

MIFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

APPLICABLE FINAL TERMS

16 August 2022

ARION BANK HF

Legal Entity Identifier (LEI): RIL4VBPDB0M7Z3KXSF19

**Issue of NOK 550,000,000 Senior Preferred Floating Rate Notes due August 2025
under the €3,000,000,000
Euro Medium Term Note Programme**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 20 August 2021 and the supplements to it dated 8 December 2021, 28 February 2022 and 31 May 2022 which together constitute a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus has been published on the Bank's website (<https://www.arionbanki.is/english/about-us/investor-relations/debt-investors/funding-programmes-and-prospectuses/#Tab1>).

- | | | | |
|----|-----|--|---|
| 1. | (a) | Series Number: | 29 |
| | (b) | Tranche Number: | 1 |
| | (c) | Date on which the Notes will be consolidated and form a single Series: | Not Applicable |
| 2. | | Specified Currency or Currencies: | Norwegian Kroner ("NOK") |
| 3. | | Aggregate Nominal Amount: | |
| | (a) | Series: | NOK 550,000,000 |
| | (b) | Tranche: | NOK 550,000,000 |
| 4. | | Issue Price: | 100.000 per cent. of the Aggregate Nominal Amount |

5. (a) Specified Denominations: NOK 2,000,000 and integral multiples of NOK 1,000,000 in excess thereof up to and including NOK 3,000,000. No Notes in definitive form will be issued with a denomination above NOK 3,000,000
- (b) Calculation Amount (in relation to calculation of interest in global form see Conditions): NOK 1,000,000
6. (a) Issue Date: 18 August 2022
- (b) Interest Commencement Date: Issue Date
7. Maturity Date: Payment Date falling in or nearest to 18 August 2025
8. Interest Basis: 3-month NIBOR +2.35 per cent. Floating Rate
(see paragraph 15 below)
9. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
10. Change of Interest Basis: Not Applicable
11. Call Options: Not Applicable
12. Status of Notes: Senior Preferred
- (i) Unrestricted Events of Default: Not Applicable – Condition 8.2 applies

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Fixed Rate Note Provisions: Not Applicable
14. Fixed Reset Provisions: Not Applicable
15. Floating Rate Note Provisions: Applicable
- (a) Specified Period(s)/Specified Interest Payment Dates: 18 February, 18 May, 18 August and 18 November in each year, commencing on 18 November 2022 up to and including the Maturity Date, subject to adjustment in accordance with the Business Day Convention set out in (b) below
- (b) Business Day Convention: Modified Following Business Day Convention
- (c) Additional Business Centre(s): Not Applicable
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: Screen Rate Determination

- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Fiscal Agent): Not Applicable
- (f) Screen Rate Determination:
 - (i) Reference Rate: 3-month NIBOR
 - (ii) Interest Determination Date(s): The second Oslo business day prior to the start of each Interest Period
 - (iii) Relevant Screen Page: Reuters OIBOR page
- (g) ISDA Determination: Not Applicable
- (h) Linear Interpolation: Not Applicable
- (i) Margin(s): + 2.35 per cent. per annum
- (j) Minimum Rate of Interest: 0.00 per cent. per annum
- (k) Maximum Rate of Interest: Not Applicable
- (l) Day Count Fraction: Actual/360

16. Zero Coupon Note Provisions Not Applicable

PROVISIONS RELATING TO REDEMPTION

- 17. Issuer Call: Not Applicable
- 18. Issuer Residual Call: Not Applicable
- 19. Final Redemption Amount: NOK 1,000,000 per Calculation Amount
- 20. Early Redemption Amount payable on redemption for taxation reasons, upon the occurrence of a Capital Event or a MREL Disqualification Event or following an event of default: NOK 1,000,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 21. Form of Notes:
 - (a) Form: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event

- (b) New Global Note: No
22. Additional Financial Centre(s): London
23. Talons for future Coupons to be attached to Definitive Notes: No

THIRD PARTY INFORMATION

Not Applicable

Signed on behalf of **ARION BANK HF.:**

By: 

Duly authorised

By: 

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- | | | |
|------|---|--|
| (i) | Listing and Admission to trading | Application has been made by the Bank (or on its behalf) for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange with effect from on or about the Issue Date. |
| (ii) | Estimate of total expenses related to admission to trading: | EUR 2,750 |

2. RATINGS

Ratings: The Notes to be issued will not be rated

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

Save for any fees payable to the Dealer, so far as the Bank is aware, no person involved in the issue of the Notes 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 Bank and its affiliates in the ordinary course of business

4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

- | | | |
|------|-------------------------|--|
| (i) | Reasons for the offer: | See "Use of Proceeds" in the Base Prospectus |
| (ii) | Estimated net proceeds: | NOK 548,625,000 |

5. YIELD

Indication of yield: Not Applicable

6. OPERATIONAL INFORMATION

- | | | |
|-------|--------------|---|
| (i) | ISIN: | XS2521227459 |
| (ii) | Common Code: | 252122745 |
| (iii) | CFI Code: | DTVXFB, 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/VAREMTN 20250800 RES, 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 and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable
- (vi) Delivery: Delivery against payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): Not Applicable
- [(viii) Intended to be held in a manner which would allow Eurosystem eligibility: No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.

7. DISTRIBUTION

- (i) Method of distribution: Non-syndicated
- (ii) If syndicated, names of Managers: Not Applicable
- (iii) Date of Subscription Agreement: Not Applicable
- (iv) Stabilisation Manager(s) (if any): Not Applicable
- (v) If non-syndicated, name of relevant Dealer: Nordea Bank Abp
- (vi) U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA D
- (vii) Prohibition of Sales to EEA Retail Investors: Not Applicable
- (viii) Prohibition of Sales to UK Retail Investors: Not Applicable
- (ix) Prohibition of Sales to Belgian Consumers: Applicable
- (x) Relevant Benchmark: NIBOR is provided by Norske Finansielle Referanser AS. As at the date hereof, Norske Finansielle Referanser

AS appears in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) No. 2016/1011 (as amended, the **EU Benchmarks Regulation**)

