Arion Banki Covered Bonds

Risk Report: 31. July 2025

Asset Coverage Test	Amount
Loan Pool (A)	354,570
Collateral Reserve Account (B)	0
Liquidity Reserve Account (C)	5,583
Customer Deposits (W)	0
Total (A + B + C - W)	360,153
Outstanding Covered Bonds	305,097
Over Collateralization	55,056
Over Collateralization [%]	18.0%

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	305,097	299,696	291,255	308,659
Loan Pool	354,570	452,765	402,921	513,684
Bank Account	5,583	5,583	5,583	5,583
Over Collateralization	55,056	158,652	117,249	210,608
Over Collateralization [%]	18.0%	52.9%	40.3%	68.2%

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	305,097	299,696	310,236	289,156
Loan Pool	354,570	452,765	452,765	452,765
Bank Account	5,583	5,583	5,660	5,506
Over Collateralization	55,056	158,652	148,189	169,115
Over Collateralization [%]	18.0%	52.9%	47.8%	58.5%

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	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026
Bank Account:	5,583												
Covered Bonds:		16	604	1,628	487	740	857	56	604	1,593	487	740	862
Loans in Default:		23	23	23	23	23	23	23	23	23	23	23	23
Performing Loans:		1,800	2,213	2,218	2,224	2,225	2,229	2,231	2,233	2,235	2,236	2,237	2,239
Cumulative Balance:	**5,583**	**7,368**	**8,977**	**9,566**	**11,303**	**12,788**	**14,160**	**16,335**	**17,964**	**18,606**	**20,355**	**21,852**	**23,229**

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	203,233	156,921	360,153
Covered Bonds Issuance	-148,454	-156,643	-305,097
Net	54,779	278	55,056

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