

Arion Banki Covered Bonds



Risk Report: 28. February 2026

Asset Coverage Test	Amount
Loan Pool (A)	414,151
Collateral Reserve Account (B)	0
Liquidity Reserve Account (C)	5,816
Customer Deposits (W)	0
Total (A + B + C - W)	419,967
Outstanding Covered Bonds	363,737
Over Collateralization	56,230
Over Collateralization [%]	15.5%

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	363,737	366,907	357,023	377,399
Loan Pool	414,151	528,121	515,519	543,002
Bank Account	5,816	5,816	5,816	5,816
Over Collateralization	56,230	167,030	164,312	171,419
Over Collateralization [%]	15.5%	45.5%	46.0%	45.4%

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 parallel shift in the risk free interest curve.

Foreign Exchange Sensitivity	Nominal	Base Case	10% ISK Depreciation	10 % ISK Appreciation
Outstanding Covered Bonds	363,737	366,907	382,019	351,795
Loan Pool	414,151	528,121	528,121	528,121
Bank Account	5,816	5,816	5,891	5,742
Over Collateralization	56,230	167,030	151,993	182,068
Over Collateralization [%]	15.5%	45.5%	39.8%	51.8%

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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Cashflow Projection	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026	Aug 2026	Sep 2026	Oct 2026	Nov 2026	Dec 2026	Jan 2027	Feb 2027
Bank Account:	5,817												
Covered Bonds:		615	1,597	496	1,507	1,753	268	615	1,705	496	1,507	1,779	1,452
Loans in Default:		8	8	8	8	8	8	8	8	7	7	7	7
Performing Loans:		1,959	2,561	2,564	2,564	2,574	2,556	2,551	2,543	2,534	2,526	2,531	2,537
Cumulative Balance:	5,817	7,160	8,124	10,192	11,248	12,069	14,357	16,293	17,131	19,169	20,187	20,939	22,025

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	254,799	165,168	419,967
Covered Bonds Issuance	-162,783	-200,954	-363,737
Net	92,016	-35,786	56,230