# Arion Banki Covered Bonds

Risk Report: 31. December 2025

| Asset Coverage Test | Amount |
|---|---|
| Loan Pool (A) | 354,161 |
| Collateral Reserve Account (B) | 0 |
| Liquidity Reserve Account (C) | 5,731 |
| Customer Deposits (W) | 0 |
| Total (A + B + C - W) | 359,892 |
| Outstanding Covered Bonds | 315,470 |
| Over Collateralization | 44,422 |
| 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 | 315,470 | 315,324 | 307,416 | 323,716 |
| Loan Pool | 354,161 | 443,065 | 433,876 | 453,934 |
| Bank Account | 5,731 | 5,731 | 5,731 | 5,731 |
| Over Collateralization | 44,422 | 133,472 | 132,191 | 135,949 |
| Over Collateralization [%] | 14.1% | 42.3% | 43.0% | 42.0% |

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 parallel shift in the risk free interest curve.

| Foreign Exchange Sensitivity | Nominal | Base Case | 10% ISK Depreciation | 10 % ISK Appreciation |
|---|---|---|---|---|
| Outstanding Covered Bonds | 315,470 | 315,324 | 326,320 | 304,328 |
| Loan Pool | 354,161 | 443,065 | 443,065 | 443,065 |
| Bank Account | 5,731 | 5,731 | 5,807 | 5,655 |
| Over Collateralization | 44,422 | 133,472 | 122,552 | 144,392 |
| Over Collateralization [%] | 14.1% | 42.3% | 37.6% | 47.4% |

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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Risk Report: 31. December 2025

| Cashflow Projection | Dec 2025 | Jan 2026 | Feb 2026 | Mar 2026 | Apr 2026 | May 2026 | Jun 2026 | Jul 2026 | Aug 2026 | Sep 2026 | Oct 2026 | Nov 2026 | Dec 2026 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Bank Account: | 5,731 | | | | | | | | | | | | |
| Covered Bonds: | | 1,747 | 167 | 606 | 1,594 | 489 | 1,485 | 1,771 | 167 | 606 | 1,704 | 489 | 1,485 |
| Loans in Default: | | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Performing Loans: | | 1,718 | 2,272 | 2,281 | 2,281 | 2,282 | 2,282 | 2,295 | 2,280 | 2,276 | 2,274 | 2,272 | 2,270 |
| Cumulative Balance: | **5,731** | **5,701** | **7,806** | **9,481** | **10,169** | **11,962** | **12,760** | **13,284** | **15,396** | **17,067** | **17,637** | **19,421** | **20,206** |

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 | 192,814 | 167,078 | 359,892 |
| Covered Bonds Issuance | -154,903 | -160,568 | -315,470 |
| Net | 37,911 | 6,510 | 44,422 |


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