

Arion Bank Covered Bonds

Investor Report: May 2012



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	2.119	3.606	5.725
Average Loan Balance	13	12	12
Average Customer Balance	22	17	19
No. of Loans	157	304	461
No. of Borrowers	97	218	307
No. of Properties	97	217	306
WA Legal Maturity (in months)	410	384	393
WA Seasoning (in months)	10	7	8
WA LTV	73,1%	61,3%	65,7%
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%	695	12,1%
40 - 50%	569	9,9%
50 - 60%	641	11,2%
60 - 70%	442	7,7%
70 - 80%	3.377	59,0%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	5.725	100,0%

Property Type	Balance	Percent
Residential	5.562	97,1%
Other	163	2,9%
Total	5.725	100,0%

Payment Frequency	Balance	Percent
Monthly	5.725	100,0%
Total	5.725	100,0%

Interest Rate Type	Balance	Percent
6.45% Non-Indexed	3.153	55,1%
4.3% Indexed	1.807	31,6%
7.55% Non-Indexed	453	7,9%
5.4% Indexed	313	5,5%
Total	5.725	100,0%

Valuation Type	Balance	Percent
Contract	3.370	58,9%
FMR	1.169	20,4%
External	958	16,7%
Internal	178	3,1%
Offer	49	0,9%
Total	5.725	100,0%

Arrears	Balance	Percent
Not in Arrears	5.655	98,8%
30 - 90 days default	70	1,2%
90 - 180 days default	0	0
Total	5.725	100,0%

Ranking Order	Balance	Percent
1. Rank	4.955	86,6%
2. Rank	770	13,4%
Total	5.725	100,0%

Area	Balance	Percent
Capital Area excl. Reykjavik	2.573	44,9%
Reykjavik	1.968	34,4%
Norðurland Eystra	577	10,1%
Vesturland	229	4,0%
Suðurland	150	2,6%
Norðurland Vestra	97	1,7%
Austurland	76	1,3%
Suðurnes	54	0,9%
Total	5.725	100,0%

Maturity	Balance	Percent
Less than 15 years	47	0,8%
15 - 20 years	13	0,2%
20 - 25 years	2.389	41,7%
35 - 40 years	3.277	57,2%
Total	5.725	100,0%