

Arion Bank Covered Bonds

Investor Report: May 2017



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	51.168	27.316	78.484
Average Loan Balance	13	11	12
Average Customer Balance	18	12	18
No. of Loans	3.842	2.590	6.432
No. of Borrowers	2.874	2.228	4.428
No. of Properties	2.903	2.241	4.466
WA Legal Maturity (in months)	376	363	371
WA Seasoning (in months)	46	34	41
WA LTV	61,9%	50,8%	58,1%
WA Interest Rate	4,1%	7,1%	5,1%

*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%	12.490	15,9%
40 - 50%	9.556	12,2%
50 - 60%	13.897	17,7%
60 - 70%	20.817	26,5%
70 - 80%	21.723	27,7%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	78.484	100,0%

Property Type	Balance	Percent
Residential	78.484	100,0%
Total	78.484	100,0%

Payment Frequency	Balance	Percent
Monthly	78.383	99,9%
Quarterly	53	0,1%
Other	13	0,0%
Semi-Annual	35	0,0%
Total	78.484	100,0%

Valuation Type	Balance	Percent
FMR	70.014	89,2%
Contract	5.650	7,2%
External	2.434	3,1%
Internal	385	0,5%
Total	78.484	100,0%

Ranking Order	Balance	Percent
1. Rank	62.780	80,0%
2. Rank	15.276	19,5%
3. Rank	417	0,5%
4. Rank	11	0,0%
Total	78.484	100,0%

Interest Rate Type	Balance	Percent
3.8% Indexed	11.039	14,1%
3.65% Indexed	8.819	11,2%
7.45% Non-Indexed	6.842	8,7%
4.15% Indexed	4.242	5,4%
3.6% Indexed	3.475	4,4%
Other	44.066	56,1%
Total	78.484	100,0%

Arrears	Balance	Percent	Count
Not in Arrears	76.702	97,7%	6.345
0 - 30 days default	135	0,2%	9
30 - 90 days default	1.617	2,1%	98
90 - 180 days default	30	0,0%	8
more than 180 days default	0	0	3

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Area	Balance	Percent
Reykjavik	32.824	41,8%
Capital Area excl. Reykjavik	30.851	39,3%
Norðurland Eystra	4.860	6,2%
Suðurland	3.283	4,2%
Vesturland	3.122	4,0%
Austurland	1.327	1,7%
Suðurnes	1.177	1,5%
Norðurland Vestra	933	1,2%
Vestfirðir	107	0,1%
Total	78.484	100,0%

Maturity	Balance	Percent
Less than 15 years	3.784	4,8%
15 - 20 years	5.679	7,2%
20 - 25 years	13.462	17,2%
25 - 30 years	10.992	14,0%
30 - 35 years	9.799	12,5%
35 - 40 years	34.757	44,3%
40 - 45 years	9	0,0%
Total	78.484	100,0%

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