

Arion Bank Covered Bonds

Investor Report: September 2014



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	8,386	16,452	24,839
Average Loan Balance	12	14	13
Average Customer Balance	17	15	17
No. of Loans	686	1,156	1,842
No. of Borrowers	499	1,107	1,491
No. of Properties	502	1,108	1,494
WA Legal Maturity (in months)	414	389	397
WA Seasoning (in months)	24	21	22
WA LTV	68,7%	54,2%	59,1%
WA Interest Rate	4,1%	7,1%	6,1%

*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%	3.812	15,3%
40 - 50%	2.496	10,0%
50 - 60%	5.249	21,1%
60 - 70%	6.560	26,4%
70 - 80%	6.722	27,1%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	24.839	100,0%

Property Type	Balance	Percent
Residential	24.551	98,8%
Other	288	1,2%
Total	24.839	100,0%

Payment Frequency	Balance	Percent
Monthly	24.801	99,8%
Quarterly	38	0,2%
Total	24.839	100,0%

Valuation Type	Balance	Percent
FMR	21.088	84,8%
Contract	3.217	12,9%
External	420	1,7%
Internal	89	0,4%
Offer	52	0,2%
Total	24.866	100,0%

Ranking Order	Balance	Percent
1. Rank	22.777	91,7%
2. Rank	2.055	8,3%
3. Rank	7	0,0%
Total	24.839	100,0%

Interest Rate Type	Balance	Percent
7.45% Non-Indexed	8.040	32,4%
6.45% Non-Indexed	4.172	16,8%
4.3% Indexed	2.194	8,8%
3.6% Indexed	2.035	8,2%
6.95% Non-Indexed	1.690	6,8%
Other	6.707	27,0%
Total	24.839	100,0%

Arrears	Balance	Percent
Not in Arrears	24.618	99,1%
0 - 30 days default	70	0,3%
30 - 90 days default	150	0,6%
90 - 180 days default	0	0
Total	24.839	100,0%

Area	Balance	Percent
Reykjavik	10.843	43,7%
Capital Area excl. Reykjavik	9.695	39,0%
Norðurland Eystra	1.841	7,4%
Suðurland	769	3,1%
Vesturland	690	2,8%
Austurland	467	1,9%
Norðurland Vestra	286	1,1%
Suðurnes	201	0,8%
Vestfirðir	48	0,2%
Total	24.839	100,0%

Maturity	Balance	Percent
Less than 15 years	383	1,5%
15 - 20 years	732	2,9%
20 - 25 years	5.935	23,9%
25 - 30 years	1.305	5,3%
30 - 35 years	189	0,8%
35 - 40 years	16.294	65,6%
Total	24.839	100,0%

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