

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

Current Period	
Number	Value ISK 000's
Brought Forward	7.687
Replenishment	
Repurchased	
Redemptions	17
Other Movements	
Carried Forward	7.670

Cumulative	
Number	Value ISK 000's

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

4,0%
4,4%
4,1%

(including redemptions and repurchases)

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

108,02
15,2
78,7%
28,44

\*(see definition below)

**Original LTV Bands**

**Range**

0.00 - 25.00  
 25.01 - 50.00  
 50.01 - 75.00  
 75.01 - 80.00  
 80.01 - 85.00  
 85.01 - 90.00  
 90.01 - 95.00  
 > 95.00  
 Total

Number	Balance	Percentage
623	3.976.589	4,90%
1677	16.382.050	20,20%
2641	32.697.549	40,32%
893	11.918.661	14,70%
810	10.699.089	13,19%
180	1.683.585	2,08%
144	1.307.642	1,61%
264	2.423.712 kr.	2,99%
7232	81.088.876	100%

**Current LTV Bands**

Number	Balance 000's	Percentage
417	2.707.008.430 kr.	2,32%
1313	16.300.828.184 kr.	13,97%
2058	31.520.730.148 kr.	27,02%
429	6.638.007.554 kr.	5,69%
473	7.983.568.061 kr.	6,84%
443	7.285.948.478 kr.	6,25%
477	8.219.729.964 kr.	7,05%
2060	35.999.077.861 kr.	30,86%
7670	116.654.898.680	100%

**Arrears**

**Band**

Current  
 1.00 - 1.99 months  
 2.00 - 2.99 months  
 3.00 - 3.99 months  
 4.00 - 4.99 months  
 5.00 - 5.99 months  
 6.00 - 11.99 months  
 12 months and over  
 Properties in Possession  
 Total

Number	Principal ISK 000's	Overdue ISK 000's	Percentage
7567	114.745.045	15.791	98,36%
1	3.310	109	0,00%
76	1.464.710	16.898	1,26%
8	119.765	1.853	0,10%
14	241.478	4.972	0,21%
3	62.661	1.517	0,05%
0	0	0	0,00%
1	17.930	1.345	0,02%
7.670	116.654.899	42.485	100%

Excess Spread  
 Current month  
 Rolling three month average

0,61%
0,61%

**Properties in possession**

**Stock**

Brought Forward  
 Repossessed in Period  
 Sold in Period  
 Carried Forward

Current Period	
Number	Value ISK 000's

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.