

# Arion Bank Covered Bonds

Investor Report: January 2018



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	77.741	29.841	107.583
Average Loan Balance	14	10	13
Average Customer Balance	19	12	19
No. of Loans	5.460	2.966	8.426
No. of Borrowers	4.070	2.554	5.790
No. of Properties	4.100	2.566	5.835
WA Legal Maturity (in months)	381	360	375
WA Seasoning (in months)	34	34	34
WA LTV	59,5%	48,3%	56,4%
WA Interest Rate	4,0%	6,7%	4,8%

\*Indexed mortgages linked to the consumer price index in Iceland as published by Statistics Iceland (Hagstofa Islands: [www.hagstofa.is](http://www.hagstofa.is)). Non Indexed are fixed rate mortgages

LTV Ranges	Balance	Percent
Less than 40%	18.432	17,1%
40 - 50%	13.607	12,6%
50 - 60%	24.468	22,7%
60 - 70%	26.023	24,2%
70 - 80%	25.052	23,3%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	107.583	100,0%

Property Type	Balance	Percent
Residential	107.583	100,0%
Total	107.583	100,0%

Payment Frequency	Balance	Percent
Monthly	107.434	99,9%
Quarterly	86	0,1%
Other	13	0,0%
Annual	1	0,0%
Semi-Annual	49	0,0%
Total	107.583	100,0%

Valuation Type	Balance	Percent
FMR	84.403	78,5%
Contract	15.376	14,3%
External	7.273	6,8%
Internal	513	0,5%
Offer	19	0,0%
Total	107.583	100,0%

Ranking Order	Balance	Percent
1. Rank	81.582	75,8%
2. Rank	24.994	23,2%
3. Rank	998	0,9%
4. Rank	9	0,0%
Total	107.583	100,0%

Interest Rate Type	Balance	Percent
3.65% Indexed	20.835	19,4%
3.8% Indexed	19.831	18,4%
5.6% Non-Indexed	5.346	5,0%
Other	61.571	57,2%
Total	107.583	100,0%

Arrears	Balance	Percent	Count
Not in Arrears	104.944	97,5%	8.256
0 - 30 days default	131	0,1%	8
30 - 90 days default	2.507	2,3%	151
90 - 180 days default	0	0	12
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](http://www.hagstofa.is)). Non Indexed are fixed rate mortgages

Area	Balance	Percent
Reykjavik	46.318	43,1%
Capital Area excl. Reykjavik	39.182	36,4%
Norðurland Eystra	7.712	7,2%
Suðurland	5.444	5,1%
Vesturland	3.661	3,4%
Suðurnes	1.801	1,7%
Austurland	1.797	1,7%
Norðurland Vestra	1.561	1,5%
Vestfirðir	108	0,1%
Total	107.583	100,0%

Maturity	Balance	Percent
Less than 15 years	4.803	4,5%
15 - 20 years	7.491	7,0%
20 - 25 years	19.358	18,0%
25 - 30 years	14.661	13,6%
30 - 35 years	12.038	11,2%
35 - 40 years	49.231	45,8%
Total	107.583	100,0%

Planned frequency for updates of this summary: 12 times per year.  
Arion Bank is regulated by the Icelandic Financial Supervisory Authority ([www.fme.is](http://www.fme.is)).

This report has been automatically generated by Arion Bank's Risk Management. The information within are obtained from different sources, not all of which are controlled by Arion 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](mailto:samskiptasvidj@arionbanki.is)  
Head of Funding: [EirikurMagnusJensson@arionbanki.is](mailto:EirikurMagnusJensson@arionbanki.is)