

## FINAL TERMS

THESE FINAL TERMS HAVE BEEN PREPARED BY THE BANK IN CONNECTION WITH THE ISSUE OF THE NOTES DESCRIBED BELOW, WHICH AS OF THEIR ISSUE DATE ARE NEITHER TO BE ADMITTED TO TRADING ON A REGULATED MARKET IN THE EUROPEAN ECONOMIC AREA NOR OFFERED IN THE EUROPEAN ECONOMIC AREA IN CIRCUMSTANCES WHERE A PROSPECTUS IS REQUIRED TO BE PUBLISHED UNDER THE PROSPECTUS DIRECTIVE. ACCORDINGLY, NO PROSPECTUS IS REQUIRED PURSUANT TO DIRECTIVE 2003/71/EC FOR THE ISSUE OF THE BELOW NOTES.

4 April 2016

### ARION BANK HF

**Issue of USD 30,000,000 Floating Rate Notes  
under the €2,000,000,000  
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 5 June 2015 and the supplements to it dated 10 December 2015, 8 February 2016 and 26 February 2016 (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base Prospectus. Full information on the Bank and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus.

1. (a) Series Number: 6
- (a) Tranche Number: 1
- (b) Date on which the Notes will be consolidated and form a single Series: Not Applicable
2. Specified Currency or Currencies: United States Dollars (**USD**)
3. Aggregate Nominal Amount:
  - (a) Series: USD 30,000,000
  - (b) Tranche: USD 30,000,000
4. Issue Price: 100 per cent. of the Aggregate Nominal Amount
5. (a) Specified Denominations: USD 200,000
- (b) Calculation Amount: USD 200,000

6. (a) Issue Date: 6 April 2016
- (b) Interest Commencement Date: Issue Date
7. Maturity Date: Interest Payment Date falling in or nearest to October 2017
8. Interest Basis: USD 3 month LIBOR + 1.93 per cent. Floating Rate (see paragraph 13 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. Put/Call Options: Not Applicable

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

12. Fixed Rate Note Provisions Not Applicable
13. Floating Rate Note Provisions Applicable
- (a) Specified Period(s)/Specified Interest Payment Dates: 6 April, 6 July, 6 October and 6 January in each year from (and including) 6 July 2016 to (but excluding) 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:
- Reference Rate: USD 3 month LIBOR
  - Interest Determination Date(s): Second London business day prior to the start of each Interest Period
  - Relevant Screen Page: Reuters LIBOR01

- (g) ISDA Determination: Not Applicable  
(h) Linear Interpolation: Not Applicable  
(i) Margin(s): + 1.93 per cent. per annum  
(j) Minimum Rate of Interest: 1.93 per cent. per annum  
(k) Maximum Rate of Interest: Not Applicable  
(l) Day Count Fraction: Actual/360

14. Zero Coupon Note Provisions Not Applicable

**PROVISIONS RELATING TO REDEMPTION**

15. Issuer Call: Not Applicable  
16. Final Redemption Amount: USD 200,000 per Calculation Amount

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

17. Form of Notes:  
(a) Form: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event  
(b) New Global Note: Yes
18. Additional Financial Centre(s): Not applicable
19. Talons for future Coupons to be attached to Definitive Notes: No

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

By:



*Duly authorised*

**Stefán Pétursson**  
**CFO**

By:



*Duly authorised*

**Eiríkur Magnús Jensson**  
**Head of Funding**  
**Arion Bank**

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- |      |   |                |
|------|---|----------------|
| (i)  | Listing and Admission to trading                            | Not Applicable |
| (ii) | Estimate of total expenses related to admission to trading: | Not Applicable |

### 2. RATINGS

- Ratings:
- The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally:
- BBB- by Standard & Poor's Credit Market Services Europe Limited (**S&P**).
- S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).

### 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. YIELD (*Fixed Rate Notes only*)

- |                      |                |
|----------------------|----------------|
| Indication of yield: | Not Applicable |
|----------------------|----------------|

### 5. OPERATIONAL INFORMATION

- |       |  |                          |
|-------|--|--------------------------|
| (i)   | ISIN:  | XS1391034326             |
| (ii)  | Common Code:   | 139103432                |
| (iii) | Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | Not Applicable           |
| (iv)  | Delivery:  | Delivery against payment |

- |      |   |   |
|------|---|---|
| (v)  | Names and addresses of additional Paying Agent(s) (if any):               | Not Applicable  |
| (vi) | Intended to be held in a manner which would allow Eurosystem eligibility: | Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met. |

**6. 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: | Deutsche Bank AG, London Branch       |
| (vi)  | U.S. Selling Restrictions:                  | Reg. S Compliance Category 2; TEFRA D |

