

Arion Bank Covered Bonds

Investor Report: October 2017



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	67.578	29.166	96.744
Average Loan Balance	14	10	12
Average Customer Balance	18	11	18
No. of Loans	4.888	2.916	7.804
No. of Borrowers	3.661	2.558	5.472
No. of Properties	3.691	2.569	5.516
WA Legal Maturity (in months)	380	359	374
WA Seasoning (in months)	37	34	36
WA LTV	63,5%	50,9%	59,7%
WA Interest Rate	4,0%	6,8%	4,9%

*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%	13.954	14,4%
40 - 50%	10.398	10,7%
50 - 60%	15.784	16,3%
60 - 70%	23.470	24,3%
70 - 80%	33.137	34,3%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	96.744	100,0%

Property Type	Balance	Percent
Residential	96.744	100,0%
Total	96.744	100,0%

Payment Frequency	Balance	Percent
Monthly	96.605	99,9%
Quarterly	70	0,1%
Other	13	0,0%
Annual	1	0,0%
Semi-Annual	55	0,1%
Total	96.744	100,0%

Valuation Type	Balance	Percent
FMR	77.870	80,5%
Contract	13.028	13,5%
External	5.322	5,5%
Internal	524	0,5%
Total	96.744	100,0%

Ranking Order	Balance	Percent
1. Rank	75.898	78,5%
2. Rank	19.907	20,6%
3. Rank	929	1,0%
4. Rank	9	0,0%
Total	96.744	100,0%

Interest Rate Type	Balance	Percent
3.8% Indexed	17.614	18,2%
3.65% Indexed	16.513	17,1%
7.45% Non-Indexed	5.187	5,4%
4.15% Indexed	4.047	4,2%
5.69% Non-Indexed	3.916	4,0%
Other	49.467	51,1%
Total	96.744	100,0%

Arrears	Balance	Percent	Count
Not in Arrears	94.556	97,7%	7.661
0 - 30 days default	92	0,1%	6
30 - 90 days default	2.096	2,2%	131
90 - 180 days default	0	0	5
more than 180 days default	0	0	6

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Area	Balance	Percent
Reykjavik	41.614	43,0%
Capital Area excl. Reykjavik	35.993	37,2%
Norðurland Eystra	6.732	7,0%
Suðurland	4.659	4,8%
Vesturland	3.344	3,5%
Austurland	1.703	1,8%
Suðurnes	1.340	1,4%
Norðurland Vestra	1.262	1,3%
Vestfirðir	97	0,1%
Total	96.744	100,0%

Maturity	Balance	Percent
Less than 15 years	4.657	4,8%
15 - 20 years	6.698	6,9%
20 - 25 years	17.060	17,6%
25 - 30 years	13.596	14,1%
30 - 35 years	11.372	11,8%
35 - 40 years	43.352	44,8%
40 - 45 years	9	0,0%
Total	96.744	100,0%

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