



Press Release

10 December 2025 16:15:00 GMT

## Arion Bank: Supreme Court of Iceland deems terms of Indexed mortgage legal

**Today, the Supreme Court delivered a ruling in a case brought against Arion Bank concerning the terms of a specific mortgage that included provisions for variable indexed interest rates. The Court concluded that the loan terms, which grant the bank authority to adjust interest rates, are lawful and thereby upheld the Court of Appeal's decision in the case.**

Courts have yet to rule on interest rate adjustment clauses for *non-indexed* mortgages offered by Arion Bank. The terms of those loans are similar to those addressed in today's Supreme Court ruling, except that they also refer to interest rates set by the Central Bank. In line with the bank's announcement on October 15, it remains the bank's assessment that even if the courts reach a similar conclusion regarding non-indexed interest rates as they did in the case against Íslandsbanki on October 14, the financial impact of such a decision would be negligible.

### **For further information please contact:**

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### **Attachments**

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