Arion Banki Covered Bonds

Risk Report: 31. March 2025

Asset Coverage Test	Amount
Loan Pool (A)	389,916
Collateral Reserve Account (B)	0
Liquidity Reserve Account (C)	6,904
Customer Deposits (W)	0
Total (A + B + C - W)	396,820
Outstanding Covered Bonds	350,794
Over Collateralization	46,026
Over Collateralization [%]	13.1%

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	350,794	346,008	338,094	354,439
Loan Pool	389,916	517,921	460,460	588,179
Bank Account	6,904	6,904	6,904	6,904
Over Collateralization	46,026	178,817	129,270	240,644
Over Collateralization [%]	13.1%	51.7%	38.2%	67.9%

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	350,794	346,008	356,527	335,489
Loan Pool	389,916	517,921	517,921	517,921
Bank Account	6,904	6,904	6,987	6,821
Over Collateralization	46,026	178,817	168,381	189,253
Over Collateralization [%]	13.1%	51.7%	47.2%	56.4%

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.

Contact:
Investor Relations: samskiptasvid@arionbanki.is
Head of Funding: Eiríkur Dór Jónsson, eirikur.jonsson@arionbanki.is
Risk Management: Stefán Ingi Valdimarsson, stefan.v@arionbanki.is

Arion Banki Covered Bonds

Arion Bank

Risk Report: 31. March 2025

Cashflow Projection	Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026
Bank Account:	6,904												
Covered Bonds:		2,417	476	723	943		473	1,623	476	723	399		473
Loans in Default:		11	11	11	11	11	11	11	11	11	11	11	11
Performing Loans:		2,046	2,469	2,457	2,469	2,486	2,498	2,504	2,508	2,513	2,517	2,520	2,522
Cumulative Balance:	**6,904**	**6,532**	**8,526**	**10,259**	**11,785**	**14,271**	**16,296**	**17,177**	**19,209**	**20,999**	**23,117**	**25,636**	**27,685**

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	229,269	167,551	396,820
Covered Bonds Issuance	-192,978	-157,816	-350,794
Net	36,291	9,735	46,026

Contact:
Investor Relations: samskiptasvid@arionbanki.is
Head of Funding: Eiríkur Dór Jónsson, eirikur.jonsson@arionbanki.is
Risk Management: Stefán Ingi Valdimarsson, stefan.v@arionbanki.is

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.