

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

Current Period	
Number	Value ISK 000's
Brought Forward	7.777
Replenishment	
Repurchased	
Redemptions	
Other Movements	9
Carried Forward	7.786
	119.144.421

Cumulative	
Number	Value ISK 000's

Annualised one month CPR	4,8%
Annualised three month CPR	3,6%
Annualised 12 month CPR	3,4%

(including redemptions and repurchases)

Weighted Average Seasoning	97,30
Weighted Average Loan size	15,3
Weighted Average LTV	82,0%
Weighted Average Remaining Term	29,36

\* (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
346	2.110.266.662 kr.	1,77%
1180	14.460.484.289 kr.	12,14%
1930	29.620.877.420 kr.	24,86%
444	7.123.893.100 kr.	5,98%
433	7.247.501.688 kr.	6,08%
479	7.799.208.053 kr.	6,55%
475	7.783.920.971 kr.	6,53%
2498	42.998.580.181 kr.	36,09%
7785	119.144.732.364	100%

**Arrears**

Band	Number	Principal ISK 000's	Overdue ISK 000's	Percentage
Current	7609	115.579.531	16.288	97,01%
1.00 - 1.99 months	111	2.146.923	21.913	1,80%
2.00 - 2.99 months	42	894.160	32.684	0,75%
3.00 - 3.99 months	0	0	0	0,00%
4.00 - 4.99 months	7	150.747	2.858	0,13%
5.00 - 5.99 months	13	258.248	5.959	0,22%
6.00 - 11.99 months	3	86.600	2.663	0,07%
12 months and over	1	28.212	4.763	0,02%
Properties in Possession				
Total	7.786	119.144.421	87.129	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	
Repossessed 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.