

Arion Bank Structured Covered Bonds
Covered Bond Fund Periodic Report for Period 31 October 2013 to 30 November 2013

Current Period	
Number	Value ISK 000's
Brought Forward	7.786
Replenishment	
Repurchased	
Redemptions	
Other Movements	30
Carried Forward	7.816

Cumulative	
Number	Value ISK 000's

Annualised one month CPR	4,0%
Annualised three month CPR	4,2%
Annualised 12 month CPR	3,4%

(including redemptions and repurchases)

Weighted Average Seasoning	97,09
Weighted Average Loan size	15,2
Weighted Average LTV	81,8%
Weighted Average Remaining Term	29,35

* (see definition below)

Original LTV Bands

Range	Number	Balance	Percentage
0.00 - 25.00	623	3.976.589	4,90%
25.01 - 50.00	1677	16.382.050	20,20%
50.01 - 75.00	2641	32.697.549	40,32%
75.01 - 80.00	893	11.918.661	14,70%
80.01 - 85.00	810	10.699.089	13,19%
85.01 - 90.00	180	1.683.585	2,08%
90.01 - 95.00	144	1.307.642	1,61%
> 95.00	264	2.423.712 kr.	2,99%
Total	7232	81.088.876	100%

Current LTV Bands

Number	Balance 000's	Percentage
352	2.159.808.965 kr.	1,82%
1203	14.717.550.536 kr.	12,39%
1961	29.638.868.355 kr.	24,96%
463	7.482.539.582 kr.	6,30%
433	6.954.457.024 kr.	5,86%
474	7.777.630.421 kr.	6,55%
467	7.587.319.787 kr.	6,39%
2462	42.433.066.972 kr.	35,73%
7815	118.751.241.642	100%

Arrears

Band	Number	Principal ISK 000's	Overdue ISK 000's	Percentage
Current	7633	115.284.294	16.326	97,08%
1.00 - 1.99 months	2	8.073	82	0,01%
2.00 - 2.99 months	107	2.066.199	20.102	1,74%
3.00 - 3.99 months	63	1.171.169	16.776	0,99%
4.00 - 4.99 months	7	126.686	22.718	0,11%
5.00 - 5.99 months	0	0	0	0,00%
6.00 - 11.99 months	4	94.509	2.829	0,08%
12 months and over	0	0	0	0,00%
Properties in Possession				
Total	7.816	118.750.929	78.833	100%

Excess Spread	
Current month	0,61%
Rolling three month average	0,61%

Properties in possession

Stock

Current Period	
Number	Value ISK 000's
Brought Forward	
Reposessed in Period	
Sold in Period	
Carried Forward	

Cumulative	
Number	Value ISK 000's

* Arion Bank now buys trouble loans immediately from the fund, at face value. This means the fund will never come into possession of any housing assets.