

External Verification by CIRCULAR Solutions for Arion Bank's Annual Report for its Green Deposit Account

External Verification¹

CIRCULAR Solutions was appointed by Arion Bank to conduct the following for its Annual Reporting for its Green Deposit Account:

- (a) a review of environmental impacts, and
- (b) review the eligibility of loans and assets compared to criterias and thresholds in the Green Deposit Framework.

CIRCULAR received an overview of loans and underlying assets (non-customer specific) and had meetings with Arion Bank's Sustainability Project Manager, Credit team, and Risk Management in order to enquire and receive further information. CIRCULAR provided comments and suggestions for improvements to which Arion Bank responded in an appropriate manner.

Based on CIRCULAR's assessment the financed loans, assets, and projects, comply with the Eligible Project criteria detailed in the Framework. Furthermore, the funded assets and projects demonstrate positive environmental impacts compared to relevant benchmarks and/or comply with one or more of the listed impact indicators.

When calculating the impact resulting from the use of proceeds, it is relevant to recognise the part generated from Arion Bank's share of financing. The share of financing was a ratio based on a loan-to-total project cost approach.

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¹ Disclaimer by CIRCULAR: CIRCULAR is an independent provider of green bond and sustainability consulting in Iceland. CIRCULAR has been acquired by KPMG Iceland. Arion Bank was responsible for providing CIRCULAR accurate documentation and information from its customers relating to the details of the funded loans and assets. CIRCULAR made all efforts to ensure the highest quality and rigour during its engagement. CIRCULAR will not accept any form of liability and/or any liability for damage arising from the use and/or decisions, financial or otherwise, based on the the information provided in this document.