

Arion Bank Covered Bonds

Investor Report: May 2016



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	36.263	23.230	59.493
Average Loan Balance	13	11	12
Average Customer Balance	17	13	18
No. of Loans	2.799	2.104	4.903
No. of Borrowers	2.109	1.775	3.287
No. of Properties	2.129	1.787	3.319
WA Legal Maturity (in months)	397	369	386
WA Seasoning (in months)	23	25	24
WA LTV	63,7%	54,9%	60,3%
WA Interest Rate	4,0%	7,3%	5,3%

*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%	6.698	11,3%
40 - 50%	6.168	10,4%
50 - 60%	10.255	17,2%
60 - 70%	18.770	31,6%
70 - 80%	17.603	29,6%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	59.493	100,0%

Property Type	Balance	Percent
Residential	59.493	100,0%
Total	59.493	100,0%

Payment Frequency	Balance	Percent
Monthly	59.493	100,0%
Total	59.493	100,0%

Valuation Type	Balance	Percent
FMR	45.517	76,5%
Contract	11.185	18,8%
External	2.070	3,5%
Internal	643	1,1%
Offer	78	0,1%
Total	59.493	100,0%

Ranking Order	Balance	Percent
1. Rank	47.333	79,6%
2. Rank	12.149	20,4%
3. Rank	12	0,0%
Total	59.493	100,0%

Interest Rate Type	Balance	Percent
3.8% Indexed	7.897	13,3%
3.65% Indexed	6.762	11,4%
7.45% Non-Indexed	6.709	11,3%
7.05% Non-Indexed	4.230	7,1%
3.6% Indexed	3.862	6,5%
3.9% Indexed	3.281	5,5%
4.3% Indexed	2.732	4,6%
Other	24.021	40,4%
Total	59.493	100,0%

Arrears	Balance	Percent
Not in Arrears	58.409	98,2%
0 - 30 days default	9	0,0%
30 - 90 days default	1.076	1,8%
90 - 180 days default	0	0
more than 180 days default	0	0
Total	59.493	100,0%

Area	Balance	Percent
Reykjavik	25.334	42,6%
Capital Area excl. Reykjavik	23.068	38,8%
Norðurland Eystra	4.521	7,6%
Suðurland	2.421	4,1%
Vesturland	1.704	2,9%
Austurland	1.044	1,8%
Norðurland Vestra	757	1,3%
Suðurnes	548	0,9%
Vestfirðir	95	0,2%
Total	59.493	100,0%

Maturity	Balance	Percent
Less than 15 years	1.821	3,1%
15 - 20 years	3.757	6,3%
20 - 25 years	11.878	20,0%
25 - 30 years	5.082	8,5%
30 - 35 years	4.049	6,8%
35 - 40 years	32.899	55,3%
40 - 45 years	9	0,0%
Total	59.493	100,0%

Planned frequency for updates of this summary: 12 times per year.
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