

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the Insurance Mediation Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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.

5 July 2019

ARION BANK HF

Legal Entity Identifier (LEI): RIL4VBPDB0M7Z3KXSF19

**Issue of NOK 300,000,000 Floating Rate Notes due July 2029
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 10 July 2018 and the supplement to it dated 6 November 2018 which together constitute a base prospectus for the purposes of the Prospectus Directive (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive 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. The Base Prospectus has been published on the Luxembourg Stock Exchange's website (www.bourse.lu).

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|----|-----|-----------------|----|
| 1. | (a) | Series Number: | 23 |
| | (b) | Tranche Number: | 1 |

	(c)	Date on which the Notes will be consolidated and form a single Series:	Not Applicable
2.	Specified Currencies:	Currency	or Norwegian Krone (NOK)
3.	Aggregate Nominal Amount:		
	(a)	Series:	NOK 300,000,000
	(b)	Tranche:	NOK 300,000,000
4.	Issue Price:	100 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:	9 July 2019
	(b)	Interest Commencement Date:	Issue Date
7.	Maturity Date:	Interest Payment Date falling on or nearest to July 2029	
8.	Interest Basis:	3-month NIBOR + 3.65 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:	Issuer Call (see paragraph 17 below)	
12.	Status of Notes	Subordinated	
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: Interest will be payable quarterly on 9 January, 9 April, 9 July and 9 October each year, commencing 9 October 2019 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 screen "NIBR" Page
- (g) ISDA Determination: Not applicable
- (h) Linear Interpolation: Not Applicable
- (i) Margin(s): + 3.65 per cent. per annum
- (j) Minimum Rate of Interest: Not applicable

- (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: Applicable
- (a) Optional Redemption Date(s): 9 July 2024 and on every Interest Payment Date thereafter (subject to prior approval of Icelandic FSA)
 - (b) Optional Redemption Amount: NOK 1,000,000 per Calculation Amount
 - (c) If redeemable in part:
 - (i) Minimum Redemption Amount: Not applicable
 - (ii) Maximum Redemption Amount: Not applicable
 - (d) Notice periods: Minimum period: 30 days
Maximum period: 60 days
18. Final Redemption Amount: NOK 1,000,000 per Calculation Amount
19. Early Redemption Amount payable on redemption for taxation reasons, upon the occurrence of a Capital Event or on an event of default: NOK 1,000,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

20. 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
21. Additional Financial Centre(s): Not Applicable
22. Talons for future Coupons to be attached to Definitive Notes: No

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

By: *Einar M. Jensen*

Duly authorised

By: *Step. F. A.*

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

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|------|---|---|
| (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 9 July 2019. |
| (ii) | Estimate of total expenses related to admission to trading: | EUR 3,900 |

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. YIELD

Indication of yield: Not Applicable

5. OPERATIONAL INFORMATION

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|-------|--|---------------------------------|
| (i) | ISIN: | XS2025568846 |
| (ii) | Common Code: | 202556884 |
| (iii) | CFI: | DTVXFB |
| (iv) | FISN | ARION BANKI HF/VAREMTN 20290700 |
| (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

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: Nordea Bank Abp
- (vi) U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA D
- (vii) Prohibition of Sales to EEA Retail Investors: Applicable
- (viii) Prohibition of Sales to Belgian Consumers: Applicable
- (ix) Relevant Benchmark: NIBOR is provided by the Norske Finansielle Referanser AS. As at the date hereof, Norske Finansielle Referanser AS does not appear 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 (the **Benchmarks Regulation**). As far as the Bank is aware, as at the date hereof, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that Swedish Bankers' Association is not currently required to obtain authorisation/registration.

