

Arion Bank Covered Bonds

Investor Report: August 2014



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	8,416	16,496	24,912
Average Loan Balance	12	14	13
Average Customer Balance	17	15	17
No. of Loans	688	1,158	1,846
No. of Borrowers	500	1,108	1,493
No. of Properties	503	1,111	1,498
WA Legal Maturity (in months)	415	389	398
WA Seasoning (in months)	23	20	21
WA LTV	68,8%	54,2%	59,2%
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%	3,877	15,6%
40 - 50%	2,428	9,7%
50 - 60%	5,348	21,5%
60 - 70%	6,429	25,8%
70 - 80%	6,829	27,4%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	24,912	100,0%

Property Type	Balance	Percent
Residential	24,624	98,8%
Other	288	1,2%
Total	24,912	100,0%

Payment Frequency	Balance	Percent
Monthly	24,874	99,8%
Quarterly	38	0,2%
Total	24,912	100,0%

Valuation Type	Balance	Percent
FMR	20,784	83,3%
Contract	3,607	14,5%
External	417	1,7%
Internal	90	0,4%
Offer	52	0,2%
Total	24,951	100,0%

Ranking Order	Balance	Percent
1. Rank	22.851	91,7%
2. Rank	2.054	8,2%
3. Rank	7	0,0%
Total	24.912	100,0%

Interest Rate Type	Balance	Percent
7.45% Non-Indexed	8.051	32,3%
6.45% Non-Indexed	4.182	16,8%
4.3% Indexed	2.200	8,8%
3.6% Indexed	2.033	8,2%
6.95% Non-Indexed	1.696	6,8%
Other	6.749	27,1%
Total	24.912	100,0%

Arrears	Balance	Percent
Not in Arrears	24.468	98,2%
0 - 30 days default	29	0,1%
30 - 90 days default	415	1,7%
90 - 180 days default	0	0
Total	24.912	100,0%

Area	Balance	Percent
Reykjavik	10.849	43,5%
Capital Area excl. Reykjavik	9.745	39,1%
Norðurland Eystra	1.857	7,5%
Suðurland	770	3,1%
Vesturland	690	2,8%
Austurland	467	1,9%
Norðurland Vestra	286	1,1%
Suðurnes	201	0,8%
Vestfirðir	48	0,2%
Total	24.912	100,0%

Maturity	Balance	Percent
Less than 15 years	388	1,6%
15 - 20 years	735	2,9%
20 - 25 years	5.947	23,9%
25 - 30 years	1.306	5,2%
30 - 35 years	189	0,8%
35 - 40 years	16.348	65,6%
Total	24.912	100,0%

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