

Arion Bank Covered Bonds

Investor Report: August 2012



Details	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	2.025	3.568	5.592
Average Loan Balance	13	12	12
Average Customer Balance	21	16	18
No. of Loans	156	304	460
No. of Borrowers	96	218	306
No. of Properties	96	217	305
WA Legal Maturity (in months)	413	381	393
WA Seasoning (in months)	13	10	11
WA LTV	73,7%	61,1%	65,6%
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%	693	12,4%
40 - 50%	544	9,7%
50 - 60%	595	10,6%
60 - 70%	445	7,9%
70 - 80%	3.315	59,3%
80 - 90%	0	0,0%
90 - 100%	0	0,0%
100 - 110%	0	0,0%
more than 110%	0	0,0%
Total	5.592	100,0%

Property Type	Balance	Percent
Residential	5.592	100,0%
Total	5.592	100,0%

Payment Frequency	Balance	Percent
Monthly	5.592	100,0%
Total	5.592	100,0%

Interest Rate Type	Balance	Percent
6.45% Non-Indexed	3.139	56,1%
4.3% Indexed	1.795	32,1%
7.55% Non-Indexed	428	7,7%
5.4% Indexed	230	4,1%
Total	5.592	100,0%

Valuation Type	Balance	Percent
FMR	2.518	45,0%
Contract	2.104	37,6%
External	787	14,1%
Internal	183	3,3%
Total	5.592	100,0%

Arrears	Balance	Percent
Not in Arrears	5.507	98,5%
30 - 90 days default	85	1,5%
more than 180 days default	0	0
Total	5.592	100,0%

Ranking Order	Balance	Percent
1. Rank	4.930	88,2%
2. Rank	662	11,8%
Total	5.592	100,0%

Area	Balance	Percent
Capital Area excl. Reykjavik	2.533	45,3%
Reykjavik	1.906	34,1%
Norðurland Eystra	559	10,0%
Vesturland	228	4,1%
Suðurland	146	2,6%
Norðurland Vestra	96	1,7%
Austurland	71	1,3%
Suðurnes	53	1,0%
Total	5.592	100,0%

Maturity	Balance	Percent
Less than 15 years	39	0,7%
15 - 20 years	13	0,2%
20 - 25 years	2.271	40,6%
35 - 40 years	3.270	58,5%
Total	5.592	100,0%