

FINAL TERMS

7 January 2026

ARION BANK HF

Legal Entity Identifier (LEI): RIL4VBPDB0M7Z3KXSF19

**Issue of ISK 3,680,000,000 Inflation Linked Covered Bonds due August 2031
under the €3,500,000,000
Covered Bond Programme**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the Conditions) set forth in the Base Prospectus dated 16 July 2021, which are incorporated by reference in the Base Prospectus dated 18 December 2025. This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus dated 18 December 2025 which constitute a base prospectus for the purposes of the Prospectus Regulation, including the Conditions incorporated by reference in the Base Prospectus, in order to obtain all the relevant information. Copies of such Base Prospectus and Final Terms are available for viewing at Borgartúni 19, 105 Reykjavík, Iceland and on the Luxembourg Stock Exchange's website at <https://www.luxse.com/> and copies may be obtained from the registered office of the Issuer and from the specified office of the Agent in London.

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| 1. | (a) | Series Number: | 15 |
| | (b) | Tranche Number: | 4 |
| | (c) | Series which Covered Bonds will be consolidated and form a single Series with: | ISK 3,040,000,000 Inflation Linked Covered Bonds due August 2031 issued on 30th June 2025. |
| | (d) | Date on which the Covered Bonds will be consolidated and form a single Series with the Series specified above: | Issue date |
| | (e) | Trade Date: | 7 January 2026 |
| 2. | | Specified Currency or Currencies: | ISK |
| 3. | | Aggregate Nominal Amount: | |
| | (a) | Tranche: | 3,680,000,000 |
| | (b) | Series: | 12,740,000,000 |
| 4. | | Issue Price: | 102,6218 of the Aggregate Nominal Amount |
| 5. | (a) | Specified Denominations: | ISK 20,000,000 |
| | (b) | Calculation Amount | ISK 20,000,000 |

6.	(a)	Issue Date:	14 January 2026
	(b)	Interest Rate:	Inflation Linked
	(c)	Interest Commencement Date:	Issue Date
7.		Maturity Date:	Interest Payment Date falling in or nearest to 20 August 2031
8.		Extended Final Maturity Date:	Interest Payment Date falling in or nearest to 20 August 2032
			<i>Subject to Condition 8.1, the Extended Maturity Date is the Interest Payment Date falling in or nearest to 20 August 2032.</i>
9.		Interest Basis:	See paragraph 20 below
10.		Redemption/Payment Basis:	Inflation linked redemption in accordance with item 20 below, and Conditions 6.4 and 8.4
11.		Change of Interest Basis:	Not applicable
12.		Put/Call Options:	Not Applicable
13.		Date of Board approval for issuance of Covered Bonds obtained:	30 July 2025
14.		Method of distribution:	Non-syndicated
15.		Name and address of the Calculation Agent	Arion Bank hf. Borgartún 19, 105 Reykjavík, Iceland

PROVISIONS RELATING TO INFLATION LINKED COVERED BONDS

16.	Inflation Linked Covered Bond Provisions	Not Applicable
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PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17.	Fixed Rate Covered Bond Provisions	Not Applicable
18.	Floating Rate Covered Bond Provisions	Not Applicable
19.	Zero Coupon Covered Bond Provisions ¹	Not Applicable
20.	Inflation Linked Non-Amortising Covered Bond Provisions	Applicable
(a)	Rate(s) of Interest:	3.65 per cent. per annum payable semi-annually in arrear

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| (b) | Interest Payment Date(s): | 20 February and 20 August in each year up to and including the Final Maturity Date |
| (c) | Base Index: | 650.95667, being the value of the CPI on 30 June 2025 |
| (d) | Day Count Fraction: | 30/360 |

PROVISIONS RELATING TO REDEMPTION

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| 21. | Issuer Call | Not Applicable |
| 22. | Investor Put: | Not Applicable |
| 23. | Final Redemption Amount of each Covered Bond | In accordance with Condition 8.4 per Covered Bond of ISK 20.000.000 Specified Denomination |
| 24. | Early Redemption Amount of each Covered Bond payable on redemption for taxation reasons: | As set out in Condition 8.7(a) |
| 25. | Relevant Percentage: | As at the Issue Date, 1.1 per cent. |

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

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| 26. | Form of Covered Bonds: | CSD Covered Bonds

CSD Covered Bonds issued in uncertificated and dematerialised book entry form. See further item 7 of Part B below. |
| 27. | New Global Covered Bond: | No |
| 28. | Additional Financial Centre(s): | Not Applicable |
| 29. | Talons for future Coupons or Receipts to be attached to definitive Covered Bonds in bearer form (and dates on which such Talons mature): | No |
| 30. | Details relating to Instalment Covered Bonds; amount of each instalment, date on which each payment is to be made: | Not Applicable |
| 31. | Redenomination: | Redenomination not applicable |

DISTRIBUTION

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| 32. | (a) If syndicated, names of Managers: | Not Applicable |
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| (b) | Date of Subscription Agreement: | Not Applicable |
| (c) | Stabilisation Manager(s) (if any): | Not Applicable |
| 33. | If non-syndicated, name of Dealer: | Arion Bank hf. |
| 34. | U.S. Selling Restrictions: | Reg. S Category 2; TEFRA C |
| 35. | Prohibition of Sales to EEA Retail Investors | Not Applicable |
| 36. | Prohibition of Sales to UK Retail Investors | Applicable |
| 37. | Prohibition of Sales to Belgian Consumers: | Applicable |
| 38. | Relevant Benchmark: | Not Applicable |
| 39. | European Covered Bonds (Premium) | Yes |

PART B – OTHER INFORMATION

1. ADMISSION TO TRADING

Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the Regulated Market of the Nasdaq Iceland Main Market with effect from or prior to the first Interest Payment Date.

Estimate of total expenses related to admission to trading: 115,000

2. RATINGS

Ratings: The Covered Bonds to be issued have not been rated

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Dealer, so far as the Issuer is aware, no person involved in the issue of the Covered Bonds has an interest material to the offer. The Dealer and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business

4. USE OF PROCEEDS AND ESTIMATED NET PROCEEDS

(i) Use of Proceeds	See “Use of Proceeds” in the Base Prospectus
(ii) Estimated net proceeds:	3,776,482,240

5. YIELD (FIXED RATE COVERED BONDS ONLY)

Indication of yield: 3.75%

6. PERFORMANCE OF FORMULA/CPI, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (*INFLATION LINKED COVERED BONDS AND INFLATION LINKED NON AMORTISING COVERED BONDS ONLY*)

Not Applicable

7. OPERATIONAL INFORMATION

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| (i) ISIN Code: | IS0000037919 |
| (ii) Common Code: | Not Applicable |
| (iii) CFI: | DBFSFR, as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN |
| (iv) FISN: | ARION BANKI HF/3.65 BD 20310820, as updated, as set out on the website of the |

Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN

- (v) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme (together with the address of each such clearing system) and the relevant identification number(s): Nasdaq CSD Iceland (the **CSD**). The Issuer shall be entitled to obtain certain information from the register maintained by the CSD for the purpose of performing its obligations under the issue of CSD Covered Bonds. The CSD Agent shall be entitled to obtain such information as is required to perform its duties under the Conditions of the Covered Bonds and rules and regulations of, and applicable to, the CSD.
- (vi) Delivery: Delivery free of payment
- (vii) Names and addresses of additional Paying Agent(s) (if any) or, in the case of CSD Covered Bonds, the CSD Agent: Arion Bank hf.
Borgartún 19, 105 Reykjavík
- (viii) Deemed delivery of clearing system notices for the purposes of Condition 14 (*Notices*): Any notice delivered to Covered Bondholders through the clearing systems will be deemed to have been given on the [second] [business] day after the day on which it was given to Euroclear, and Clearstream, Luxembourg and CSD.
- (ix) Intended to be held in a manner which would allow Eurosystem eligibility: No.

Signed on behalf of the Issuer:

By: _____

Duly authorised signatory