

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

Current Period	
Number	Value ISK 000's
Brought Forward	7.773 117.938.222
Replenishment	
Repurchased	
Redemptions	16 8.949
Other Movements	
Carried Forward	7.757 117.929.273

Cumulative	
Number	Value ISK 000's

Annualised one month CPR	2,9%
Annualised three month CPR	3,8%
Annualised 12 month CPR	3,5%

(including redemptions and repurchases)

Weighted Average Seasoning	105,00
Weighted Average Loan size	15,2
Weighted Average LTV	78,5%
Weighted Average Remaining Term	28,39

* (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	2.921.021.203 kr.	2,48%
1319	16.585.520.349 kr.	14,06%
2057	31.381.026.838 kr.	26,61%
449	6.982.808.593 kr.	5,92%
477	8.070.705.049 kr.	6,84%
450	7.360.654.758 kr.	6,24%
473	8.298.015.394 kr.	7,04%
2099	36.329.520.583 kr.	30,81%
7757	117.929.272.767	100%

Arrears

Band	Number	Principal ISK 000's	Overdue ISK 000's	Percentage
Current	7366	110.880.641	248	94,02%
1.00 - 1.99 months	218	3.734.348	18.243	3,17%
2.00 - 2.99 months	113	2.268.331	22.711	1,92%
3.00 - 3.99 months	52	916.019	14.081	0,78%
4.00 - 4.99 months	0	0	0	0,00%
5.00 - 5.99 months	7	112.363	2.685	0,10%
6.00 - 11.99 months	0	0	0	0,00%
12 months and over	1	17.570	984	0,01%
Properties in Possession				
Total	7.757	117.929.273	58.952	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	
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.