

Arion Bank Covered Bonds

Investor Report: April 2020



| Details | Indexed* | Non-Indexed | Total |
|-------------------------------|----------|-------------|---------|
| Total Cover Pool Balance | 110.329 | 55.058 | 165.387 |
| Average Loan Balance | 17 | 12 | 15 |
| Average Customer Balance | 22 | 14 | 21 |
| No. of Loans | 6.550 | 4.539 | 11.089 |
| No. of Borrowers | 5.109 | 3.924 | 7.826 |
| No. of Properties | 5.117 | 3.939 | 7.848 |
| WA Legal Maturity (in months) | 394 | 364 | 384 |
| WA Seasoning (in months) | 36 | 38 | 37 |
| WA LTV | 56,2% | 41,0% | 51,1% |
| WA Interest Rate | 3,6% | 5,5% | 4,2% |

*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% | 43.708 | 26,4% |
| 40 - 50% | 28.034 | 17,0% |
| 50 - 60% | 35.084 | 21,2% |
| 60 - 70% | 36.092 | 21,8% |
| 70 - 80% | 22.470 | 13,6% |
| 80 - 90% | 0 | 0,0% |
| 90 - 100% | 0 | 0,0% |
| 100 - 110% | 0 | 0,0% |
| more than 110% | 0 | 0,0% |
| Total | 165.387 | 100,0% |

| Property Type | Balance | Percent |
|---------------|---------|---------|
| Residential | 165.387 | 100,0% |
| Total | 165.387 | 100,0% |

| Payment Frequency | Balance | Percent |
|-------------------|---------|---------|
| Monthly | 165.317 | 100,0% |
| Quarterly | 23 | 0,0% |
| Annual | 5 | 0,0% |
| Semi-Annual | 42 | 0,0% |
| Total | 165.387 | 100,0% |

| Valuation Type | Balance | Percent |
|----------------|---------|---------|
| FMR | 145.421 | 87,9% |
| Contract | 13.447 | 8,1% |
| Internal | 5.411 | 3,3% |
| External | 1.067 | 0,6% |
| Offer | 41 | 0,0% |
| Total | 165.387 | 100,0% |

| Ranking Order | Balance | Percent |
|---------------|---------|---------|
| 1. Rank | 135.079 | 81,7% |
| 2. Rank | 29.439 | 17,8% |
| 3. Rank | 869 | 0,5% |
| 4. Rank | 0 | 0 |
| Total | 165.387 | 100,0% |

| Interest Rate Type | Balance | Percent |
|--------------------|---------|---------|
| 3.04% Indexed | 33.543 | 20,3% |
| 3.8% Indexed | 23.570 | 14,3% |
| 4.04% Non-Indexed | 15.871 | 9,6% |
| 5.95% Non-Indexed | 12.623 | 7,6% |
| Other | 79.781 | 48,2% |
| Total | 165.387 | 100,0% |

| Arrears | Balance | Percent | Count |
|-----------------------|---------|---------|--------|
| Not in Arrears | 161.758 | 93,7% | 11.065 |
| 0 - 30 days default | 8.282 | 4,8% | 446 |
| 30 - 90 days default | 2.539 | 1,5% | 133 |
| 90 - 180 days default | 0 | 0 | 19 |

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| Area | Balance | Percent |
|------------------------------|---------|---------|
| Reykjavik | 67.301 | 40,7% |
| Capital Area excl. Reykjavik | 58.421 | 35,3% |
| Norðurland Eystra | 12.439 | 7,5% |
| Suðurland | 11.155 | 6,7% |
| Vesturland | 5.989 | 3,6% |
| Suðurnes | 4.440 | 2,7% |
| Norðurland Vestra | 2.673 | 1,6% |
| Austurland | 2.669 | 1,6% |
| Vestfirðir | 302 | 0,2% |
| Total | 165.387 | 100,0% |

| Maturity | Balance | Percent |
|--------------------|---------|---------|
| Less than 15 years | 5.951 | 3,6% |
| 15 - 20 years | 11.712 | 7,1% |
| 20 - 25 years | 23.268 | 14,1% |
| 25 - 30 years | 17.662 | 10,7% |
| 30 - 35 years | 21.562 | 13,0% |
| 35 - 40 years | 85.231 | 51,5% |
| Total | 165.387 | 100,0% |

Planned frequency for updates of this summary: 12 times per year.
Arion Bank is regulated by the Icelandic Financial Supervisory Authority (www.fme.is).

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