

Arion Bank Covered Bonds

Investor Report: September 2017



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	59.102	30.692	89.795
Average Loan Balance	14	10	12
Average Customer Balance	18	12	17
No. of Loans	4.368	3.042	7.410
No. of Borrowers	3.306	2.656	5.211
No. of Properties	3.342	2.667	5.256
WA Legal Maturity (in months)	377	361	371
WA Seasoning (in months)	41	33	38
WA LTV	62,5%	51,0%	58,6%
WA Interest Rate	4,0%	6,9%	5,0%

*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%	14.185	15,8%
40 - 50%	10.830	12,1%
50 - 60%	14.671	16,3%
60 - 70%	22.098	24,6%
70 - 80%	28.011	31,2%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	89.795	100,0%

Property Type	Balance	Percent
Residential	89.795	100,0%
Total	89.795	100,0%

Payment Frequency	Balance	Percent
Monthly	89.660	99,8%
Quarterly	66	0,1%
Other	13	0,0%
Annual	1	0,0%
Semi-Annual	55	0,1%
Total	89.795	100,0%

Valuation Type	Balance	Percent
FMR	76.897	85,6%
Contract	8.868	9,9%
External	3.481	3,9%
Internal	549	0,6%
Total	89.795	100,0%

Ranking Order	Balance	Percent
1. Rank	71.347	79,5%
2. Rank	17.593	19,6%
3. Rank	841	0,9%
4. Rank	13	0,0%
Total	89.795	100,0%

Interest Rate Type	Balance	Percent
3.8% Indexed	14.798	16,5%
3.65% Indexed	12.711	14,2%
7.45% Non-Indexed	5.642	6,3%
5.85% Non-Indexed	4.439	4,9%
4.15% Indexed	4.035	4,5%
7.25% Non-Indexed	3.942	4,4%
Other	44.227	49,3%
Total	89.795	100,0%

Arrears	Balance	Percent	Count
Not in Arrears	87.962	98,0%	7.315
0 - 30 days default	1.285	1,4%	90
30 - 90 days default	547	0,6%	32
90 - 180 days default	0	0	6
more than 180 days default	0	0	5

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Area	Balance	Percent
Reykjavik	38.733	43,1%
Capital Area excl. Reykjavik	33.539	37,4%
Norðurland Eystra	6.138	6,8%
Suðurland	4.076	4,5%
Vesturland	3.215	3,6%
Austurland	1.613	1,8%
Norðurland Vestra	1.196	1,3%
Suðurnes	1.180	1,3%
Vestfirðir	103	0,1%
Total	89.795	100,0%

Maturity	Balance	Percent
Less than 15 years	4.541	5,1%
15 - 20 years	6.399	7,1%
20 - 25 years	15.575	17,3%
25 - 30 years	12.922	14,4%
30 - 35 years	11.027	12,3%
35 - 40 years	39.321	43,8%
40 - 45 years	9	0,0%
Total	89.795	100,0%

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