

**Arion Bank Structured Covered Bonds**  
**Covered Bond Fund Periodic Report for Period 28 February 2014 to 31 March 2014**

Current Period	
Number	Value ISK 000's
Brought Forward	7.805
Replenishment	
Repurchased	
Redemptions	16
Other Movements	
Carried Forward	7.789

Cumulative	
Number	Value ISK 000's

Annualised one month CPR	4,2%
Annualised three month CPR	4,4%
Annualised 12 month CPR	3,6%

(including redemptions and repurchases)

Weighted Average Seasoning	104,93
Weighted Average Loan size	15,2
Weighted Average LTV	78,4%
Weighted Average Remaining Term	28,37

\* (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
432	2.923.340.475 kr.	2,47%
1327	16.713.219.063 kr.	14,15%
2060	31.384.820.178 kr.	26,57%
467	7.285.900.205 kr.	6,17%
475	8.037.117.348 kr.	6,80%
444	7.239.942.951 kr.	6,13%
512	8.700.236.199 kr.	7,37%
2072	35.837.679.802 kr.	30,34%
7789	118.122.256.221	100%

**Arrears**

Band	Number	Principal ISK 000's	Overdue ISK 000's	Percentage
Current	7419	111.422.098	230	94,33%
1.00 - 1.99 months	323	5.834.077	37.617	4,94%
2.00 - 2.99 months	42	765.711	11.106	0,65%
3.00 - 3.99 months	0	0	0	0,00%
4.00 - 4.99 months	3	65.377	1.555	0,06%
5.00 - 5.99 months	1	17.647	374	0,01%
6.00 - 11.99 months	1	17.346	810	0,01%
12 months and over	0	0	0	0,00%
Properties in Possession				
Total	7.789	118.122.256	51.693	100%

Excess Spread	
Current month	0,62%
Rolling three month average	0,62%

**Properties in possession**

**Stock**

Current Period	
Number	Value ISK 000's
Brought Forward	
Reposessed 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.