

Arion Bank Covered Bonds

Investor Report: October 2014



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	8,354	16,308	24,661
Average Loan Balance	12	14	13
Average Customer Balance	17	15	17
No. of Loans	684	1,152	1,836
No. of Borrowers	498	1,105	1,488
No. of Properties	501	1,106	1,491
WA Legal Maturity (in months)	413	387	396
WA Seasoning (in months)	25	22	23
WA LTV	68,5%	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%	3.809	15,4%
40 - 50%	2.489	10,1%
50 - 60%	5.054	20,5%
60 - 70%	6.565	26,6%
70 - 80%	6.745	27,3%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	24.661	100,0%

Property Type	Balance	Percent
Residential	24.374	98,8%
Other	288	1,2%
Total	24.661	100,0%

Payment Frequency	Balance	Percent
Monthly	24.624	99,8%
Quarterly	38	0,2%
Total	24.661	100,0%

Valuation Type	Balance	Percent
FMR	21.405	86,7%
Contract	2.805	11,4%
External	359	1,5%
Internal	68	0,3%
Offer	51	0,2%
Total	24.688	100,0%

Ranking Order	Balance	Percent
1. Rank	22.614	91,7%
2. Rank	2.041	8,3%
3. Rank	7	0,0%
Total	24.661	100,0%

Interest Rate Type	Balance	Percent
7.45% Non-Indexed	7.961	32,3%
6.45% Non-Indexed	4.150	16,8%
4.3% Indexed	2.181	8,8%
3.6% Indexed	2.031	8,2%
6.95% Non-Indexed	1.655	6,7%
Other	6.684	27,1%
Total	24.661	100,0%

Arrears	Balance	Percent
Not in Arrears	24.314	98,6%
0 - 30 days default	33	0,1%
30 - 90 days default	314	1,3%
90 - 180 days default	0	0
Total	24.661	100,0%

Area	Balance	Percent
Reykjavik	10.774	43,7%
Capital Area excl. Reykjavik	9.599	38,9%
Norðurland Eystra	1.838	7,5%
Suðurland	768	3,1%
Vesturland	683	2,8%
Austurland	466	1,9%
Norðurland Vestra	285	1,2%
Suðurnes	201	0,8%
Vestfirðir	48	0,2%
Total	24.661	100,0%

Maturity	Balance	Percent
Less than 15 years	401	1,6%
15 - 20 years	730	3,0%
20 - 25 years	5.875	23,8%
25 - 30 years	1.302	5,3%
30 - 35 years	206	0,8%
35 - 40 years	16.147	65,5%
Total	24.661	100,0%

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