

# Arion Bank Covered Bonds

Investor Report: August 2013



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	7.167	5.918	13.085
Average Loan Balance	12	12	12
Average Customer Balance	17	13	17
No. of Loans	585	497	1.082
No. of Borrowers	415	441	768
No. of Properties	419	442	772
WA Legal Maturity (in months)	421	382	404
WA Seasoning (in months)	11	15	13
WA LTV	70,3%	55,5%	63,7%
WA Interest Rate	4,1%	6,9%	5,4%

\*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%	1.832	14,0%
40 - 50%	1.111	8,5%
50 - 60%	1.376	10,5%
60 - 70%	2.430	18,6%
70 - 80%	6.336	48,4%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	13.085	100,0%

Property Type	Balance	Percent
Residential	12.791	97,7%
Other	295	2,3%
Total	13.085	100,0%

Payment Frequency	Balance	Percent
Monthly	13.085	100,0%
Total	13.085	100,0%

Valuation Type	Balance	Percent
FMR	6.915	52,9%
Contract	5.426	41,5%
External	566	4,3%
Internal	155	1,2%
Offer	17	0,1%
Total	13.078	100,0%

Ranking Order	Balance	Percent
1. Rank	11.061	84,5%
2. Rank	2.012	15,4%
3. Rank	13	0,1%
4. Rank	0	0
5. Rank	0	0
6. Rank	0	0
Total	13.085	100,0%

Interest Rate Type	Balance	Percent
6.45% Non-Indexed	2.931	22,4%
7.45% Non-Indexed	2.191	16,7%
4.3% Indexed	2.068	15,8%
3.6% Indexed	1.704	13,0%
3.5% Indexed	569	4,4%
Other	3.622	27,7%
Total	13.085	100,0%

Arrears	Balance	Percent
Not in Arrears	12.868	98,3%
0 - 30 days default	29	0,2%
30 - 90 days default	188	1,4%
Total	13.085	100,0%

Area	Balance	Percent
Reykjavik	5.471	41,8%
Capital Area excl. Reykjavik	5.257	40,2%
Norðurland Eystra	969	7,4%
Vesturland	449	3,4%
Suðurland	380	2,9%
Austurland	241	1,8%
Norðurland Vestra	201	1,5%
Suðurnes	94	0,7%
Vestfirðir	23	0,2%
Total	13.085	100,0%

Maturity	Balance	Percent
Less than 15 years	171	1,3%
15 - 20 years	251	1,9%
20 - 25 years	3.811	29,1%
25 - 30 years	370	2,8%
30 - 35 years	21	0,2%
35 - 40 years	8.459	64,6%
40 - 45 years	3	0,0%
Total	13.085	100,0%

Planned frequency for update: 13.085 summary; 12 times per year.  
Arion Bank is regulated by the Icelandic Financial Supervisory Authority ([www.fme.is](http://www.fme.is)).

This report has been automatically generated by Arion Bank's Risk Management. The information within are obtained from different sources, not all of which are controlled by Arion Bank, but which Arion Bank deems to be reliable. Whilst reasonable care has been taken to ensure that the contents of this publication are not untrue or misleading, no representation is made as to its accuracy or completeness and no liability is accepted for any loss arising from reliance on it. Arion Bank endeavours to ensure that the information is accurate and up-to-date, and reserves the right to make corrections to the content at any time, without prior notice. However, Arion Bank cannot guarantee that such information is complete or that it has not been modified by an outside party, by means of a virus or system intrusion, for example.

The report is prepared for general circulation and general information only, but it is not intended for any person in the United States. This publication may not be re-produced in whole or in part without permission.

The report shall under no circumstances be used or considered as an investment advice or investment research, or an offer to sell, or a solicitation of any offer to buy any securities. It does not have regard to the specific investment objectives, financial situation or the particular needs of any person who may receive the report. Arion Bank accepts no liability whatsoever for any direct or consequential loss arising from the use of this publication or its contents.

Contact:  
Investor Relations: [samskiptasvidj@arionbanki.is](mailto:samskiptasvidj@arionbanki.is)  
Head of Funding: Eirikur Magnus Jenson, [eirikur.jenson@arionbanki.is](mailto:eirikur.jenson@arionbanki.is)  
Risk Management: Otto S. Michelsen, [otto.michelsen@arionbanki.is](mailto:otto.michelsen@arionbanki.is)