

Arion Bank Structured Covered Bonds
Covered Bond Fund Periodic Report for Period 30 June 2013 to 31 July 2013

Current Period	
Number	Value ISK 000's
Brought Forward	7.886
Replenishment	
Repurchased	
Redemptions	23
Other Movements	
Carried Forward	7.863

Cumulative	
Number	Value ISK 000's

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

3,1%
2,7%
3,2%

(including redemptions and repurchases)

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

92,76
15,4
81,70%
29,40

*(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
355	2.169.036.522 kr.	1,79%
1096	13.439.189.536 kr.	11,09%
1982	30.850.581.055 kr.	25,46%
461	7.640.257.422 kr.	6,31%
445	7.350.228.622 kr.	6,07%
484	7.991.327.276 kr.	6,60%
492	8.045.958.073 kr.	6,64%
2539	43.669.200.355 kr.	36,04%
7854	121.155.778.861	100%

Arrears

Band	Number	Principal ISK 000's	Overdue ISK 000's	Percentage
Current	7618	116.264.124	143	95,89%
1.00 - 1.99 months	123	2.487.878	17.973	2,05%
2.00 - 2.99 months	85	1.713.053	20.465	1,41%
3.00 - 3.99 months	18	410.969	6.607	0,34%
4.00 - 4.99 months	13	213.066	3.959	0,18%
5.00 - 5.99 months	1	21.588	590	0,02%
6.00 - 11.99 months	3	93.775	3.059	0,08%
12 months and over	2	37.364	2.278	0,03%
Properties in Possession				
Total	7.863	121.241.818	55.075	100%

Excess Spread
 Current month
 Rolling three month average

0,61%
0,61%

Properties in possession

Stock

Current Period	
Number	Value ISK 000's

Cumulative	
Number	Value ISK 000's

Brought Forward
 Repossessed in Period
 Sold in Period
 Carried Forward

* 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.