

Arion Banki Covered Bonds



Risk Report: 30. September 2025

| Asset Coverage Test | Amount |
|--------------------------------|---------|
| Loan Pool (A) | 356,408 |
| Collateral Reserve Account (B) | 0 |
| Liquidity Reserve Account (C) | 6,339 |
| Customer Deposits (W) | 0 |
| Total (A + B + C - W) | 362,747 |
| Outstanding Covered Bonds | 306,322 |
| Over Collateralization | 56,425 |
| Over Collateralization [%] | 18.4% |

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 | 306,322 | 301,825 | 293,783 | 310,357 |
| Loan Pool | 356,408 | 453,919 | 404,691 | 513,935 |
| Bank Account | 6,339 | 6,339 | 6,339 | 6,339 |
| Over Collateralization | 56,425 | 158,433 | 117,247 | 209,917 |
| Over Collateralization [%] | 18.4% | 52.5% | 39.9% | 67.6% |

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 | 306,322 | 301,825 | 312,414 | 291,236 |
| Loan Pool | 356,408 | 453,919 | 453,919 | 453,919 |
| Bank Account | 6,339 | 6,339 | 6,416 | 6,262 |
| Over Collateralization | 56,425 | 158,433 | 147,921 | 168,945 |
| Over Collateralization [%] | 18.4% | 52.5% | 47.3% | 58.0% |

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 | Sep 2025 | Oct 2025 | Nov 2025 | Dec 2025 | Jan 2026 | Feb 2026 | Mar 2026 | Apr 2026 | May 2026 | Jun 2026 | Jul 2026 | Aug 2026 | Sep 2026 |
|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Bank Account: | 6,339 | | | | | | | | | | | | |
| Covered Bonds: | | 1,629 | 488 | 742 | 858 | 56 | 605 | 1,593 | 488 | 742 | 867 | 56 | 605 |
| Loans in Default: | | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Performing Loans: | | 1,874 | 2,269 | 2,266 | 2,269 | 2,271 | 2,273 | 2,275 | 2,277 | 2,278 | 2,291 | 2,280 | 2,281 |
| Cumulative Balance: | 6,339 | 6,584 | 8,365 | 9,889 | 11,299 | 13,515 | 15,183 | 15,865 | 17,653 | 19,189 | 20,613 | 22,837 | 24,513 |

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 | 200,027 | 162,720 | 362,747 |
| Covered Bonds Issuance | -148,900 | -157,421 | -306,322 |
| Net | 51,127 | 5,299 | 56,425 |