

# Arion Bank Covered Bonds

Investor Report: May 2013



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	4,724	4,781	9,505
Average Loan Balance	12	13	13
Average Customer Balance	17	15	17
No. of Loans	386	365	751
No. of Borrowers	280	310	553
No. of Properties	282	310	555
WA Legal Maturity (in months)	427	388	408
WA Seasoning (in months)	12	14	13
WA LTV	69,3%	58,6%	63,9%
WA Interest Rate	4,2%	6,8%	5,5%

\*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%	887	9,3%
40 - 50%	943	9,9%
50 - 60%	1.182	12,4%
60 - 70%	2.455	25,8%
70 - 80%	4.038	42,5%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	9.505	100,0%

Property Type	Balance	Percent
Residential	9.297	97,8%
Other	208	2,2%
Total	9.505	100,0%

Payment Frequency	Balance	Percent
Monthly	9.505	100,0%
Total	9.505	100,0%

Valuation Type	Balance	Percent
FMR	9.131	95,8%
Contract	276	2,9%
External	125	1,3%
Total	9.532	100,0%

Ranking Order	Balance	Percent
1. Rank	8.671	91,2%
2. Rank	834	8,8%
Total	9.505	100,0%

Interest Rate Type	Balance	Percent
6.45% Non-Indexed	2.930	30,8%
4.3% Indexed	2.141	22,5%
7.45% Non-Indexed	1.228	12,9%
3.6% Indexed	756	8,0%
6.95% Non-Indexed	419	4,4%
4.2% Indexed	392	4,1%
3.85% Indexed	388	4,1%
Other	1.250	13,1%
Total	9.505	100,0%

Arrears	Balance	Percent
Not in Arrears	9.262	97,4%
0 - 30 days default	29	0,3%
30 - 90 days default	214	2,2%
Total	9.505	100,0%

Area	Balance	Percent
Reykjavik	3.851	40,5%
Capital Area excl. Reykjavik	3.814	40,1%
Norðurland Eystra	816	8,6%
Vesturland	362	3,8%
Suðurland	314	3,3%
Austurland	142	1,5%
Norðurland Vestra	139	1,5%
Suðurnes	67	0,7%
Total	9.505	100,0%

Maturity	Balance	Percent
Less than 15 years	39	0,4%
15 - 20 years	41	0,4%
20 - 25 years	2.865	30,1%
25 - 30 years	230	2,4%
30 - 35 years	21	0,2%
35 - 40 years	6.310	66,4%
Total	9.505	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)