

# Arion Bank Covered Bonds

Investor Report: September 2013



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	7.427	5.271	12.698
Average Loan Balance	12	11	12
Average Customer Balance	17	13	17
No. of Loans	601	469	1.070
No. of Borrowers	425	415	749
No. of Properties	429	417	754
WA Legal Maturity (in months)	420	381	404
WA Seasoning (in months)	11	16	13
WA LTV	70,5%	56,2%	64,6%
WA Interest Rate	4,1%	6,9%	5,3%

\*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%	1.856	14,6%
40 - 50%	743	5,9%
50 - 60%	929	7,3%
60 - 70%	2.585	20,4%
70 - 80%	6.585	51,9%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	12.698	100,0%

Property Type	Balance	Percent
Residential	12.403	97,7%
Other	295	2,3%
Total	12.698	100,0%

Payment Frequency	Balance	Percent
Monthly	12.698	100,0%
Total	12.698	100,0%

Valuation Type	Balance	Percent
FMR	6.591	51,9%
Contract	5.413	42,6%
External	523	4,1%
Internal	155	1,2%
Offer	17	0,1%
Total	12.698	100,0%

Ranking Order	Balance	Percent
1. Rank	10.591	83,4%
2. Rank	2.107	16,6%
Total	12.698	100,0%

Interest Rate Type	Balance	Percent
6.45% Non-Indexed	2.507	19,7%
4.3% Indexed	2.072	16,3%
7.45% Non-Indexed	1.932	15,2%
3.6% Indexed	1.867	14,7%
3.5% Indexed	581	4,6%
6.95% Non-Indexed	531	4,2%
Other	3.207	25,3%
Total	12.698	100,0%

Arrears	Balance	Percent
Not in Arrears	12.427	97,9%
0 - 30 days default	254	2,0%
30 - 90 days default	17	0,1%
Total	12.698	100,0%

Area	Balance	Percent
Reykjavik	5.336	42,0%
Capital Area excl. Reykjavik	4.908	38,7%
Norðurland Eystra	984	7,8%
Vesturland	445	3,5%
Suðurland	415	3,3%
Austurland	279	2,2%
Norðurland Vestra	203	1,6%
Suðurnes	94	0,7%
Vestfirðir	33	0,3%
Total	12.698	100,0%

Maturity	Balance	Percent
Less than 15 years	172	1,4%
15 - 20 years	268	2,1%
20 - 25 years	3.642	28,7%
25 - 30 years	324	2,6%
30 - 35 years	30	0,2%
35 - 40 years	8.257	65,0%
40 - 45 years	3	0,0%
Total	12.698	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 Jensson, eirikur.jensson@arionbanki.is](mailto:Eirikur.Magnus.Jensson@arionbanki.is)  
Risk Management: [Otto S. Michelsen, otto.michelsen@arionbanki.is](mailto:Otto.S.Michelsen@arionbanki.is)