

Arion Bank Covered Bonds

Investor Report: October 2015



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	28.518	12.200	40.718
Average Loan Balance	13	12	13
Average Customer Balance	17	13	19
No. of Loans	2.241	991	3.232
No. of Borrowers	1.702	917	2.147
No. of Properties	1.720	928	2.174
WA Legal Maturity (in months)	401	383	396
WA Seasoning (in months)	21	17	20
WA LTV	65,9%	60,4%	64,2%
WA Interest Rate	4,0%	7,2%	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%	2.544	6,2%
40 - 50%	2.975	7,3%
50 - 60%	6.751	16,6%
60 - 70%	12.365	30,4%
70 - 80%	16.083	39,5%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	40.718	100,0%

Property Type	Balance	Percent
Residential	40.718	100,0%
Total	40.718	100,0%

Payment Frequency	Balance	Percent
Monthly	40.718	100,0%
Total	40.718	100,0%

Valuation Type	Balance	Percent
FMR	28.240	69,4%
Contract	10.320	25,3%
External	1.670	4,1%
Internal	452	1,1%
Offer	36	0,1%
Total	40.718	100,0%

Ranking Order	Balance	Percent
1. Rank	32.353	79,5%
2. Rank	8.366	20,5%
Total	40.718	100,0%

Interest Rate Type	Balance	Percent
3.8% Indexed	5.232	12,8%
3.82% Indexed	4.156	10,2%
3.6% Indexed	3.956	9,7%
7.45% Non-Indexed	3.702	9,1%
4.3% Indexed	2.456	6,0%
3.9% Indexed	2.306	5,7%
7.05% Non-Indexed	2.195	5,4%
6.8% Non-Indexed	2.039	5,0%
Other	14.677	36,0%
Total	40.718	100,0%

Arrears	Balance	Percent
Not in Arrears	40.092	98,5%
0 - 30 days default	49	0,1%
30 - 90 days default	577	1,4%
90 - 180 days default	0	0
more than 180 days default	0	0
Total	40.718	100,0%

Area	Balance	Percent
Reykjavik	17.760	43,6%
Capital Area excl. Reykjavik	15.010	36,9%
Norðurland Eystra	3.241	8,0%
Suðurland	1.814	4,5%
Vesturland	1.234	3,0%
Austurland	844	2,1%
Norðurland Vestra	412	1,0%
Suðurnes	313	0,8%
Vestfirðir	89	0,2%
Total	40.718	100,0%

Maturity	Balance	Percent
Less than 15 years	895	2,2%
15 - 20 years	1.679	4,1%
20 - 25 years	8.634	21,2%
25 - 30 years	3.276	8,0%
30 - 35 years	1.818	4,5%
35 - 40 years	24.397	59,9%
40 - 45 years	20	0,0%
Total	40.718	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).

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
Head of Funding: EirikurMagnusJensson@arionbanki.is