

# Arion Bank Covered Bonds

Investor Report: September 2012



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	2.607	3.498	6.105
Average Loan Balance	13	12	12
Average Customer Balance	20	16	18
No. of Loans	204	302	506
No. of Borrowers	128	217	337
No. of Properties	129	217	338
WA Legal Maturity (in months)	421	381	398
WA Seasoning (in months)	12	11	12
WA LTV	70,4%	61,6%	65,4%
WA Interest Rate	4,4%	6,6%	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%	767	12,6%
40 - 50%	541	8,9%
50 - 60%	663	10,9%
60 - 70%	657	10,8%
70 - 80%	3.477	57,0%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	6.105	100,0%

Property Type	Balance	Percent
Residential	5.949	97,4%
Other	156	2,6%
Total	6.105	100,0%

Payment Frequency	Balance	Percent
Monthly	6.105	100,0%
Total	6.105	100,0%

Valuation Type	Balance	Percent
FMR	3.701	60,6%
Contract	1.783	29,2%
External	537	8,8%
Internal	85	1,4%
Total	6.105	100,0%

Interest Rate Type	Balance	Percent
6.45% Non-Indexed	3.123	51,2%
4.3% Indexed	2.086	34,2%
7.55% Non-Indexed	375	6,1%
5.4% Indexed	232	3,8%
3.85% Indexed	127	2,1%
4.2% Indexed	43	0,7%
3.75% Indexed	43	0,7%
4.19% Indexed	26	0,4%
4.85% Indexed	18	0,3%
4.7% Indexed	17	0,3%
4.95% Indexed	11	0,2%
5.3% Indexed	3	0,0%
Total	6.105	100,0%

Arrears	Balance	Percent
Not in Arrears	5.975	97,9%
0 - 30 days default	112	1,8%
30 - 90 days default	18	0,3%
more than 180 days default	0	0
Total	6.105	100,0%

Ranking Order	Balance	Percent
1. Rank	5.467	89,5%
2. Rank	638	10,5%
Total	6.105	100,0%

Area	Balance	Percent
Capital Area excl. Reykjavik	2.724	44,6%
Reykjavik	2.187	35,8%
Norðurland Eystra	552	9,0%
Vesturland	252	4,1%
Suðurland	166	2,7%
Norðurland Vestra	96	1,6%
Austurland	71	1,2%
Suðurnes	58	0,9%
Total	6.105	100,0%

Maturity	Balance	Percent
Less than 15 years	47	0,8%
15 - 20 years	18	0,3%
20 - 25 years	2.285	37,4%
35 - 40 years	3.755	61,5%
Total	6.105	100,0%