

# Arion Banki Covered Bonds



Risk Report: 30. June 2024

Asset Coverage Test	Amount
Loan Pool (A)	349,759
Collateral Reserve Account (B)	0
Liquidity Reserve Account (C)	5,976
Customer Deposits (W)	0
Total (A + B + C - W)	355,735
Outstanding Covered Bonds	316,158
Over Collateralization	39,577
Over Collateralization [%]	12.5%

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	316,158	307,742	299,182	316,876
Loan Pool	349,759	471,284	419,369	534,725
Bank Account	5,976	5,976	5,976	5,976
Over Collateralization	39,577	169,518	126,163	223,825
Over Collateralization [%]	12.5%	55.1%	42.2%	70.6%

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	316,158	307,742	318,499	296,985
Loan Pool	349,759	471,284	471,284	471,284
Bank Account	5,976	5,976	6,090	5,861
Over Collateralization	39,577	169,518	158,875	180,160
Over Collateralization [%]	12.5%	55.1%	49.9%	60.7%

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.

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.

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



Risk Report: 30. June 2024

Cashflow Projection	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025
Bank Account:	5,976												
Covered Bonds:		1,203			2,424	301	707	1,166			2,387	301	707
Loans in Default:		9	9	9	9	9	9	9	9	10	10	10	10
Performing Loans:		1,728	2,139	2,169	2,205	2,236	2,273	2,311	2,341	2,361	2,371	2,397	2,408
Cumulative Balance:	<b>5,976</b>	<b>6,501</b>	<b>8,640</b>	<b>10,809</b>	<b>10,589</b>	<b>12,524</b>	<b>14,090</b>	<b>15,235</b>	<b>17,577</b>	<b>19,937</b>	<b>19,921</b>	<b>22,016</b>	<b>23,717</b>

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	Non Indexed	Total
Covered Assets	184,176	171,559	355,735
Covered Bonds Issuance	-154,397	-161,761	-316,158
Net	29,779	9,798	39,577

Arion Bank strives to keep a balance between indexed loans and liabilities and non-indexed loans and liabilities. A part of this effort is to keep the balance of loans higher than liabilities for both indexed and non-indexed products.

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.

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