

Arion Bank Covered Bonds

Investor Report: March 2012



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	2.248	3.664	5.912
Average Loan Balance	14	12	13
Average Customer Balance	19	9	19
No. of Loans	162	304	466
No. of Borrowers	100	218	310
No. of Properties	100	218	310
WA Legal Maturity (in months)	409	384	394
WA Seasoning (in months)	8	5	6
WA LTV	73,3%	62,3%	66,5%
WA Interest Rate	4,5%	6,6%	5,8%

*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%	749	12,7%
40 - 50%	558	9,4%
50 - 60%	689	11,6%
60 - 70%	444	7,5%
70 - 80%	2.172	36,7%
80 - 90%	1.248	21,1%
90 - 100%	23	0,4%
100 - 110%	0	0,0%
more than 110%	28	0,5%
Total	5.912	100,0%

Property Type	Balance	Percent
Residential Property	5.753	97,3%
Other	158	2,7%
Total	5.912	100,0%

Payment Frequency	Balance	Percent
Monthly	5.912	100,0%
Quarterly	0	0
Semi-annually	0	0
Annually	0	0
Other	0	0
Total	5.912	100,0%

Interest Rate Type	Balance	Percent
4.3% Indexed	1.868	31,6%
5.4% Indexed	380	6,4%
6.45% Non-Indexed	3.188	53,9%
7.55% Non-Indexed	476	8,1%
Total	5.912	100,0%

Valuation Type	Balance	Percent
Contract	3.713	62,8%
External	1.007	17,0%
FMR + IDX	824	13,9%
Internal	226	3,8%
Offer	114	1,9%
FMR	27	0,5%
Total	5.912	100,0%

Arrears	Balance	Percent
Not in Arrears	5.723	96,8%
0 - 30 days default	163	2,8%
30 - 90 days default	25	0,4%
Total	5.912	100,0%

Prior Ranks	Balance	Percent
No Prior Ranks	5.894	99,7%
Prior Ranks	17	0,3%
Total	5.912	100,0%

Area	Balance	Percent
Reykjavík	2.022	34,2%
Capital Area (excl. Rvk.)	2.670	45,2%
Suðurnes	54	0,9%
Vesturland	239	4,0%
Vestfirðir	0	0
Norðurland vestra	114	1,9%
Norðurland eystra	582	9,8%
Austurland	75	1,3%
Suðurland	155	2,6%
Total	5.912	100,0%

Maturity	Balance	Percent
Less than 15 years	51	0,9%
15 - 20 years	13	0,2%
20 - 25 years	2.523	42,7%
35 - 40 years	3.324	56,2%
Total	5.912	100,0%