

Arion Bank Structured Covered Bonds
Covered Bond Fund Periodic Report for Period 30 June 2014 to 31 July 2014

Current Period	
Number	Value
	ISK 000's
Brought Forward	7.720 117.399.299
Replenishment	
Repurchased	
Redemptions	
Other Movements	9 - 76.860
Carried Forward	7.711 117.476.159

Cumulative	
Number	Value
	ISK 000's

Annualised one month CPR	5,4%
Annualised three month CPR	4,1%
Annualised 12 month CPR	3,9%

(including redemptions and repurchases)

Weighted Average Seasoning	108,04
Weighted Average Loan size	15,2
Weighted Average LTV	79,0%
Weighted Average Remaining Term	28,41

* (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
402	2.606.287.241 kr.	2,22%
1305	16.240.067.137 kr.	13,82%
2061	31.448.071.644 kr.	26,77%
455	7.069.814.208 kr.	6,02%
468	7.940.636.360 kr.	6,76%
450	7.368.979.412 kr.	6,27%
472	8.112.182.783 kr.	6,91%
2098	36.690.120.519 kr.	31,23%
7711	117.476.159.304	100%

Arrears

Band	Number	Principal	Overdue	Percentage
		ISK 000's	ISK 000's	
Current	7510	113.750.280	195	96,83%
1.00 - 1.99 months	108	2.111.339	18.585	1,80%
2.00 - 2.99 months	61	1.082.975	13.045	0,92%
3.00 - 3.99 months	9	185.459	3.353	0,16%
4.00 - 4.99 months	5	77.144	1.492	0,07%
5.00 - 5.99 months	7	127.897	3.045	0,11%
6.00 - 11.99 months	10	123.288	4.316	0,10%
12 months and over	1	17.777	1.163	0,02%
Properties in Possession				
Total	7.711	117.476.159	45.193	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	
Repossessed 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.