

Arion Bank Covered Bonds

Investor Report: December 2016



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	43.013	27.631	70.644
Average Loan Balance	13	11	12
Average Customer Balance	17	13	17
No. of Loans	3.202	2.584	5.786
No. of Borrowers	2.504	2.208	4.123
No. of Properties	2.532	2.223	4.168
WA Legal Maturity (in months)	381	367	375
WA Seasoning (in months)	42	30	37
WA LTV	58,9%	50,1%	55,5%
WA Interest Rate	4,0%	7,2%	5,2%

*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%	12.066	17,1%
40 - 50%	9.640	13,6%
50 - 60%	15.731	22,3%
60 - 70%	21.315	30,2%
70 - 80%	11.892	16,8%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	70.644	100,0%

Property Type	Balance	Percent
Residential	70.644	100,0%
Total	70.644	100,0%

Payment Frequency	Balance	Percent
Monthly	70.542	99,9%
Quarterly	54	0,1%
Other	13	0,0%
Semi-Annual	35	0,0%
Total	70.644	100,0%

Valuation Type	Balance	Percent
FMR	61.078	86,5%
Contract	7.015	9,9%
External	2.035	2,9%
Internal	452	0,6%
Offer	65	0,1%
Total	70.644	100,0%

Ranking Order	Balance	Percent
1. Rank	58.283	82,5%
2. Rank	12.292	17,4%
3. Rank	58	0,1%
4. Rank	11	0,0%
Total	70.644	100,0%

Interest Rate Type	Balance	Percent
3.8% Indexed	9.358	13,2%
3.65% Indexed	7.291	10,3%
7.45% Non-Indexed	7.005	9,9%
3.6% Indexed	3.637	5,1%
4.15% Indexed	3.362	4,8%
3.9% Indexed	3.144	4,5%
7.05% Non-Indexed	3.032	4,3%
Other	33.814	47,9%
Total	70.644	100,0%

Arrears	Balance	Percent	Count
Not in Arrears	69.426	98,3%	5.716
0 - 30 days default	39	0,1%	5
30 - 90 days default	1.179	1,7%	77
90 - 180 days default	0	0	4
more than 180 days default	0	0	3

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Area	Balance	Percent
Reykjavik	30.574	43,3%
Capital Area excl. Reykjavik	27.182	38,5%
Norðurland Eystra	4.670	6,6%
Suðurland	3.035	4,3%
Vesturland	2.197	3,1%
Austurland	1.271	1,8%
Norðurland Vestra	918	1,3%
Suðurnes	703	1,0%
Vestfirðir	95	0,1%
Total	70.644	100,0%

Maturity	Balance	Percent
Less than 15 years	3.423	4,8%
15 - 20 years	5.039	7,1%
20 - 25 years	11.927	16,9%
25 - 30 years	9.205	13,0%
30 - 35 years	7.134	10,1%
35 - 40 years	33.908	48,0%
40 - 45 years	9	0,0%
Total	70.644	100,0%

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Contact:
Investor Relations: samskiptasvidj@arionbanki.is
Head of Funding: EirikurMagnusJensson@arionbanki.is