

# Arion Bank Covered Bonds

Investor Report: September 2018



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	88.787	34.298	123.086
Average Loan Balance	15	11	14
Average Customer Balance	20	12	19
No. of Loans	5.896	3.174	9.070
No. of Borrowers	4.483	2.769	6.387
No. of Properties	4.513	2.784	6.437
WA Legal Maturity (in months)	386	363	380
WA Seasoning (in months)	34	34	34
WA LTV	58,8%	43,1%	54,4%
WA Interest Rate	4,0%	6,5%	4,7%

\*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%	26.835	21,8%
40 - 50%	17.495	14,2%
50 - 60%	27.063	22,0%
60 - 70%	25.211	20,5%
70 - 80%	26.482	21,5%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	123.086	100,0%

Property Type	Balance	Percent
Residential	123.086	100,0%
Total	123.086	100,0%

Payment Frequency	Balance	Percent
Monthly	122.889	99,8%
Quarterly	81	0,1%
Other	13	0,0%
Semi-Annual	103	0,1%
Total	123.086	100,0%

Valuation Type	Balance	Percent
FMR	105.834	86,0%
Contract	13.151	10,7%
External	3.504	2,8%
Internal	569	0,5%
Offer	28	0,0%
Total	123.086	100,0%

Ranking Order	Balance	Percent
1. Rank	94.623	76,9%
2. Rank	27.373	22,2%
3. Rank	1.080	0,9%
4. Rank	9	0,0%
Total	123.086	100,0%

Interest Rate Type	Balance	Percent
3.65% Indexed	28.258	23,0%
3.8% Indexed	24.863	20,2%
6% Non-Indexed	8.679	7,1%
Other	61.285	49,8%
Total	123.086	100,0%

Arrears	Balance	Percent	Count
Not in Arrears	120.162	97,6%	8.890
0 - 30 days default	2.402	2,0%	133
30 - 90 days default	522	0,4%	33
90 - 180 days default	0	0	10
more than 180 days default	0	0	10

\*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	52.089	42,3%
Capital Area excl. Reykjavik	45.390	36,9%
Norðurland Eystra	8.539	6,9%
Suðurland	6.807	5,5%
Vesturland	4.150	3,4%
Suðurnes	2.058	1,7%
Austurland	1.989	1,6%
Norðurland Vestra	1.871	1,5%
Vestfirðir	192	0,2%
Total	123.086	100,0%

Maturity	Balance	Percent
Less than 15 years	4.855	3,9%
15 - 20 years	8.514	6,9%
20 - 25 years	19.663	16,0%
25 - 30 years	16.579	13,5%
30 - 35 years	14.786	12,0%
35 - 40 years	58.689	47,7%
Total	123.086	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)