

Arion Bank Structured Covered Bonds
Covered Bond Fund Periodic Report for Period 31 August 2013 to 30 September 2013

Current Period	
Number	Value ISK 000's
Brought Forward	7.809
Replenishment	
Repurchased	
Redemptions	32
Other Movements	
Carried Forward	7.777
	118.753.249

Cumulative	
Number	Value ISK 000's

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

3,9%
3,0%
3,3%

(including redemptions and repurchases)

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

95,28
15,3
81,80%
29,34

*(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
351	2.145.117.329 kr.	1,81%
1172	14.370.304.258 kr.	12,10%
1941	29.746.831.227 kr.	25,05%
452	7.257.468.543 kr.	6,11%
439	7.304.568.901 kr.	6,15%
471	7.669.461.210 kr.	6,46%
481	7.960.172.893 kr.	6,70%
2469	42.299.641.656 kr.	35,62%
7776	118.753.566.017	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
7594	115.100.033	20.585	96,92%
0	0	0	0,00%
110	2.164.752	40.535	1,82%
50	968.630	14.512	0,82%
18	370.705	6.873	0,31%
3	85.988	2.206	0,07%
1	35.136	1.022	0,03%
1	28.004	4.616	0,02%
7.777	118.753.249	90.349	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.