

Arion Banki Covered Bonds



Risk Report: 29. February 2024

Asset Coverage Test	Amount
Loan Pool (A)	344,195
Collateral Reserve Account (B)	0
Liquidity Reserve Account (C)	6,060
Customer Deposits (W)	0
Total (A + B + C - W)	350,255
Outstanding Covered Bonds	324,200
Over Collateralization	26,055
Over Collateralization [%]	8.0%

As is outlined in the prospectus, the Asset Coverage Test (ACT) must be passed.

Interest Rate Sensitivity	Nominal	Base Case	Up100bp	Down100bp
Outstanding Covered Bonds	324,200	317,947	308,793	327,718
Loan Pool	344,195	460,108	409,259	522,325
Bank Account	6,060	6,060	6,060	6,060
Over Collateralization	26,055	148,221	106,526	200,667
Over Collateralization [%]	8.0%	46.6%	34.5%	61.2%

The Mark-To-Market (MTM) value of the underlying loan pool must exceed the MTM value of the Covered Bonds issuance. Furthermore, the program must withstand a parallel shift in the risk free interest curve.

Foreign Exchange Sensitivity	Nominal	Base Case	10% ISK Depreciation	10 % ISK Appreciation
Outstanding Covered Bonds	324,200	317,947	328,664	307,230
Loan Pool	344,195	460,108	460,108	460,108
Bank Account	6,060	6,060	6,172	5,949
Over Collateralization	26,055	148,221	137,616	158,827
Over Collateralization [%]	8.0%	46.6%	41.9%	51.7%

The Mark-To-Market (MTM) value of the underlying loan pool must exceed the MTM value of the Covered Bonds issuance. Furthermore, the program must withstand a 10% foreign exchange depreciation/appreciation with respect to net MTM value.

This is an automatically generated report from Arion Banks Risk Management. The information herein might change at a later date without notice. All amounts in Millions ISK.

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Cashflow Projection	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025
Bank Account:	6,060												
Covered Bonds:			19,583	238	685	1,195			2,358	238	685	1,203	
Loans in Default:		9	9	9	9	9	9	9	9	9	9	9	9
Performing Loans:		1,756	2,063	2,071	2,081	2,122	2,130	2,161	2,199	2,231	2,268	2,305	2,335
Cumulative Balance:	6,060	7,816	-9,704	-7,871	-6,475	-5,548	-3,418	-1,256	-1,415	578	2,161	3,264	5,599

The cashflow coverage measures the ability of the underlying loan pool to service the programs debt obligation on its own. Ignoring both infusion of cash and new loans it is a snapshot view of the debt servicing capability of the pool.

Indexation Balance	Indexed	Non Indexed	Total
Covered Assets	167,881	182,374	350,255
Covered Bonds Issuance	-146,077	-178,123	-324,200
Net	21,804	4,251	26,055

Arion Bank strives to keep a balance between indexed loans and liabilities and non-indexed loans and liabilities. A part of this effort is to keep the balance of loans higher than liabilities for both indexed and non-indexed products.

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