

**Arion Bank Structured Covered Bonds**  
**Covered Bond Fund Periodic Report for Period 31 May 2014 to 30 June 2014**

Current Period	
Number	Value ISK 000's
Brought Forward	7.757
Replenishment	
Repurchased	
Redemptions	37
Other Movements	
Carried Forward	7.720

Cumulative	
Number	Value ISK 000's

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

4,1%
3,7%
3,7%

(including redemptions and repurchases)

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

105,03
15,2
78,3%
28,40

\* (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
434	2.928.802.272 kr.	2,49%
1325	16.634.367.558 kr.	14,17%
2053	31.384.667.890 kr.	26,73%
448	6.979.762.456 kr.	5,95%
473	8.035.561.006 kr.	6,84%
445	7.283.548.231 kr.	6,20%
487	8.474.297.910 kr.	7,22%
2055	35.678.291.479 kr.	30,39%
7720	117.399.298.802	100%

**Arrears**

Band	Number	Principal ISK 000's	Overdue ISK 000's	Percentage
Current	7597	115.188.849	18.718	98,12%
1.00 - 1.99 months	2	16.897	400	0,01%
2.00 - 2.99 months	84	1.575.894	18.554	1,34%
3.00 - 3.99 months	17	303.931	4.348	0,26%
4.00 - 4.99 months	13	206.441	4.557	0,18%
5.00 - 5.99 months	0	0	0	0,00%
6.00 - 11.99 months	6	89.637	2.671	0,08%
12 months and over	1	17.650	1.073	0,02%
Properties in Possession				
Total	7.720	117.399.299	50.321	100%

Excess Spread  
 Current month  
 Rolling three month average

0,61%
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.