Arion Bank Structured Covered Bonds Covered Bond Fund Periodic Report for Period 28 February 2014 to 31 March 2014

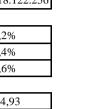
	Current Pe	Current Period	
	Number	Number Value	
		ISK 000's	
Brought Forward	7.805	119.024.081	
Replenishment			
Repurchased			
Redemptions	16	901.824	
Other Movements			
Carried Forward	7.789	118.122.256	
		-	

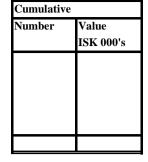
Annualised one month CPR Annualised three month CPR Annualised 12 month CPR

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

Current Period		
Number	Value	
	ISK 000's	
7.805	119.024.081	
16	901.824	
7.789	118.122.256	

4,2%
4,4%
3,6%





(including redemptions and repurchases)

104,93 15,2 78,4% 28,37

* (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
432	2.923.340.475 kr.	2,47%
1327	16.713.219.063 kr.	14,15%
2060	31.384.820.178 kr.	26,57%
467	7.285.900.205 kr.	6,17%
475	8.037.117.348 kr.	6,80%
444	7.239.942.951 kr.	6,13%
512	8.700.236.199 kr.	7,37%
2072	35.837.679.802 kr.	30,34%
7789	118.122.256.221	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

Excess Spread

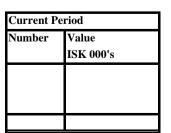
Current month Rolling three month average

Properties in possession Stock

Brought Forward Repossessed in Period Sold in Period Carried Forward

Number	Principal	Overdue	Percentage
	ISK 000's	ISK 000's	
7419	111.422.098	230	94,33%
323	5.834.077	37.617	4,94%
42	765.711	11.106	0,65%
0	0	0	0,00%
3	65.377	1.555	0,06%
1	17.647	374	0,01%
1	17.346	810	0,01%
0	0	0	0,00%
7.78	9 118.122.256	51.693	100%





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.