

Arion Banki Covered Bonds



Risk Report: 31. December 2024

Asset Coverage Test	Amount
Loan Pool (A)	386,423
Collateral Reserve Account (B)	0
Liquidity Reserve Account (C)	6,912
Customer Deposits (W)	0
Total (A + B + C - W)	393,335
Outstanding Covered Bonds	344,649
Over Collateralization	48,686
Over Collateralization [%]	14.1%

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	344,649	339,924	331,392	349,016
Loan Pool	386,423	537,395	477,034	611,344
Bank Account	6,912	6,912	6,912	6,912
Over Collateralization	48,686	204,383	152,554	269,240
Over Collateralization [%]	14.1%	60.1%	46.0%	77.1%

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	344,649	339,924	350,526	329,322
Loan Pool	386,423	537,395	537,395	537,395
Bank Account	6,912	6,912	7,016	6,808
Over Collateralization	48,686	204,383	193,885	214,881
Over Collateralization [%]	14.1%	60.1%	55.3%	65.2%

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 10% foreign exchange depreciation/appreciation with respect to net MTM value.

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Cashflow Projection	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025
Bank Account:	6,912												
Covered Bonds:		1,147		342	2,406	471	716	943		382	1,621	471	716
Loans in Default:		10	10	10	10	10	10	10	10	10	10	10	10
Performing Loans:		1,907	2,489	2,505	2,515	2,540	2,553	2,566	2,584	2,601	2,609	2,613	2,618
Cumulative Balance:	6,912	7,672	10,161	12,324	12,432	14,501	16,338	17,961	20,546	22,765	23,753	25,895	27,798

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	Other	Total
Covered Assets	222,507	170,828	393,335
Covered Bonds Issuance	-186,309	-158,341	-344,649
Net	36,198	12,487	48,686