

Arion Bank Mortgages Institutional Investor Fund

Asset Coverage Report: July 2012



Principal Amount Outstanding of the Covered Bonds: ISK 130,968,963,396

Adjusted Aggregate Loan Amount: 93,402,729,053

$aA+B+C+D-W = 138,301,680,216$

where:

$aA = 93,402,729,053$

$B = 14,373,314,545$

$C = 35,059,714,376$

$D = 0$

$W = -4,534,077,759$

(where aA, B, C, D and W have the meaning given in clause 10.2 of the Fund Deed)

Asset Coverage Test: Passed