

Arion Bank Covered Bonds

Investor Report: May 2014



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	8.623	5.079	13.702
Average Loan Balance	12	11	12
Average Customer Balance	17	12	17
No. of Loans	699	460	1.159
No. of Borrowers	507	408	821
No. of Properties	511	410	826
WA Legal Maturity (in months)	417	375	401
WA Seasoning (in months)	19	23	21
WA LTV	69,0%	54,4%	63,6%
WA Interest Rate	4,1%	6,9%	5,1%

*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%	1.838	13,4%
40 - 50%	760	5,5%
50 - 60%	1.625	11,9%
60 - 70%	3.385	24,7%
70 - 80%	6.094	44,5%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	13.702	100,0%

Property Type	Balance	Percent
Residential	13.413	97,9%
Other	289	2,1%
Total	13.702	100,0%

Payment Frequency	Balance	Percent
Monthly	13.702	100,0%
Total	13.702	100,0%

Valuation Type	Balance	Percent
FMR	11.257	82,0%
Contract	2.269	16,5%
External	202	1,5%
Total	13.729	100,0%

Ranking Order	Balance	Percent
1. Rank	11.518	84,1%
2. Rank	2.177	15,9%
3. Rank	7	0,1%
Total	13.702	100,0%

Interest Rate Type	Balance	Percent
6.45% Non-Indexed	2.393	17,5%
4.3% Indexed	2.209	16,1%
3.6% Indexed	2.055	15,0%
7.45% Non-Indexed	1.858	13,6%
4.2% Indexed	758	5,5%
3.7% Indexed	692	5,1%
3.85% Indexed	682	5,0%
Other	3.054	22,3%
Total	13.702	100,0%

Arrears	Balance	Percent
Not in Arrears	13.185	96,2%
0 - 30 days default	25	0,2%
30 - 90 days default	492	3,6%
90 - 180 days default	0	0
Total	13.702	100,0%

Area	Balance	Percent
Reykjavik	5.711	41,7%
Capital Area excl. Reykjavik	5.372	39,2%
Norðurland Eystra	1.031	7,5%
Suðurland	464	3,4%
Vesturland	448	3,3%
Austurland	317	2,3%
Norðurland Vestra	200	1,5%
Suðurnes	118	0,9%
Vestfirðir	40	0,3%
Total	13.702	100,0%

Maturity	Balance	Percent
Less than 15 years	160	1,2%
15 - 20 years	256	1,9%
20 - 25 years	3.569	26,0%
25 - 30 years	360	2,6%
30 - 35 years	59	0,4%
35 - 40 years	9.297	67,9%
Total	13.702	100,0%

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