

Arion Bank Covered Bonds

Investor Report: January 2016



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	32.619	13.067	45.685
Average Loan Balance	13	12	12
Average Customer Balance	17	13	19
No. of Loans	2.565	1.128	3.693
No. of Borrowers	1.911	983	2.348
No. of Properties	1.929	997	2.379
WA Legal Maturity (in months)	396	377	391
WA Seasoning (in months)	21	20	21
WA LTV	63,7%	59,9%	62,6%
WA Interest Rate	4,0%	7,3%	5,0%

*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%	3.306	7,2%
40 - 50%	3.731	8,2%
50 - 60%	8.287	18,1%
60 - 70%	15.102	33,1%
70 - 80%	15.260	33,4%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	45.685	100,0%

Property Type	Balance	Percent
Residential	45.685	100,0%
Total	45.685	100,0%

Payment Frequency	Balance	Percent
Monthly	45.685	100,0%
Total	45.685	100,0%

Valuation Type	Balance	Percent
FMR	32.037	70,1%
Contract	11.183	24,5%
External	1.806	4,0%
Internal	597	1,3%
Offer	62	0,1%
Total	45.685	100,0%

Ranking Order	Balance	Percent
1. Rank	35.494	77,7%
2. Rank	10.184	22,3%
3. Rank	7	0,0%
Total	45.685	100,0%

Interest Rate Type	Balance	Percent
3.8% Indexed	6.019	13,2%
3.65% Indexed	5.600	12,3%
7.45% Non-Indexed	4.156	9,1%
3.6% Indexed	3.781	8,3%
3.9% Indexed	3.238	7,1%
7.05% Non-Indexed	2.799	6,1%
4.3% Indexed	2.624	5,7%
Other	17.469	38,2%
Total	45.685	100,0%

Arrears	Balance	Percent
Not in Arrears	44.724	97,9%
0 - 30 days default	60	0,1%
30 - 90 days default	902	2,0%
90 - 180 days default	0	0
more than 180 days default	0	0
Total	45.685	100,0%

Area	Balance	Percent
Reykjavik	19.848	43,4%
Capital Area excl. Reykjavik	17.335	37,9%
Norðurland Eystra	3.534	7,7%
Suðurland	1.935	4,2%
Vesturland	1.311	2,9%
Austurland	874	1,9%
Norðurland Vestra	425	0,9%
Suðurnes	336	0,7%
Vestfirðir	88	0,2%
Total	45.685	100,0%

Maturity	Balance	Percent
Less than 15 years	1.151	2,5%
15 - 20 years	2.082	4,6%
20 - 25 years	9.934	21,7%
25 - 30 years	3.796	8,3%
30 - 35 years	2.397	5,2%
35 - 40 years	26.317	57,6%
40 - 45 years	8	0,0%
Total	45.685	100,0%

Planned frequency for updates of this summary: 12 times per year.
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