

**Arion Bank Structured Covered Bonds**  
**Covered Bond Fund Periodic Report for Period 31 July 2014 to 31 August 2014**

Current Period	
Number	Value ISK 000's
Brought Forward	7.711
Replenishment	
Repurchased	
Redemptions	24
Other Movements	
Carried Forward	7.687

Cumulative	
Number	Value ISK 000's

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

(including redemptions and repurchases)

Weighted Average Seasoning	108,03
Weighted Average Loan size	15,2
Weighted Average LTV	78,7%
Weighted Average Remaining Term	28,43

\* (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
408	2.648.472.220 kr.	2,27%
1314	16.321.488.283 kr.	13,96%
2066	31.661.211.013 kr.	27,08%
445	6.846.388.719 kr.	5,86%
473	7.989.100.629 kr.	6,83%
441	7.210.676.608 kr.	6,17%
478	8.251.648.582 kr.	7,06%
2062	35.970.010.229 kr.	30,77%
7687	116.898.996.283	100%

**Arrears**

Band	Number	Principal ISK 000's	Overdue ISK 000's	Percentage
Current	7359	110.751.445	245	94,74%
1.00 - 1.99 months	168	3.100.896	15.311	2,65%
2.00 - 2.99 months	104	1.981.019	20.020	1,69%
3.00 - 3.99 months	49	902.826	13.205	0,77%
4.00 - 4.99 months	5	124.432	2.533	0,11%
5.00 - 5.99 months	0	0	0	0,00%
6.00 - 11.99 months	1	20.558	574	0,02%
12 months and over	1	17.820	1.253	0,02%
Properties in Possession				
Total	7.687	116.898.996	53.142	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.