

# Arion Banki Covered Bonds



Risk Report: 30. November 2025

Asset Coverage Test	Amount
Loan Pool (A)	357,355
Collateral Reserve Account (B)	0
Liquidity Reserve Account (C)	5,591
Customer Deposits (W)	0
Total (A + B + C - W)	362,946
Outstanding Covered Bonds	315,562
Over Collateralization	47,384
Over Collateralization [%]	15.0%

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	315,562	313,028	304,979	321,573
Loan Pool	357,355	445,480	435,834	456,915
Bank Account	5,591	5,591	5,591	5,591
Over Collateralization	47,384	138,043	136,446	140,933
Over Collateralization [%]	15.0%	44.1%	44.7%	43.8%

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 parallel shift in the risk free interest curve.

Foreign Exchange Sensitivity	Nominal	Base Case	10% ISK Depreciation	10 % ISK Appreciation
Outstanding Covered Bonds	315,562	313,028	324,099	301,957
Loan Pool	357,355	445,480	445,480	445,480
Bank Account	5,591	5,591	5,667	5,514
Over Collateralization	47,384	138,043	127,048	149,037
Over Collateralization [%]	15.0%	44.1%	39.2%	49.4%

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	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026	Aug 2026	Sep 2026	Oct 2026	Nov 2026
Bank Account:	5,591												
Covered Bonds:		1,492	1,759	141	608	1,595	491	1,492	1,780	141	608	1,706	491
Loans in Default:		5	6	6	7	6	6	6	6	6	6	6	6
Performing Loans:		1,844	2,651	2,701	2,689	2,671	2,654	2,635	2,622	2,585	2,558	2,530	2,499
Cumulative Balance:	5,591	5,943	6,836	9,396	11,476	12,553	14,716	15,859	16,701	19,145	21,095	21,919	23,927

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	195,570	167,376	362,946
Covered Bonds Issuance	-154,427	-161,134	-315,562
Net	41,143	6,242	47,384