

Arion Bank Structured Covered Bonds
Covered Bond Fund Periodic Report for Period 31 July 2013 to 31 August 2013

Current Period	
Number	Value ISK 000's
Brought Forward	7.863
Replenishment	
Repurchased	
Redemptions	54
Other Movements	
Carried Forward	7.809

Cumulative	
Number	Value ISK 000's

Annualised one month CPR
 Annualised three month CPR
 Annualised 12 month CPR

2,1%
2,2%
3,2%

(including redemptions and repurchases)

Weighted Average Seasoning
 Weighted Average Loan size
 Weighted Average LTV
 Weighted Average Remaining Term

94,28
15,2
82,10%
29,33

* (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
355	2.145.260.131 kr.	1,81%
1158	14.114.240.793 kr.	11,88%
1943	29.614.243.909 kr.	24,92%
444	7.172.163.584 kr.	6,04%
438	7.232.290.716 kr.	6,09%
482	7.854.824.750 kr.	6,61%
481	7.856.537.499 kr.	6,61%
2507	42.849.814.643 kr.	36,06%
7808	118.839.376.025	100%

Arrears

Band	Number	Principal ISK 000's	Overdue ISK 000's	Percentage
Current	7425	111.444.217	0	93,78%
1.00 - 1.99 months	207	3.888.581	38.669	3,27%
2.00 - 2.99 months	107	2.113.669	20.566	1,78%
3.00 - 3.99 months	57	1.117.723	16.665	0,94%
4.00 - 4.99 months	7	153.958	3.445	0,13%
5.00 - 5.99 months	2	26.414	546	0,02%
6.00 - 11.99 months	2	57.050	2.298	0,05%
12 months and over	2	37.442	2.475	0,03%
Properties in Possession				
Total	7.809	118.839.053	84.664	100%

Excess Spread
 Current month
 Rolling three month average

0,61%
0,61%

Properties in possession

Stock

Current Period	
Number	Value ISK 000's

Cumulative	
Number	Value ISK 000's

Brought Forward
 Repossessed in Period
 Sold in Period
 Carried Forward

* 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.