

Arion Banki Covered Bonds



Risk Report: 31. August 2025

Asset Coverage Test	Amount
Loan Pool (A)	359,334
Collateral Reserve Account (B)	0
Liquidity Reserve Account (C)	5,725
Customer Deposits (W)	0
Total (A + B + C - W)	365,059
Outstanding Covered Bonds	307,035
Over Collateralization	58,024
Over Collateralization [%]	18.9%

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	307,035	301,295	293,062	310,032
Loan Pool	359,334	457,594	407,691	518,465
Bank Account	5,725	5,725	5,725	5,725
Over Collateralization	58,024	162,024	120,354	214,158
Over Collateralization [%]	18.9%	53.8%	41.1%	69.1%

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	307,035	301,295	311,934	290,655
Loan Pool	359,334	457,594	457,594	457,594
Bank Account	5,725	5,725	5,802	5,647
Over Collateralization	58,024	162,024	151,462	172,586
Over Collateralization [%]	18.9%	53.8%	48.6%	59.4%

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	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026	Aug 2026
Bank Account:	5,725												
Covered Bonds:		606	1,629	489	743	861	56	606	1,594	489	743	863	56
Loans in Default:		25	25	25	25	25	25	25	25	25	25	25	26
Performing Loans:		1,818	2,257	2,258	2,259	2,263	2,265	2,267	2,269	2,270	2,271	2,273	2,274
Cumulative Balance:	5,725	6,937	7,565	9,334	10,850	12,252	14,461	16,122	16,797	18,578	20,107	21,516	23,734

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	203,447	161,612	365,059
Covered Bonds Issuance	-149,324	-157,711	-307,035
Net	54,123	3,901	58,024