

# Arion Banki Covered Bonds



Risk Report: 31. October 2025

Asset Coverage Test	Amount
Loan Pool (A)	352,016
Collateral Reserve Account (B)	0
Liquidity Reserve Account (C)	5,863
Customer Deposits (W)	0
Total (A + B + C - W)	357,879
Outstanding Covered Bonds	311,914
Over Collateralization	45,965
Over Collateralization [%]	14.7%

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	311,914	309,275	301,084	317,973
Loan Pool	352,016	429,265	420,705	439,409
Bank Account	5,863	5,863	5,863	5,863
Over Collateralization	45,965	125,853	125,484	127,299
Over Collateralization [%]	14.7%	40.7%	41.7%	40.0%

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	311,914	309,275	320,061	298,489
Loan Pool	352,016	429,265	429,265	429,265
Bank Account	5,863	5,863	5,938	5,788
Over Collateralization	45,965	125,853	115,142	136,564
Over Collateralization [%]	14.7%	40.7%	36.0%	45.8%

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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 Arion Bank

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Cashflow Projection	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026	Aug 2026	Sep 2026	Oct 2026
Bank Account:	5,863												
Covered Bonds:		489	742	866	140	606	1,594	489	742	879	140	606	1,630
Loans in Default:		18	21	21	21	21	21	21	21	21	21	21	20
Performing Loans:		1,744	2,417	2,452	2,447	2,441	2,430	2,420	2,409	2,412	2,389	2,375	2,363
Cumulative Balance:	5,863	7,118	8,792	10,378	12,685	14,520	15,357	17,288	18,955	20,488	22,737	24,506	25,240

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	196,918	160,961	357,879
Covered Bonds Issuance	-153,812	-158,102	-311,914
Net	43,106	2,859	45,965