

Arion Bank Structured Covered Bonds
Covered Bond Fund Periodic Report for Period 31 December 2012 to 31 January 2012

Current Period	
Number	Value ISK 000's
Brought Forward	7.963
Replenishment	
Repurchased	
Redemptions	-15
Other Movements	
Carried Forward	7948
	121.250.137

Cumulative	
Number	Value ISK 000's

Annualised one month CPR	4,8%
Annualised three month CPR	4,1%
Annualised 12 month CPR	3,8%

(including redemptions and repurchases)

Weighted Average Seasoning	87,46
Weighted Average Loan size	15,3
Weighted Average LTV	81,1%
Weighted Average Remaining Term	29,34

* (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
378	2.376.000.655 kr.	1,96%
1118	13.756.027.669 kr.	11,35%
2057	31.915.477.496 kr.	26,34%
494	8.037.842.418 kr.	6,63%
484	7.918.574.032 kr.	6,53%
464	7.608.704.882 kr.	6,28%
527	8.849.457.315 kr.	7,30%
2416	40.718.579.252 kr.	33,60%
7938	121.180.663.719	100%

Arrears

Band	Number	Principal ISK 000's	Overdue ISK 000's	Percentage
Current	7.452	111.783.519	225	92,19%
1.00 - 1.99 months	206	3.872.789	18.487	3,19%
2.00 - 2.99 months	135	2.536.930	23.268	2,09%
3.00 - 3.99 months	78	1.561.230	21.748	1,29%
4.00 - 4.99 months	14	218.933	4.105	0,18%
5.00 - 5.99 months	16	301.418	6.753	0,25%
6.00 - 11.99 months	40	821.531	31.621	0,68%
12 months and over	7	153.786	18.605	0,13%
Properties in Possession				
Total	7.948	121.250.137	124.812	100%

Excess Spread

Current month	0,59%
Rolling three month average	0,59%

Properties in possession

Current Period	
Number	Value ISK 000's
Brought Forward	39
Repossessed in Period	2
Sold in Period	0
Carried Forward	41
	785.150

Cumulative	
Number	Value ISK 000's
	89
	1784450
	48
	999300
	41
	785.150

Average time Possession to Sale	265
---------------------------------	-----