

Arion Bank Covered Bonds

Investor Report: December 2017



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	72.306	29.545	101.851
Average Loan Balance	14	10	13
Average Customer Balance	19	12	18
No. of Loans	5.173	2.959	8.132
No. of Borrowers	3.861	2.566	5.676
No. of Properties	3.890	2.577	5.720
WA Legal Maturity (in months)	381	359	375
WA Seasoning (in months)	35	34	35
WA LTV	64,0%	52,3%	60,6%
WA Interest Rate	4,0%	6,8%	4,8%

*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%	13.767	13,5%
40 - 50%	10.575	10,4%
50 - 60%	15.834	15,5%
60 - 70%	23.938	23,5%
70 - 80%	37.737	37,1%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	101.851	100,0%

Property Type	Balance	Percent
Residential	101.851	100,0%
Total	101.851	100,0%

Payment Frequency	Balance	Percent
Monthly	101.708	99,9%
Quarterly	80	0,1%
Other	13	0,0%
Annual	1	0,0%
Semi-Annual	49	0,0%
Total	101.851	100,0%

Valuation Type	Balance	Percent
FMR	79.916	78,5%
Contract	14.624	14,4%
External	6.697	6,6%
Internal	598	0,6%
Offer	16	0,0%
Total	101.851	100,0%

Ranking Order	Balance	Percent
1. Rank	79.484	78,0%
2. Rank	21.495	21,1%
3. Rank	863	0,8%
4. Rank	9	0,0%
Total	101.851	100,0%

Interest Rate Type	Balance	Percent
3.65% Indexed	19.320	19,0%
3.8% Indexed	18.966	18,6%
5.6% Non-Indexed	4.950	4,9%
7.45% Non-Indexed	4.358	4,3%
Other	54.256	53,3%
Total	101.851	100,0%

Arrears	Balance	Percent	Count
Not in Arrears	99.871	98,1%	7.999
0 - 30 days default	163	0,2%	11
30 - 90 days default	1.817	1,8%	106
90 - 180 days default	0	0	17
more than 180 days default	0	0	5

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Area	Balance	Percent
Reykjavik	43.910	43,1%
Capital Area excl. Reykjavik	37.259	36,6%
Norðurland Eystra	7.312	7,2%
Suðurland	5.017	4,9%
Vesturland	3.532	3,5%
Austurland	1.753	1,7%
Suðurnes	1.497	1,5%
Norðurland Vestra	1.463	1,4%
Vestfirðir	108	0,1%
Total	101.851	100,0%

Maturity	Balance	Percent
Less than 15 years	4.765	4,7%
15 - 20 years	7.082	7,0%
20 - 25 years	17.873	17,5%
25 - 30 years	14.171	13,9%
30 - 35 years	11.717	11,5%
35 - 40 years	46.244	45,4%
Total	101.851	100,0%

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