

Risk Report: 31. May 2024

Asset Coverage Test	Amount
Loan Pool (A)	348,329
Collateral Reserve Account (B)	0
Liquidity Reserve Account (C)	6,111
Customer Deposits (W)	0
Total (A + B + C - W)	354,440
Outstanding Covered Bonds	315,536
Over Collateralization	38,904
Over Collateralization [%]	12.3%

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	315,536	307,386	298,612	316,749
Loan Pool	348,329	474,202	421,905	538,112
Bank Account	6,111	6,111	6,111	6,111
Over Collateralization	38,904	172,927	129,404	227,474
Over Collateralization [%]	12.3%	56.3%	43.3%	71.8%

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	315,536	307,386	318,111	296,661
Loan Pool	348,329	474,202	474,202	474,202
Bank Account	6,111	6,111	6,226	5,995
Over Collateralization	38,904	172,927	162,317	183,536
Over Collateralization [%]	12.3%	56.3%	51.0%	61.9%

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.

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Arion Banki Covered Bonds



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Cashflow Projection	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025
Bank Account:	6,111												
Covered Bonds:		703	1,203			2,418	300	703	1,181			2,381	300
Loans in Default:		23	23	23	24	24	24	24	24	25	25	25	25
Performing Loans:		1,621	2,126	2,135	2,165	2,201	2,233	2,270	2,308	2,338	2,358	2,367	2,394
Cumulative Balance:	6,111	7,028	7,951	10,086	12,251	12,034	13,967	15,534	16,661	18,999	21,357	21,343	23,437

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	178,685	175,755	354,440
Covered Bonds Issuance	-153,846	-161,690	-315,536
Net	24,839	14,065	38,904

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.

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