

# Arion Bank Covered Bonds

Investor Report: July 2016



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	36.936	22.551	59.487
Average Loan Balance	13	11	12
Average Customer Balance	17	13	18
No. of Loans	2.823	2.046	4.869
No. of Borrowers	2.141	1.743	3.299
No. of Properties	2.162	1.756	3.332
WA Legal Maturity (in months)	396	368	385
WA Seasoning (in months)	24	27	25
WA LTV	63,9%	54,5%	60,4%
WA Interest Rate	4,0%	7,3%	5,2%

\*Indexed mortgages linked to the consumer price index in Iceland as published by Statistics Iceland (Hagstofa Islands: [www.hagstofa.is](http://www.hagstofa.is)). Non Indexed are fixed rate mortgages

LTV Ranges	Balance	Percent
Less than 40%	6.810	11,4%
40 - 50%	6.241	10,5%
50 - 60%	9.604	16,1%
60 - 70%	18.951	31,9%
70 - 80%	17.881	30,1%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	59.487	100,0%

Property Type	Balance	Percent
Residential	59.487	100,0%
Total	59.487	100,0%

Payment Frequency	Balance	Percent
Monthly	59.487	100,0%
Total	59.487	100,0%

Valuation Type	Balance	Percent
FMR	47.925	80,6%
Contract	9.250	15,6%
External	1.835	3,1%
Internal	434	0,7%
Offer	43	0,1%
Total	59.487	100,0%

Ranking Order	Balance	Percent
1. Rank	47.563	80,0%
2. Rank	11.906	20,0%
3. Rank	17	0,0%
Total	59.487	100,0%

Interest Rate Type	Balance	Percent
3.8% Indexed	8.642	14,5%
3.65% Indexed	6.935	11,7%
7.45% Non-Indexed	6.466	10,9%
7.05% Non-Indexed	4.133	6,9%
3.6% Indexed	3.862	6,5%
3.9% Indexed	3.210	5,4%
4.3% Indexed	2.686	4,5%
Other	23.552	39,6%
<b>Total</b>	<b>59.487</b>	<b>100,0%</b>

Arrears	Balance	Percent
Not in Arrears	58.181	97,8%
0 - 30 days default	68	0,1%
30 - 90 days default	1.239	2,1%
90 - 180 days default	0	0
more than 180 days default	0	0
<b>Total</b>	<b>59.487</b>	<b>100,0%</b>

Area	Balance	Percent
Reykjavik	25.426	42,7%
Capital Area excl. Reykjavik	22.793	38,3%
Norðurland Eystra	4.573	7,7%
Suðurland	2.472	4,2%
Vesturland	1.815	3,1%
Austurland	1.036	1,7%
Norðurland Vestra	763	1,3%
Suðurnes	518	0,9%
Vestfirðir	90	0,2%
<b>Total</b>	<b>59.487</b>	<b>100,0%</b>

Maturity	Balance	Percent
Less than 15 years	1.762	3,0%
15 - 20 years	3.922	6,6%
20 - 25 years	11.555	19,4%
25 - 30 years	5.046	8,5%
30 - 35 years	4.729	7,9%
35 - 40 years	32.465	54,6%
40 - 45 years	9	0,0%
<b>Total</b>	<b>59.487</b>	<b>100,0%</b>

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