

# Arion Bank Covered Bonds

Investor Report: February 2016



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	32.799	20.490	53.288
Average Loan Balance	13	11	12
Average Customer Balance	17	13	18
No. of Loans	2.599	1.816	4.415
No. of Borrowers	1.938	1.519	2.894
No. of Properties	1.955	1.534	2.924
WA Legal Maturity (in months)	395	369	385
WA Seasoning (in months)	22	24	23
WA LTV	63,3%	56,1%	60,5%
WA Interest Rate	4,0%	7,3%	5,3%

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

LTV Ranges	Balance	Percent
Less than 40%	5.491	10,3%
40 - 50%	5.291	9,9%
50 - 60%	9.982	18,7%
60 - 70%	17.510	32,9%
70 - 80%	15.015	28,2%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	53.288	100,0%

Property Type	Balance	Percent
Residential	53.288	100,0%
Total	53.288	100,0%

Payment Frequency	Balance	Percent
Monthly	53.288	100,0%
Total	53.288	100,0%

Valuation Type	Balance	Percent
FMR	40.667	76,3%
Contract	10.260	19,3%
External	1.726	3,2%
Internal	567	1,1%
Offer	69	0,1%
Total	53.288	100,0%

Ranking Order	Balance	Percent
1. Rank	41.988	78,8%
2. Rank	11.294	21,2%
3. Rank	7	0,0%
Total	53.288	100,0%

Interest Rate Type	Balance	Percent
7.45% Non-Indexed	6.574	12,3%
3.8% Indexed	6.099	11,4%
3.65% Indexed	5.617	10,5%
3.6% Indexed	3.791	7,1%
7.05% Non-Indexed	3.528	6,6%
3.9% Indexed	3.232	6,1%
4.3% Indexed	2.590	4,9%
Other	21.857	41,0%
<b>Total</b>	<b>53.288</b>	<b>100,0%</b>

Arrears	Balance	Percent
Not in Arrears	52.041	97,7%
0 - 30 days default	899	1,7%
30 - 90 days default	283	0,5%
90 - 180 days default	65	0,1%
more than 180 days default	0	0
<b>Total</b>	<b>53.288</b>	<b>100,0%</b>

Area	Balance	Percent
Reykjavik	22.812	42,8%
Capital Area excl. Reykjavik	20.766	39,0%
Norðurland Eystra	4.028	7,6%
Suðurland	2.168	4,1%
Vesturland	1.508	2,8%
Austurland	910	1,7%
Norðurland Vestra	597	1,1%
Suðurnes	406	0,8%
Vestfirðir	94	0,2%
<b>Total</b>	<b>53.288</b>	<b>100,0%</b>

Maturity	Balance	Percent
Less than 15 years	1.663	3,1%
15 - 20 years	2.908	5,5%
20 - 25 years	11.440	21,5%
25 - 30 years	4.411	8,3%
30 - 35 years	3.007	5,6%
35 - 40 years	29.850	56,0%
40 - 45 years	8	0,0%
<b>Total</b>	<b>53.288</b>	<b>100,0%</b>

Planned frequency for updates of this summary: 12 times per year.  
Arion Bank is regulated by the Icelandic Financial Supervisory Authority ([www.fme.is](http://www.fme.is)).

This report has been automatically generated by Arion Bank's Risk Management. The information within are obtained from different sources, not all of which are controlled by Arion Bank, but which Arion Bank deems to be reliable. Whilst reasonable care has been taken to ensure that the contents of this publication are not untrue or misleading, no representation is made as to its accuracy or completeness and no liability is accepted for any loss arising from reliance on it. Arion Bank endeavours to ensure that the information is accurate and up-to-date, and reserves the right to make corrections to the content at any time, without prior notice. However, Arion Bank cannot guarantee that such information is complete or that it has not been modified by an outside party, by means of a virus or system intrusion, for example.

The report is prepared for general circulation and general information only, but it is not intended for any person in the United States. This publication may not be re-produced in whole or in part without permission.

The report shall under no circumstances be used or considered as an investment advice or investment research, or an offer to sell, or a solicitation of any offer to buy any securities. It does not have regard to the specific investment objectives, financial situation or the particular needs of any person who may receive the report. Arion Bank accepts no liability whatsoever for any direct or consequential loss arising from the use of this publication or its contents.

Contact:  
Investor Relations: [samskiptasvidj@arionbanki.is](mailto:samskiptasvidj@arionbanki.is)  
Head of Funding: [EirikurMagnusJensson@arionbanki.is](mailto:EirikurMagnusJensson@arionbanki.is)