

**Arion Bank Structured Covered Bonds**  
**Covered Bond Fund Periodic Report for Period 31 December 2013 to 31 January 2014**

Current Period	
Number	Value ISK 000's
Brought Forward	7.820
Replenishment	
Repurchased	
Redemptions	
Other Movements	- 15
Carried Forward	7.805

Cumulative	
Number	Value ISK 000's

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

4,8%
3,9%
3,3%

(including redemptions and repurchases)

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

101,05
15,2
78,5%
28,35

\*(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
433	2.927.786.660 kr.	2,46%
1311	16.611.224.437 kr.	13,96%
2067	31.743.697.668 kr.	26,67%
445	6.942.262.351 kr.	5,83%
485	8.219.993.976 kr.	6,91%
453	7.394.388.811 kr.	6,21%
493	8.580.118.145 kr.	7,21%
2117	36.604.901.753 kr.	30,75%
7804	119.024.373.801	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
7632	115.678.563	16.362	97,19%
1	13.546	191	0,01%
97	1.914.562	18.865	1,61%
56	1.050.121	14.919	0,88%
12	231.174	4.548	0,19%
4	85.928	1.810	0,07%
3	50.186	22.129	0,04%
0	0	0	0,00%
7.805	119.024.081	78.825	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.