

Arion Bank Covered Bonds

Investor Report: July 2013



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	6.611	4.692	11.303
Average Loan Balance	13	12	13
Average Customer Balance	18	15	18
No. of Loans	523	380	903
No. of Borrowers	372	323	627
No. of Properties	376	324	631
WA Legal Maturity (in months)	422	390	409
WA Seasoning (in months)	11	15	13
WA LTV	70,2%	59,6%	65,8%
WA Interest Rate	4,1%	6,9%	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%	1.003	8,9%
40 - 50%	850	7,5%
50 - 60%	1.300	11,5%
60 - 70%	2.553	22,6%
70 - 80%	5.597	49,5%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	11.303	100,0%

Property Type	Balance	Percent
Residential	11.061	97,9%
Other	242	2,1%
Total	11.303	100,0%

Payment Frequency	Balance	Percent
Monthly	11.303	100,0%
Total	11.303	100,0%

Valuation Type	Balance	Percent
FMR	6.121	54,1%
Contract	4.514	39,9%
External	533	4,7%
Internal	145	1,3%
Total	11.313	100,0%

Ranking Order	Balance	Percent
1. Rank	9.558	84,6%
2. Rank	1.732	15,3%
3. Rank	13	0,1%
Total	11.303	100,0%

Interest Rate Type	Balance	Percent
6.45% Non-Indexed	2.616	23,1%
4.3% Indexed	2.132	18,9%
7.45% Non-Indexed	1.465	13,0%
3.6% Indexed	1.460	12,9%
3.5% Indexed	474	4,2%
Other	3.156	27,9%
Total	11.303	100,0%

Arrears	Balance	Percent
Not in Arrears	10.968	97,0%
0 - 30 days default	312	2,8%
30 - 90 days default	23	0,2%
Total	11.303	100,0%

Area	Balance	Percent
Reykjavik	4.677	41,4%
Capital Area excl. Reykjavik	4.496	39,8%
Norðurland Eystra	879	7,8%
Vesturland	389	3,4%
Suðurland	367	3,3%
Austurland	224	2,0%
Norðurland Vestra	165	1,5%
Suðurnes	82	0,7%
Vestfirðir	23	0,2%
Total	11.303	100,0%

Maturity	Balance	Percent
Less than 15 years	63	0,6%
15 - 20 years	110	1,0%
20 - 25 years	3.229	28,6%
25 - 30 years	336	3,0%
30 - 35 years	21	0,2%
35 - 40 years	7.541	66,7%
40 - 45 years	3	0,0%
Total	11.303	100,0%

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