

Arion Bank Covered Bonds

Investor Report: January 2017



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	45.608	27.108	72.716
Average Loan Balance	14	11	12
Average Customer Balance	17	12	17
No. of Loans	3.346	2.543	5.889
No. of Borrowers	2.628	2.176	4.223
No. of Properties	2.653	2.191	4.264
WA Legal Maturity (in months)	378	366	374
WA Seasoning (in months)	47	31	41
WA LTV	59,4%	49,4%	55,7%
WA Interest Rate	4,0%	7,2%	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%	12.351	17,0%
40 - 50%	10.025	13,8%
50 - 60%	15.988	22,0%
60 - 70%	21.285	29,3%
70 - 80%	13.067	18,0%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	72.716	100,0%

Property Type	Balance	Percent
Residential	72.716	100,0%
Total	72.716	100,0%

Payment Frequency	Balance	Percent
Monthly	72.616	99,9%
Quarterly	53	0,1%
Other	13	0,0%
Semi-Annual	34	0,0%
Total	72.716	100,0%

Valuation Type	Balance	Percent
FMR	64.355	88,5%
Contract	6.163	8,5%
External	1.728	2,4%
Internal	412	0,6%
Offer	58	0,1%
Total	72.716	100,0%

Ranking Order	Balance	Percent
1. Rank	60.454	83,1%
2. Rank	12.193	16,8%
3. Rank	58	0,1%
4. Rank	11	0,0%
Total	72.716	100,0%

Interest Rate Type	Balance	Percent
3.8% Indexed	9.633	13,2%
3.65% Indexed	7.327	10,1%
7.45% Non-Indexed	6.901	9,5%
4.15% Indexed	4.414	6,1%
3.6% Indexed	3.572	4,9%
3.9% Indexed	3.098	4,3%
6.8% Non-Indexed	3.066	4,2%
7.05% Non-Indexed	2.947	4,1%
Other	31.758	43,7%
Total	72.716	100,0%

Arrears	Balance	Percent	Count
Not in Arrears	71.091	97,8%	5.791
0 - 30 days default	113	0,2%	9
30 - 90 days default	1.482	2,0%	99
90 - 180 days default	30	0,0%	6
more than 180 days default	0	0	4

*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

Area	Balance	Percent
Reykjavik	31.896	43,9%
Capital Area excl. Reykjavik	27.815	38,3%
Norðurland Eystra	4.619	6,4%
Suðurland	3.024	4,2%
Vesturland	2.302	3,2%
Austurland	1.313	1,8%
Norðurland Vestra	905	1,2%
Suðurnes	749	1,0%
Vestfirðir	94	0,1%
Total	72.716	100,0%

Maturity	Balance	Percent
Less than 15 years	3.463	4,8%
15 - 20 years	5.255	7,2%
20 - 25 years	11.580	15,9%
25 - 30 years	10.970	15,1%
30 - 35 years	7.978	11,0%
35 - 40 years	33.461	46,0%
40 - 45 years	9	0,0%
Total	72.716	100,0%

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
Head of Funding: EirikurMagnusJensson@arionbanki.is