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

	Numbe
Brought Forward	7.7
Replenishment	
Repurchased	
Redemptions	
Other Movements	
Carried Forward	7.7

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	
7.720	117.399.299	
9	- 76.860	
7.711	117.476.159	

5,4%
4,1%
3,9%
5,970

108,04
15,2
79,0%
28,41

Cumulative Number Value ISK 000's

(including redemptions and repurchases)

* (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 4,90% 623 3.976.589 16.382.050 20.20% 1677 40,32% 2641 32.697.549 14,70% 893 11.918.661 13,19% 810 10.699.089 180 1.683.585 2,08% 1,61% 144 1.307.642 264 2.423.712 kr. 2,99% 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

Excess Spread

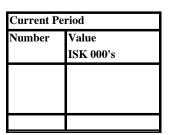
Current month Rolling three month average

Properties in possession Stock

Brought Forward Repossessed in Period Sold in Period Carried Forward

Number	Principal	Overdue	Percentage
	ISK 000's	ISK 000's	
7510	113.750.280	195	96,83%
108	2.111.339	18.585	1,80%
61	1.082.975	13.045	0,92%
9	185.459	3.353	0,16%
5	77.144	1.492	0,07%
7	127.897	3.045	0,11%
10	123.288	4.316	0,10%
1	17.777	1.163	0,02%
7.71	1 117.476.159	45.193	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.