

# Arion Bank Covered Bonds

Investor Report: December 2014



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	15.133	16.219	31.351
Average Loan Balance	13	14	14
Average Customer Balance	17	15	17
No. of Loans	1.131	1.151	2.282
No. of Borrowers	906	1.103	1.849
No. of Properties	911	1.104	1.854
WA Legal Maturity (in months)	414	386	399
WA Seasoning (in months)	19	24	21
WA LTV	65,8%	55,2%	60,3%
WA Interest Rate	4,0%	7,1%	5,6%

\*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%	3.774	12,0%
40 - 50%	2.791	8,9%
50 - 60%	6.627	21,1%
60 - 70%	9.698	30,9%
70 - 80%	8.462	27,0%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	31.351	100,0%

Property Type	Balance	Percent
Residential	31.351	100,0%
Total	31.351	100,0%

Payment Frequency	Balance	Percent
Monthly	31.314	99,9%
Quarterly	38	0,1%
Total	31.351	100,0%

Valuation Type	Balance	Percent
FMR	24.784	79,1%
Contract	5.696	18,2%
External	682	2,2%
Internal	144	0,5%
Offer	45	0,1%
Total	31.351	100,0%

Ranking Order	Balance	Percent
1. Rank	28.149	89,8%
2. Rank	3.196	10,2%
3. Rank	7	0,0%
Total	31.351	100,0%

Interest Rate Type	Balance	Percent
7.45% Non-Indexed	7.875	25,1%
6.45% Non-Indexed	4.120	13,1%
3.6% Indexed	3.279	10,5%
3.8% Indexed	2.719	8,7%
4.3% Indexed	2.195	7,0%
3.7% Indexed	2.000	6,4%
Other	9.164	29,2%
Total	31.351	100,0%

Arrears	Balance	Percent
Not in Arrears	30.793	98,2%
0 - 30 days default	38	0,1%
30 - 90 days default	521	1,7%
90 - 180 days default	0	0
more than 180 days default	0	0
Total	31.351	100,0%

Area	Balance	Percent
Reykjavik	13.718	43,8%
Capital Area excl. Reykjavik	12.314	39,3%
Norðurland Eystra	2.245	7,2%
Suðurland	1.007	3,2%
Vesturland	899	2,9%
Austurland	590	1,9%
Norðurland Vestra	320	1,0%
Suðurnes	211	0,7%
Vestfirðir	48	0,2%
Total	31.351	100,0%

Maturity	Balance	Percent
Less than 15 years	480	1,5%
15 - 20 years	829	2,6%
20 - 25 years	7.140	22,8%
25 - 30 years	1.894	6,0%
30 - 35 years	261	0,8%
35 - 40 years	20.748	66,2%
Total	31.351	100,0%

Planned frequency for updates of this 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)