

Arion Bank Covered Bonds

Investor Report: June 2012



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	2.074	3.593	5.667
Average Loan Balance	13	12	12
Average Customer Balance	21	16	18
No. of Loans	157	304	461
No. of Borrowers	97	218	307
No. of Properties	97	217	306
WA Legal Maturity (in months)	412	383	393
WA Seasoning (in months)	11	8	9
WA LTV	73,5%	61,2%	65,7%
WA Interest Rate	4,4%	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%	694	12,2%
40 - 50%	568	10,0%
50 - 60%	608	10,7%
60 - 70%	465	8,2%
70 - 80%	3.332	58,8%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	5.667	100,0%

Property Type	Balance	Percent
Residential	5.667	100,0%
Total	5.667	100,0%

Payment Frequency	Balance	Percent
Monthly	5.667	100,0%
Total	5.667	100,0%

Interest Rate Type	Balance	Percent
6.45% Non-Indexed	3.149	55,6%
4.3% Indexed	1.797	31,7%
7.55% Non-Indexed	444	7,8%
5.4% Indexed	277	4,9%
Total	5.667	100,0%

Valuation Type	Balance	Percent
Contract	3.050	53,8%
FMR	1.567	27,7%
External	848	15,0%
Internal	178	3,1%
Offer	25	0,4%
Total	5.667	100,0%

Arrears	Balance	Percent
Not in Arrears	5.626	99,3%
0 - 30 days default	16	0,3%
30 - 90 days default	25	0,4%
90 - 180 days default	0	0
Total	5.667	100,0%

Ranking Order	Balance	Percent
1. Rank	4.941	87,2%
2. Rank	726	12,8%
Total	5.667	100,0%

Area	Balance	Percent
Capital Area excl. Reykjavik	2.541	44,8%
Reykjavik	1.951	34,4%
Norðurland Eystra	574	10,1%
Vesturland	229	4,0%
Suðurland	150	2,7%
Norðurland Vestra	97	1,7%
Austurland	71	1,3%
Suðurnes	54	0,9%
Total	5.667	100,0%

Maturity	Balance	Percent
Less than 15 years	41	0,7%
15 - 20 years	13	0,2%
20 - 25 years	2.345	41,4%
35 - 40 years	3.269	57,7%
Total	5.667	100,0%