

Arion Bank Covered Bonds

Investor Report: July 2012



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	2.068	3.582	5.650
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	98	217	307
WA Legal Maturity (in months)	414	382	394
WA Seasoning (in months)	12	9	10
WA LTV	72,6%	61,2%	65,4%
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%	736	13,0%
40 - 50%	556	9,8%
50 - 60%	586	10,4%
60 - 70%	431	7,6%
70 - 80%	3.340	59,1%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	5.650	100,0%

Property Type	Balance	Percent
Residential	5.650	100,0%
Total	5.650	100,0%

Payment Frequency	Balance	Percent
Monthly	5.650	100,0%
Total	5.650	100,0%

Interest Rate Type	Balance	Percent
6.45% Non-Indexed	3.144	55,6%
4.3% Indexed	1.823	32,3%
7.55% Non-Indexed	438	7,7%
5.4% Indexed	246	4,3%
Total	5.650	100,0%

Valuation Type	Balance	Percent
Contract	2.574	45,3%
FMR	2.105	37,1%
External	836	14,7%
Internal	161	2,8%
Total	5.677	100,0%

Arrears	Balance	Percent
Not in Arrears	5.574	98,7%
30 - 90 days default	75	1,3%
90 - 180 days default	0	0
Total	5.650	100,0%

Ranking Order	Balance	Percent
1. Rank	4.962	87,8%
2. Rank	688	12,2%
Total	5.650	100,0%

Area	Balance	Percent
Capital Area excl. Reykjavik	2.558	45,3%
Reykjavik	1.935	34,2%
Norðurland Eystra	560	9,9%
Vesturland	229	4,1%
Suðurland	147	2,6%
Norðurland Vestra	96	1,7%
Austurland	71	1,3%
Suðurnes	54	1,0%
Total	5.650	100,0%

Maturity	Balance	Percent
Less than 15 years	40	0,7%
15 - 20 years	13	0,2%
20 - 25 years	2.301	40,7%
35 - 40 years	3.295	58,3%
Total	5.650	100,0%