

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

Current Period	
Number	Value ISK 000's
Brought Forward	7.816
Replenishment	
Repurchased	
Redemptions	
Other Movements	4
Carried Forward	7.820

Cumulative	
Number	Value ISK 000's

Annualised one month CPR	2,9%
Annualised three month CPR	3,9%
Annualised 12 month CPR	3,3%

(including redemptions and repurchases)

Weighted Average Seasoning	101,04
Weighted Average Loan size	15,2
Weighted Average LTV	78,2%
Weighted Average Remaining Term	28,34

* (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
433	2.938.315.647 kr.	2,47%
1326	16.763.479.854 kr.	14,11%
2076	31.723.947.585 kr.	26,71%
451	7.056.428.011 kr.	5,94%
498	8.422.814.473 kr.	7,09%
438	7.168.443.049 kr.	6,03%
514	8.827.334.613 kr.	7,43%
2083	35.885.645.797 kr.	30,21%
7819	118.786.409.029	100%

Arrears

Band	Number	Principal ISK 000's	Overdue ISK 000's	Percentage
Current	7629	115.057.963	191	96,86%
1.00 - 1.99 months	100	1.971.805	14.731	1,66%
2.00 - 2.99 months	72	1.392.307	15.947	1,17%
3.00 - 3.99 months	12	229.200	3.433	0,19%
4.00 - 4.99 months	4	85.178	1.439	0,07%
5.00 - 5.99 months	2	32.574	21.135	0,03%
6.00 - 11.99 months	1	17.074	557	0,01%
12 months and over	0	0	0	0,00%
Properties in Possession				
Total	7.820	118.786.102	57.433	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.