

Arion Bank Covered Bonds

Investor Report: December 2022



| Details | Indexed* | Non-Indexed | Total |
|-------------------------------|----------|-------------|---------|
| Total Cover Pool Balance | 106.530 | 194.938 | 301.468 |
| Average Loan Balance | 21 | 20 | 21 |
| Average Customer Balance | 25 | 23 | 26 |
| No. of Loans | 4.995 | 9.724 | 14.719 |
| No. of Borrowers | 4.279 | 8.343 | 11.515 |
| No. of Properties | 4.280 | 8.370 | 11.541 |
| WA Legal Maturity (in months) | 395 | 392 | 393 |
| WA Seasoning (in months) | 47 | 26 | 33 |
| WA LTV | 46,4% | 45,3% | 45,7% |
| WA Interest Rate | 3,0% | 6,3% | 5,1% |

*Indexed mortgages linked to the consumer price index in Iceland as published by Statistics Iceland (Hagstofa Islands: www.hagstofa.is). Non Indexed are fixed rate mortgages

| LTV Ranges | Balance | Percent |
|----------------|---------|---------|
| Less than 40% | 91.271 | 30,3% |
| 40 - 50% | 74.081 | 24,6% |
| 50 - 60% | 101.916 | 33,8% |
| 60 - 70% | 27.402 | 9,1% |
| 70 - 80% | 6.798 | 2,3% |
| 80 - 90% | 0 | 0,0% |
| 90 - 100% | 0 | 0,0% |
| 100 - 110% | 0 | 0,0% |
| more than 110% | 0 | 0,0% |
| Total | 301.468 | 100,0% |

| Property Type | Balance | Percent |
|---------------|---------|---------|
| Residential | 301.446 | 100,0% |
| Other | 22 | 0,0% |
| Total | 301.468 | 100,0% |

| Payment Frequency | Balance | Percent |
|-------------------|---------|---------|
| Monthly | 301.223 | 99,9% |
| Quarterly | 6 | 0,0% |
| Other | 24 | 0,0% |
| Annual | 202 | 0,1% |
| Semi-Annual | 14 | 0,0% |
| Total | 301.468 | 100,0% |

| Interest Rate Type | Balance | Percent |
|--------------------|---------|---------|
| 7.59% Non-Indexed | 84.731 | 28,1% |
| 2.94% Indexed | 32.269 | 10,7% |
| 4.49% Non-Indexed | 27.412 | 9,1% |
| 2.54% Indexed | 25.588 | 8,5% |
| 4.35% Non-Indexed | 18.387 | 6,1% |
| 4.2% Non-Indexed | 15.541 | 5,2% |
| Other | 97.540 | 32,4% |
| Total | 301.468 | 100,0% |

| Valuation Type | Balance | Percent |
|----------------|---------|---------|
| FMR | 268.853 | 89,2% |
| Contract | 22.687 | 7,5% |
| Internal | 7.568 | 2,5% |
| External | 2.320 | 0,8% |
| Offer | 40 | 0,0% |
| Total | 301.468 | 100,0% |

| Arrears | Balance | Percent | Count |
|-----------------------|---------|---------|--------|
| Not in Arrears | 297.612 | 98,7% | 14.577 |
| 0 - 30 days default | 180 | 0,1% | 8 |
| 30 - 90 days default | 3.676 | 1,2% | 151 |
| 90 - 180 days default | 0 | 0 | 16 |
| Total | 301.468 | 100,0% | 14.752 |

| Ranking Order | Balance | Percent |
|---------------|---------|---------|
| 1. Rank | 269.363 | 89,4% |
| 2. Rank | 31.030 | 10,3% |
| 3. Rank | 1.052 | 0,3% |
| 4. Rank | 21 | 0,0% |
| 5. Rank | 2 | 0,0% |
| Total | 301.468 | 100,0% |

| Area | Balance | Percent |
|------------------------------|---------|---------|
| Reykjavik | 117.401 | 38,9% |
| Capital Area excl. Reykjavik | 101.614 | 33,7% |
| Suðurland | 25.102 | 8,3% |
| Norðurland Eystra | 22.581 | 7,5% |
| Vesturland | 13.652 | 4,5% |
| Suðurnes | 10.266 | 3,4% |
| Austurland | 5.357 | 1,8% |
| Norðurland Vestra | 4.790 | 1,6% |
| Vestfirðir | 706 | 0,2% |
| Total | 301.468 | 100,0% |

| Maturity | Balance | Percent |
|--------------------|----------------|----------------|
| Less than 15 years | 12.721 | 4,2% |
| 15 - 20 years | 18.302 | 6,1% |
| 20 - 25 years | 31.772 | 10,5% |
| 25 - 30 years | 29.421 | 9,8% |
| 30 - 35 years | 39.733 | 13,2% |
| 35 - 40 years | 169.518 | 56,2% |
| Total | 301.468 | 100,0% |