

Arion Bank Covered Bonds

Investor Report: September 2016



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	37.402	28.229	65.631
Average Loan Balance	13	11	12
Average Customer Balance	17	13	18
No. of Loans	2.867	2.574	5.441
No. of Borrowers	2.175	2.168	3.731
No. of Properties	2.199	2.179	3.764
WA Legal Maturity (in months)	394	369	384
WA Seasoning (in months)	25	28	26
WA LTV	63,7%	54,0%	59,5%
WA Interest Rate	4,0%	7,2%	5,4%

*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%	8.318	12,7%
40 - 50%	7.392	11,3%
50 - 60%	10.557	16,1%
60 - 70%	20.642	31,5%
70 - 80%	18.723	28,5%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	65.631	100,0%

Property Type	Balance	Percent
Residential	65.631	100,0%
Total	65.631	100,0%

Payment Frequency	Balance	Percent
Monthly	65.631	100,0%
Total	65.631	100,0%

Valuation Type	Balance	Percent
FMR	53.646	81,7%
Contract	9.378	14,3%
External	2.188	3,3%
Internal	376	0,6%
Offer	43	0,1%
Total	65.631	100,0%

Ranking Order	Balance	Percent
1. Rank	52.786	80,4%
2. Rank	12.798	19,5%
3. Rank	45	0,1%
4. Rank	1	0,0%
Total	65.631	100,0%

Interest Rate Type	Balance	Percent
3.8% Indexed	8.925	13,6%
7.45% Non-Indexed	7.367	11,2%
3.65% Indexed	7.230	11,0%
7.05% Non-Indexed	4.932	7,5%
3.6% Indexed	3.755	5,7%
3.9% Indexed	3.197	4,9%
6.45% Non-Indexed	2.787	4,2%
4.3% Indexed	2.666	4,1%
Other	24.772	37,7%
Total	65.631	100,0%

Arrears	Balance	Percent	Count
Not in Arrears	64.224	97,9%	5.351
0 - 30 days default	1.021	1,6%	75
30 - 90 days default	385	0,6%	24
90 - 180 days default	0	0	7
more than 180 days default	0	0	4

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Area	Balance	Percent
Reykjavik	27.989	42,6%
Capital Area excl. Reykjavik	25.054	38,2%
Norðurland Eystra	4.801	7,3%
Suðurland	2.826	4,3%
Vesturland	2.118	3,2%
Austurland	1.235	1,9%
Norðurland Vestra	901	1,4%
Suðurnes	615	0,9%
Vestfirðir	93	0,1%
Total	65.631	100,0%

Maturity	Balance	Percent
Less than 15 years	2.026	3,1%
15 - 20 years	4.787	7,3%
20 - 25 years	12.281	18,7%
25 - 30 years	5.680	8,7%
30 - 35 years	6.091	9,3%
35 - 40 years	34.756	53,0%
40 - 45 years	9	0,0%
Total	65.631	100,0%

Planned frequency for updates of this summary: 12 times per year.
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Contact:
Investor Relations: samskiptasvidj@arionbanki.is
Head of Funding: EirikurMagnusJensson@arionbanki.is