

Arion Bank Covered Bonds

Investor Report: June 2016



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	37.358	22.931	60.288
Average Loan Balance	13	11	12
Average Customer Balance	17	13	18
No. of Loans	2.856	2.084	4.940
No. of Borrowers	2.164	1.763	3.333
No. of Properties	2.183	1.775	3.364
WA Legal Maturity (in months)	397	368	386
WA Seasoning (in months)	23	26	24
WA LTV	64,0%	54,7%	60,5%
WA Interest Rate	4,0%	7,3%	5,2%

*Indexed mortgages linked to the consumer price index in Iceland as published by Statistics Iceland (Hagstofa Islands: www.hagstofa.is). Non Indexed are fixed rate mortgages

LTV Ranges	Balance	Percent
Less than 40%	6.758	11,2%
40 - 50%	6.204	10,3%
50 - 60%	10.074	16,7%
60 - 70%	19.006	31,5%
70 - 80%	18.246	30,3%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	60.288	100,0%

Property Type	Balance	Percent
Residential	60.288	100,0%
Total	60.288	100,0%

Payment Frequency	Balance	Percent
Monthly	60.288	100,0%
Total	60.288	100,0%

Valuation Type	Balance	Percent
FMR	47.069	78,1%
Contract	10.627	17,6%
External	1.962	3,3%
Internal	553	0,9%
Offer	78	0,1%
Total	60.288	100,0%

Ranking Order	Balance	Percent
1. Rank	48.009	79,6%
2. Rank	12.262	20,3%
3. Rank	17	0,0%
Total	60.288	100,0%

Interest Rate Type	Balance	Percent
3.8% Indexed	8.662	14,4%
3.65% Indexed	6.988	11,6%
7.45% Non-Indexed	6.629	11,0%
7.05% Non-Indexed	4.198	7,0%
3.6% Indexed	3.882	6,4%
3.9% Indexed	3.279	5,4%
4.3% Indexed	2.723	4,5%
Other	23.927	39,7%
Total	60.288	100,0%

Arrears	Balance	Percent
Not in Arrears	58.858	97,6%
0 - 30 days default	1.052	1,7%
30 - 90 days default	272	0,5%
90 - 180 days default	106	0,2%
more than 180 days default	0	0
Total	60.288	100,0%

Area	Balance	Percent
Reykjavik	25.781	42,8%
Capital Area excl. Reykjavik	23.153	38,4%
Norðurland Eystra	4.618	7,7%
Suðurland	2.488	4,1%
Vesturland	1.805	3,0%
Austurland	1.058	1,8%
Norðurland Vestra	771	1,3%
Suðurnes	518	0,9%
Vestfirðir	95	0,2%
Total	60.288	100,0%

Maturity	Balance	Percent
Less than 15 years	1.805	3,0%
15 - 20 years	3.857	6,4%
20 - 25 years	11.919	19,8%
25 - 30 years	5.096	8,5%
30 - 35 years	4.391	7,3%
35 - 40 years	33.212	55,1%
40 - 45 years	9	0,0%
Total	60.288	100,0%

Planned frequency for updates of this summary: 12 times per year.
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Contact:
Investor Relations: samskiptasvidj@arionbanki.is
Head of Funding: EirikurMagnusJensson@arionbanki.is