

Arion Bank Covered Bonds

Investor Report: October 2016



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	37.180	27.697	64.877
Average Loan Balance	13	11	12
Average Customer Balance	17	13	18
No. of Loans	2.840	2.530	5.370
No. of Borrowers	2.155	2.140	3.691
No. of Properties	2.177	2.149	3.721
WA Legal Maturity (in months)	394	369	383
WA Seasoning (in months)	26	29	27
WA LTV	63,9%	53,9%	59,6%
WA Interest Rate	4,0%	7,2%	5,3%

*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%	8.179	12,6%
40 - 50%	7.416	11,4%
50 - 60%	10.410	16,0%
60 - 70%	19.921	30,7%
70 - 80%	18.965	29,2%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	64.890	100,0%

Property Type	Balance	Percent
Residential	64.877	100,0%
Total	64.877	100,0%

Payment Frequency	Balance	Percent
Monthly	64.877	100,0%
Total	64.877	100,0%

Valuation Type	Balance	Percent
FMR	53.916	83,1%
Contract	8.397	12,9%
External	2.150	3,3%
Internal	371	0,6%
Offer	43	0,1%
Total	64.877	100,0%

Ranking Order	Balance	Percent
1. Rank	52.272	80,6%
2. Rank	12.559	19,4%
3. Rank	45	0,1%
4. Rank	1	0,0%
Total	64.877	100,0%

Interest Rate Type	Balance	Percent
3.8% Indexed	8.947	13,8%
7.45% Non-Indexed	7.246	11,2%
3.65% Indexed	7.179	11,1%
7.05% Non-Indexed	4.955	7,6%
3.6% Indexed	3.768	5,8%
3.9% Indexed	3.189	4,9%
6.45% Non-Indexed	2.662	4,1%
4.3% Indexed	2.650	4,1%
Other	24.281	37,4%
Total	64.877	100,0%

Arrears	Balance	Percent	Count
Not in Arrears	63.454	97,8%	5.278
0 - 30 days default	111	0,2%	8
30 - 90 days default	1.282	2,0%	83
90 - 180 days default	30	0,0%	12
more than 180 days default	0	0	3

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Area	Balance	Percent
Reykjavik	27.603	42,5%
Capital Area excl. Reykjavik	24.849	38,3%
Norðurland Eystra	4.675	7,2%
Suðurland	2.798	4,3%
Vesturland	2.114	3,3%
Austurland	1.235	1,9%
Norðurland Vestra	894	1,4%
Suðurnes	615	0,9%
Vestfirðir	93	0,1%
Total	64.877	100,0%

Maturity	Balance	Percent
Less than 15 years	2.001	3,1%
15 - 20 years	4.765	7,3%
20 - 25 years	12.031	18,5%
25 - 30 years	5.635	8,7%
30 - 35 years	6.201	9,6%
35 - 40 years	34.235	52,8%
40 - 45 years	9	0,0%
Total	64.877	100,0%

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