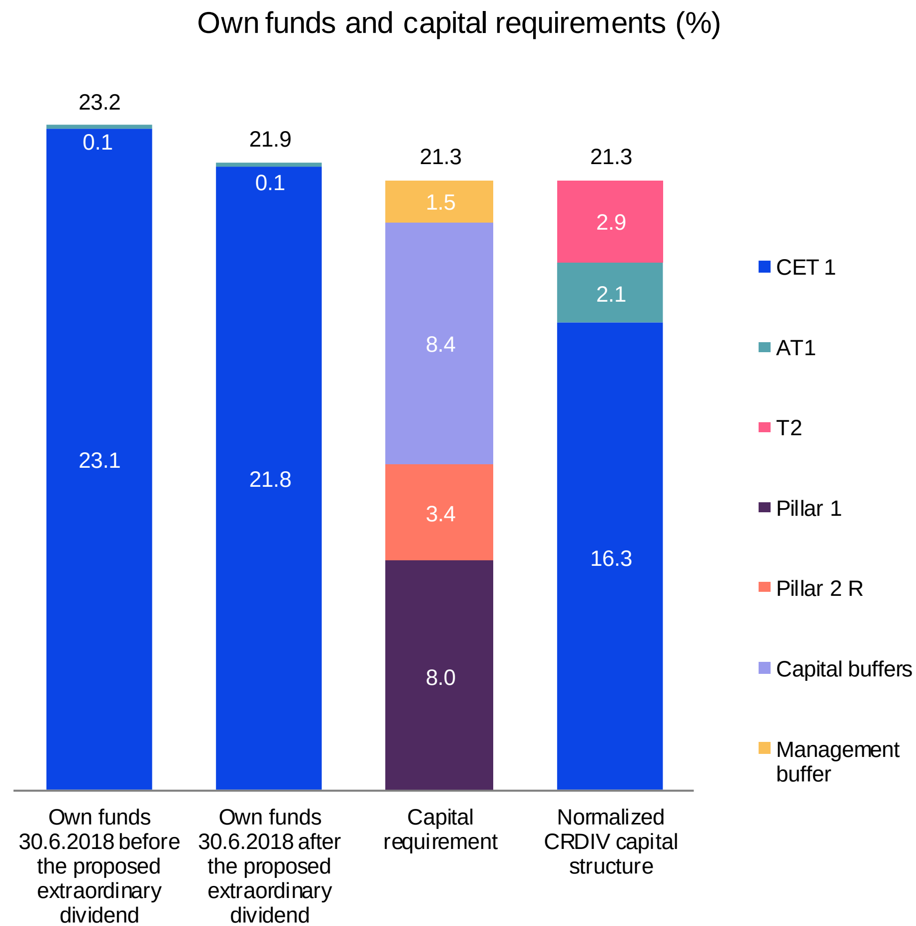




Capital adequacy

Own funds and capital requirements

- The Group's capital adequacy is based on Arion Bank's consolidated situation under CRR, which excludes insurance subsidiaries. The capital position and solvency requirement of Vördur hf. should be viewed separately
- Based on the SREP result determined by the Financial Supervisory Authority and based on the Group's financial statement as at 31 December 2016, and taking into account the combined buffer requirement, the Group's total regulatory capital requirement is 19.8% of risk-weighted assets
- The decrease in total capital ratio, compared to Q1 2018, is primarily due to a proposed extraordinary dividend payment in Q3. Increase in loans to customers and a higher currency imbalance also contribute to the decrease
- Including a management buffer of 1.5% and the proposed extraordinary dividend payment in Q3, surplus capital for the consolidated situation was ISK 5 billion on 30 June 2018
- In May 2018, the FME confirmed the 0.5% increase of the countercyclical capital buffer as was proposed by the Financial Stability Council in April 2018. The increase will take effect on 15 May 2019



Going forward

Lending in 2018 is expected to exceed economic growth and the Bank will focus on maintaining NIM

Strategic review of Valitor will be concluded before year end

Stakksberg (the United Silicon plant) will be put in a sales process in the second half of the year

Performance in Q2 is a solid improvement from Q1 and better reflects normal operations

Arion Bank will continue to explore **optimizing capital** and will look to issue T2 or AT1 later in the year, subject to market conditions

Medium Term Targets

CET 1 Ratio
(Subject to regulatory requirements)
Decrease to circa **17%**

Return on Equity
Exceed **10%**

Cost to Income Ratio
Decrease to circa **50%**

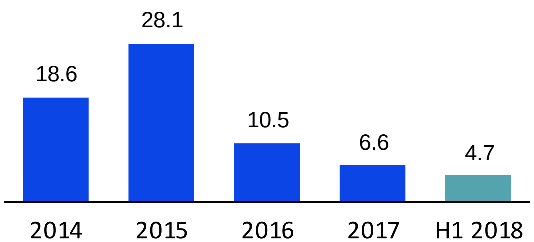
Loan Growth
Prudent lending **in line with economic growth**

Dividend Policy
Pay-out ratio of circa **50%** of net earnings attributable to shareholders

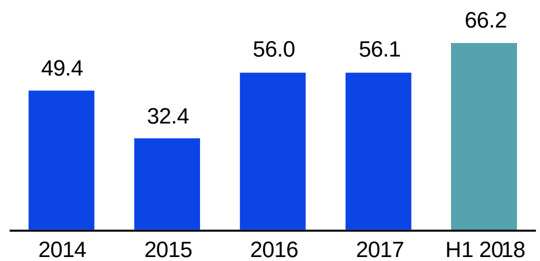
KFI’s and other information

Key financial indicators - annual

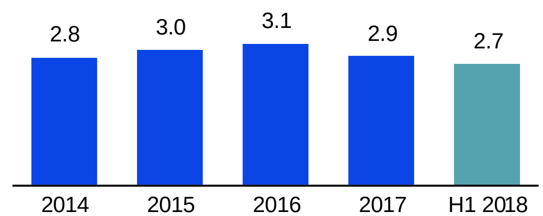
Return on equity (%)



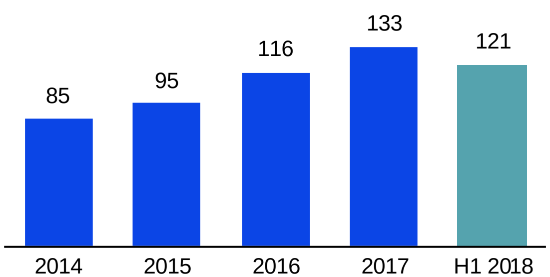
Cost-to-income ratio (%)



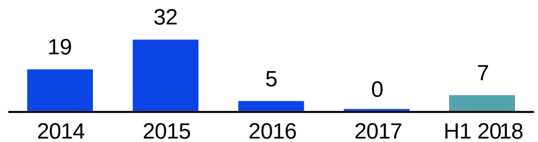
Net interest margin (%)



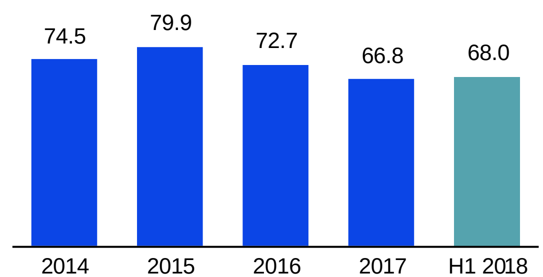
CPI Imbalance – ISK bn.



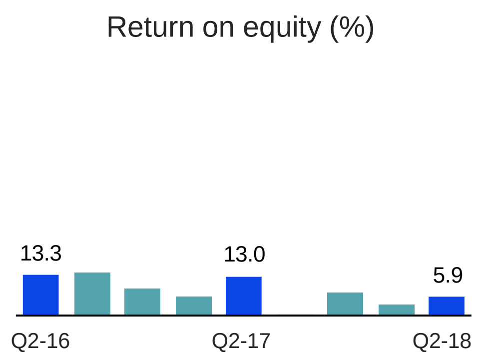
FX Imbalance – ISK bn.

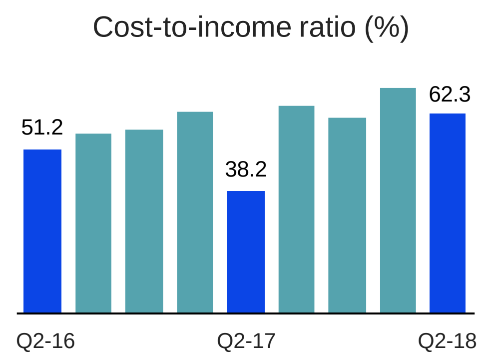


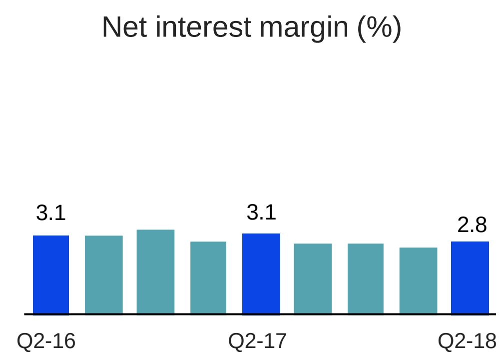
Risk weighted assets / Total assets (%)

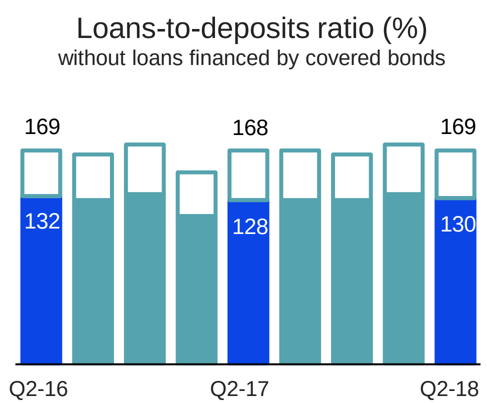


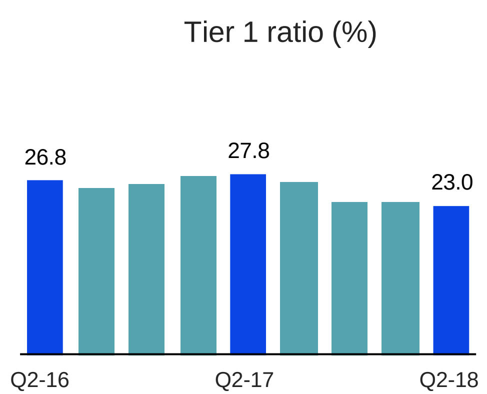
Key financial indicators - quarterly

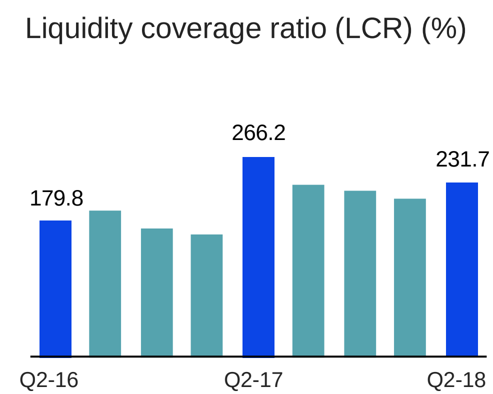












Key figures

Operations	H1 2018	H1 2017	H1 2016	H1 2015	H1 2014	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Net interest income	14,521	15,320	14,626	13,175	11,966	7,613	6,908	7,265	7,250	8,160
Net commission income	8,034	6,838	6,747	7,434	6,593	4,492	3,542	4,654	3,865	3,508
Operating income	26,586	27,857	27,638	36,402	25,937	14,402	12,184	13,924	11,597	15,160
Operating expenses	17,607	13,840	15,155	13,176	12,918	8,975	8,632	8,581	7,540	5,784
Net earnings	5,011	10,466	9,763	19,321	17,409	3,062	1,949	4,066	(113)	7,113
Return on equity	4.7%	9.7%	9.5%	22.8%	23.4%	5.9%	3.6%	7.3%	-0.2%	13.0%
Net interest margin	2.7%	3.0%	3.1%	3.0%	2.8%	2.8%	2.6%	2.7%	2.7%	3.1%
Return on assets	0.9%	1.9%	1.9%	4.0%	3.7%	1.1%	0.7%	1.4%	0.0%	2.6%
Cost-to-income ratio	66.2%	49.7%	54.8%	36.2%	49.8%	62.3%	70.8%	61.6%	65.0%	38.2%
Cost-to-total assets	3.1%	2.5%	3.0%	2.7%	2.7%	3.1%	3.0%	3.0%	2.7%	2.1%
Balance Sheet										
Total assets	1,174,844	1,126,411	1,035,003	974,812	948,991	1,174,844	1,131,768	1,147,754	1,144,853	1,126,411
Loans to customers	803,694	733,649	713,136	667,129	637,085	803,694	782,255	765,101	750,947	733,649
Mortgages	348,434	309,339	289,707	276,671	190,008	348,434	340,202	329,735	318,403	309,339
Share of stage 3 loans, gross	2.3%	-	-	-	-	2.3%	3.2%	-	-	-
Problem loans	-	1.3%	1.9%	3.3%	5.4%	-	-	1.0%	1.4%	1.3%
RWA/ Total assets	67.8%	67.0%	71.8%	74.5%	73.9%	67.8%	68.8%	66.8%	68.4%	67.0%
Tier 1 ratio	21.9%	27.8%	26.8%	21.8%	21.1%	21.9%	23.6%	23.6%	26.6%	27.8%
Leverage ratio	14.3%	17.4%	18.1%	0.0%	0.0%	14.3%	15.4%	15.4%	16.8%	17.4%
Liquidity coverage ratio	231.7%	266.2%	179.8%	138.0%	184.0%	231.7%	209.9%	221.0%	228.6%	266.2%
Loans to deposits ratio	168.8%	167.7%	168.6%	141.2%	134.3%	168.8%	172.7%	165.5%	168.4%	167.7%

Balance sheet

Assets	30.06.2018	31.03.2018	2017	2016	2015	2014
Cash & balances with CB	113	98	140	88	48	21
Loans to credit institutions	114	95	87	80	87	109
Loans to customers	804	782	765	712	680	648
Financial assets	95	106	109	117	133	102
Investment property	7	7	7	5	8	7
Investments in associates	1	1	1	1	27	22
Other assets	42	43	39	32	27	26
Total Assets	**1,175**	**1,132**	**1,148**	**1,036**	**1,011**	**934**
Liabilities and Equity						
Due to credit institutions & CB	6	8	7	8	11	23
Deposits from customers	476	453	462	412	469	455
Other liabilities	74	66	67	65	62	61
Borrowings	411	401	385	339	256	201
Subordinated loans	-	-	-	-	10	32
Shareholders Equity	207	204	226	211	193	161
Non-controlling interest	1	0	0	0	9	2
Total Liabilities and Equity	**1,175**	**1,132**	**1,148**	**1,036**	**1,011**	**934**

 All amounts in ISK billion

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