

## IMPORTANT NOTICE

**NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS (INCLUDING PUERTO RICO, THE U.S. VIRGIN ISLANDS, GUAM, AMERICAN SAMOA, WAKE ISLAND AND THE NORTHERN MARIANA ISLANDS), ANY STATE OF THE UNITED STATES OR THE DISTRICT OF COLUMBIA (the United States) OR IN ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO RELEASE, PUBLISH OR DISTRIBUTE THIS DOCUMENT.**

**IMPORTANT: You must read the following disclaimer before continuing.** The following disclaimer applies to the attached Tender Offer Memorandum (the **Tender Offer Memorandum**) and you are therefore required to read this disclaimer page carefully before accessing, reading or making any other use of the Tender Offer Memorandum. By accessing the Tender Offer Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from Arion Bank hf. (the **Bank**), Deutsche Bank Aktiengesellschaft, J.P. Morgan Securities plc, Nomura International plc and UBS Europe SE (together, the **Dealer Managers** and each a **Dealer Manager**) and/or Lucid Issuer Services Limited (the **Tender Agent**) as a result of such access. Capitalised terms used but not otherwise defined in this disclaimer shall have the meaning given to them in the Tender Offer Memorandum.

THIS ELECTRONIC TRANSMISSION DOES NOT CONTAIN OR CONSTITUTE AN OFFER TO BUY OR SELL, OR THE SOLICITATION TO ANY U.S. PERSON IN AN OFFER TO SELL OR BUY OR TO ANY OTHER PERSON WHERE OR TO WHOM IT IS UNLAWFUL TO DO SO, SECURITIES TO ANY PERSON IN THE UNITED STATES OR ANY OTHER JURISDICTION. SECURITIES MAY NOT BE OFFERED, SOLD OR DELIVERED IN THE UNITED STATES ABSENT REGISTRATION UNDER, OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF, THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**). THE SECURITIES REFERRED TO IN THE TENDER OFFER MEMORANDUM HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE SECURITIES REFERRED TO IN THE TENDER OFFER MEMORANDUM MAY NOT BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT).

THE TENDER OFFER MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. THE TENDER OFFER MEMORANDUM MAY ONLY BE DISTRIBUTED TO PERSONS TO WHOM IT IS OTHERWISE LAWFUL TO SEND THE TENDER OFFER MEMORANDUM AND, IN PARTICULAR, SHOULD NOT BE FORWARDED TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE TENDER OFFER MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF APPLICABLE LAWS.

**Confirmation of your representation:** In order to be eligible to view the attached Tender Offer Memorandum or make an investment decision with respect to the Offer (as defined below), you must be outside the United States and otherwise able to participate lawfully in the invitation by the Bank to holders of its €500,000,000 1.625% Notes due 2021 (of which €300,000,000 was issued on 1 December 2016 and €200,000,000 was issued on 10 January 2017) (ISIN: XS1527737495) (€500,000,000 of which remain outstanding) (the **Notes**) to tender their Notes for purchase by the Bank for cash (the **Offer**) on the terms and subject to the conditions set out in the Tender Offer Memorandum including the offer and distribution restrictions set out on pages 6 to 7 (the **Offer and Distribution Restrictions**). The Tender Offer Memorandum was sent at your request and by accessing the Tender Offer Memorandum you shall be deemed to have represented to the Bank, the Dealer Managers and the Tender Agent that:

- (i) you are a holder or a beneficial owner of the Notes;
- (ii) the electronic mail address that you have given to us and to which the Tender Offer Memorandum has been delivered is not located in the United States;
- (iii) you are a person to whom it is lawful to send the Tender Offer Memorandum or to make an invitation pursuant to the Offer in accordance with applicable laws, including the Offer and Distribution Restrictions;
- (iv) you consent to delivery of the Tender Offer Memorandum by electronic transmission;
- (v) you are not a Sanctions Restricted Person (as defined in the Tender Offer Memorandum); and
- (vi) neither you nor any beneficial owner of the Notes or any person on whose behalf you are acting, either directly or indirectly, is located in the United States.

The Tender Offer Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Bank, the Dealer Managers, the Tender Agent or any person who controls, or is a director, officer, employee, agent or affiliate of, any such person accepts any liability or responsibility whatsoever in respect of any difference between the Tender Offer Memorandum distributed to you in electronic format and the hard copy version available to you on request from the Tender Agent.

You are also reminded that the Tender Offer Memorandum has been sent to you on the basis that you are a person into whose possession the Tender Offer Memorandum may be lawfully delivered in accordance with the laws of the

jurisdiction in which you are located or resident and you may not, nor are you authorised to, deliver the Tender Offer Memorandum to any other person.

Any materials relating to the Offer do not constitute, and may not be used in connection with, any form of offer or solicitation in any place where such offers or solicitations are not permitted by law. If a jurisdiction requires that the Offer be made by a licensed broker or dealer and any of the Dealer Managers or any of the Dealer Managers' respective affiliates is such a licensed broker or dealer in that jurisdiction, the Offer shall be deemed to be made by such Dealer Manager or affiliate, as the case may be, on behalf of the Bank in such jurisdiction.

The Tender Offer Memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

**Restrictions:** Nothing in this electronic transmission constitutes an offer to buy or the solicitation of an offer to sell securities in the United States or any other jurisdiction in which such offer or solicitation would be unlawful.

**The distribution of the Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession the Tender Offer Memorandum comes are required by the Bank, the Dealer Managers and the Tender Agent to inform themselves about, and to observe, any such restrictions.**

**The Tender Offer Memorandum contains important information which should be read carefully before any decision is made with respect to the Offer. If any Noteholder is in any doubt as to the action it should take, it is recommended to seek its own financial advice, including in respect of any tax consequences, immediately from its broker, bank manager, solicitor, accountant or other independent financial or legal adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to tender such Notes pursuant to the Offer.**

**NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS (INCLUDING PUERTO RICO, THE U.S. VIRGIN ISLANDS, GUAM, AMERICAN SAMOA, WAKE ISLAND AND THE NORTHERN MARIANA ISLANDS), ANY STATE OF THE UNITED STATES OR THE DISTRICT OF COLUMBIA (the United States) OR IN OR INTO ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO RELEASE, PUBLISH OR DISTRIBUTE THIS DOCUMENT.**

**TENDER OFFER MEMORANDUM dated 16 November 2020**

**THIS DOCUMENT IS IMPORTANT AND REQUIRES IMMEDIATE ATTENTION.**



Invitation by

**ARION BANK HF.**

*(incorporated with limited liability in Iceland)*

(the **Bank**)

to the holders of its outstanding

**€500,000,000 1.625% Notes due 2021 (of which €300,000,000 was issued on 1 December 2016 and €200,000,000 was issued on 10 January 2017)**

(the **Notes**)

to tender such Notes for purchase  
by the Bank for cash

subject to satisfaction of the New Financing Condition (as defined below)

Description of the Notes	ISIN / Common Code	Outstanding Nominal Amount	Purchase Yield*	Target Acceptance Amount
€500,000,000 1.625% Notes due 2021	XS1527737495 / 152773749	€500,000,000	-0.30 per cent.	Subject as set out herein, up to €300,000,000 in aggregate nominal amount

\* For information purposes only, the Purchase Price will, when determined in the manner described herein on the basis of a Settlement Date of 27 November 2020, be 101.952 per cent. Should the Settlement Date in respect of the Notes accepted for purchase pursuant to the Offer differ from 27 November 2020, the Purchase Price will be recalculated, all as further described herein.

**THE OFFER BEGINS ON THE DATE OF THIS TENDER OFFER MEMORANDUM AND WILL EXPIRE AT 4.00 P.M. (LONDON TIME) ON 23 NOVEMBER 2020, UNLESS EXTENDED, RE-OPENED OR TERMINATED AS PROVIDED IN THIS TENDER OFFER MEMORANDUM.**

**THE DEADLINES SET BY ANY INTERMEDIARY OR CLEARING SYSTEM WILL BE EARLIER THAN THIS DEADLINE.**

*Dealer Managers*

**Deutsche Bank**

**Nomura**

**J.P. Morgan**

**UBS Investment Bank**

## THE OFFER

This Tender Offer Memorandum contains important information which should be read carefully before any decision is made with respect to the Offer. If any Noteholder is in any doubt as to the action it should take, it is recommended to seek its own financial advice, including in respect of any tax consequences, immediately from its broker, bank manager, solicitor, accountant or other independent financial or legal adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to tender such Notes pursuant to the Offer. The distribution of this document in certain jurisdictions may be restricted by law (see "*Offer and Distribution Restrictions*"). None of Deutsche Bank Aktiengesellschaft, J.P. Morgan Securities plc, Nomura International plc and UBS Europe SE (the Dealer Managers and each a Dealer Manager), Lucid Issuer Services Limited (the Tender Agent) or the Bank makes any recommendation as to whether holders of Notes should tender Notes pursuant to the Offer.

The Bank invites, subject to the offer restrictions referred to in "*Offer and Distribution Restrictions*", all holders of the Notes (the **Noteholders**) to tender their Notes for purchase by the Bank for cash (the **Offer**). The Offer is made on the terms and subject to the conditions of the Offer set out in this Tender Offer Memorandum.

*Before making a decision whether to tender Notes pursuant to the Offer, Noteholders should carefully consider all of the information in this Tender Offer Memorandum and, in particular, the risk factors described in "Risk Factors and Other Considerations".*

Capitalised terms used in this Tender Offer Memorandum have the meaning given in "*Definitions*" and any other definitions of such terms are for ease of reference only and shall not affect their interpretation.

### **Rationale**

The Offer is being made as part of the Bank's commitment to the active management of its balance sheet.

### **Purchase Price**

The Bank will pay for Notes accepted by it for purchase pursuant to the Offer a price (the **Purchase Price**) to be determined in the manner described in this Tender Offer Memorandum by reference to a fixed purchase yield (the **Purchase Yield**) of -0.30 per cent.

The Purchase Price for Notes accepted for purchase pursuant to the Offer will be determined in accordance with market convention and expressed as a percentage of the nominal amount of the Notes (rounded to the nearest 0.001 per cent., with 0.0005 per cent. rounded upwards), and is intended to reflect a yield to maturity of the Notes on the Settlement Date based on the Purchase Yield. Specifically, the Purchase Price will equal (a) the value of all remaining payments of principal and interest on the Notes up to and including the scheduled maturity date of the Notes, discounted to the Settlement Date at a discount rate equal to the Purchase Yield, minus (b) Accrued Interest.

For information purposes only, the Purchase Price will, when determined in the manner described herein on the basis of a Settlement Date of 27 November 2020, be 101.952 per cent. Should the Settlement Date in respect of the Notes accepted for purchase pursuant to the Offer differ from 27 November 2020, the Purchase Price will be recalculated, all as further described herein.

### **Accrued Interest**

The Bank will also pay an Accrued Interest Payment in respect of any Notes accepted for purchase pursuant to the Offer.

### **Final Acceptance Amount and Scaling**

If the Bank decides to accept any Notes for purchase pursuant to the Offer, the Bank proposes to accept for purchase pursuant to the Offer up to €300,000,000 in aggregate nominal amount of the Notes (the **Target Acceptance Amount**), although the Bank reserves the right, in its sole discretion, to accept significantly more or less than the Target Acceptance Amount for purchase pursuant to the Offer (the final aggregate amount of Notes accepted for purchase pursuant to the Offer being the **Final Acceptance Amount**).

If the Bank decides to accept for purchase valid tenders of Notes pursuant to the Offer and the aggregate nominal amount of Notes validly tendered pursuant to the Offer is greater than the Final Acceptance Amount, the Bank intends to accept such Notes for purchase on a *pro rata* basis such that the aggregate nominal amount of Notes accepted for purchase pursuant to the Offer is no greater than the Final Acceptance Amount. See "*Further Information and Terms and Conditions – Scaling of Tenders*".

### **New Financing Condition**

The Bank is not under any obligation to accept for purchase any Notes tendered pursuant to the Offer. The acceptance for purchase by the Bank of Notes tendered pursuant to the Offer is at the sole discretion of the Bank and tenders may be rejected by the Bank for any reason.

The Bank announced on 16 November 2020 its intention to issue new euro-denominated fixed rate notes (the **New Notes**). Whether the Bank will accept for purchase Notes validly tendered in the Offer is subject, without limitation, to the successful completion (in the sole determination of the Bank) of the issue of the New Notes (the **New Financing Condition**).

Any investment decision to purchase any New Notes should be made solely on the basis of the information contained in (i) the offering circular dated 6 August 2020, as supplemented by a supplement dated on or around the date of this Tender Offer Memorandum (as so supplemented, the **Offering Circular**), prepared in connection with the €3,000,000,000 Euro Medium Term Note Programme of the Bank and (ii) the Final Terms relating to the New Notes and no reliance is to be placed on any representations other than those contained in the Offering Circular.

*The New Notes are not being, and will not be, offered or sold in the United States. Nothing in this Tender Offer Memorandum constitutes an offer to sell or the solicitation of an offer to buy the New Notes in the United States or any other jurisdiction. Securities may not be offered, sold or delivered in the United States absent registration under, or an exemption from the registration requirements of, the United States Securities Act of 1933, as amended (the **Securities Act**). The New Notes have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons.*

*No action has been or will be taken in any jurisdiction in relation to the New Notes to permit a public offering of securities.*

### **Priority allocation of the New Notes**

A Noteholder that wishes to subscribe for the New Notes in addition to tendering Notes for purchase pursuant to the Offer may receive priority (the **New Issue Priority**) in the allocation of the New Notes, subject to the issue of the New Notes and such Noteholder making a separate application for the purchase of such New Notes to a Dealer Manager (in its capacity as a manager of the issue of the New Notes) in accordance with the standard new issue procedures of such manager. The aggregate principal amount of New Notes for which New Issue Priority will be given to such a Noteholder will be at the sole discretion of the Bank and may be less than or equal to (but shall not be greater than) the aggregate principal amount of Notes validly tendered or in respect of which a firm intention to tender has been indicated by such Noteholder in the Offer and accepted for purchase by the Bank. The Bank is not obliged to allocate the New Notes to an investor which has validly tendered or indicated a firm intention to tender the Notes pursuant to the Offer.

In the event that a Noteholder validly tenders Notes pursuant to the Offer, such Notes will remain subject to the conditions of the Offer as set out in this Tender Offer Memorandum irrespective of whether that Noteholder receives all, part or none of any allocation of New Notes for which it has applied.

All Tender Instructions or applications to purchase New Notes are subject to all applicable securities laws and regulations in force in any relevant jurisdiction (including the jurisdiction of the relevant Noteholder).

It is the sole responsibility of each Noteholder to satisfy itself that it is eligible to purchase the New Notes before registering its interest with, and making an application to, a Dealer Manager (in its capacity as a manager of the issue of the New Notes) for the purchase of the New Notes. Any failure to validly submit a Tender Instruction (including as a result of such Noteholder being ineligible to be offered or to be sold the New Notes in accordance with any applicable securities laws and regulations), or any failure of such Noteholder to make an application for the purchase of the New Notes in accordance with the standard new issue procedures of the relevant manager of the issue of the New Notes, may result in no New Issue Priority being given in respect of such Tender Instruction.

### **Tender Instructions**

In order to participate in, and be eligible to receive the Purchase Price and Accrued Interest Payment pursuant to, the Offer, Noteholders must validly tender their Notes by delivering, or arranging to have delivered on their behalf, a valid Tender Instruction that is received by the Tender Agent by 4.00 p.m. (London time) on 23 November 2020 (the **Expiration Deadline**). See "*Procedures for Participating in the Offer*".

*Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would need to receive instructions from a Noteholder in order for that*

*Noteholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Offer by the deadlines specified in this Tender Offer Memorandum. The deadlines set by any such intermediary and each Clearing System for the submission and withdrawal of Tender Instructions will be earlier than the relevant deadlines specified in this Tender Offer Memorandum.*

**Tender Instructions will be irrevocable** except in the limited circumstances described in "*Amendment and Termination*".

Tender Instructions must be submitted in respect of a minimum nominal amount of Notes of no less than €100,000, being the minimum denomination of the Notes, and may be submitted in integral multiples of €1,000 thereafter.

See "*Procedures for Participating in the Offer*" below for further information.

#### **Announcement of results and pricing**

The Bank will announce its decision of whether to accept (subject to satisfaction of the New Financing Condition on or prior to the Settlement Date) valid tenders of Notes pursuant to the Offer and, if so accepted, the Final Acceptance Amount, the Purchase Price, details of any *pro rata* scaling and Accrued Interest (expressed as a percentage of the nominal amount of the Notes) as soon as reasonably practicable on the Business Day immediately following the Expiration Deadline.

See "*Further Information and Terms and Conditions – Announcements*" below.

#### **General**

The expected Settlement Date for the Offer is 27 November 2020.

The Bank may, in its sole discretion, extend, re-open, amend, waive any condition of and/or terminate the Offer at any time (subject to applicable law and as provided in this Tender Offer Memorandum). Details of any such extension, re-opening, amendment, waiver or termination will be announced as provided in this Tender Offer Memorandum as soon as reasonably practicable after the relevant decision is made. See "*Amendment and Termination*".

For further information on the Offer and the further terms and conditions on which the Offer is made, Noteholders should refer to "*Further Information and Terms and Conditions*".

Questions and requests for assistance in connection with (i) the Offer may be directed to the Dealer Managers, and (ii) the delivery of Tender Instructions may be directed to the Tender Agent, the contact details for each of which are set out on the last page of this Tender Offer Memorandum.

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## OFFER AND DISTRIBUTION RESTRICTIONS

*This Tender Offer Memorandum does not constitute an invitation to participate in the Offer in any jurisdiction in which, or to any person to or from whom, it is unlawful to make such invitation or for there to be such participation under applicable securities laws. The distribution of this Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this Tender Offer Memorandum comes are required by each of the Bank, the Dealer Managers and the Tender Agent to inform themselves about, and to observe, any such restrictions.*

*No action has been or will be taken in any jurisdiction in relation to the New Notes that would permit a public offering of securities.*

### United States

The Offer is not being made, and will not be made, directly or indirectly in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce or of any facilities of a national securities exchange of, the United States. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. The Notes may not be tendered in the Offer by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States. Accordingly, copies of this Tender Offer Memorandum and any other documents or materials relating to the Offer are not being, and must not be, directly or indirectly mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to any persons located or resident in the United States. Any purported tender of Notes in the Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of Notes made by, or by any person acting for the account or benefit of, a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

This Tender Offer Memorandum is not an offer to buy or sell, or a solicitation of an offer to sell or buy, any Notes or other securities in the United States or to U.S. Persons (as defined in Regulation S of the United States Securities Act of 1933, as amended (each a **U.S. Person**)). Securities may not be offered or sold in the United States absent registration under, or an exemption from the registration requirements of, the Securities Act. The New Notes have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. Persons.

Each Noteholder participating in the Offer will represent that it is not located in the United States and is not participating in the Offer from the United States, or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Offer from the United States. For the purposes of this and the above paragraph, **United States** means the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the District of Columbia.

### Italy

None of the Offer, this Tender Offer Memorandum or any other document or materials relating to the Offer have been or will be submitted to the clearance procedures of the *Commissione Nazionale per le Società e la Borsa* (**CONSOB**) pursuant to Italian laws and regulations. The Offer is being carried out in the Republic of Italy (**Italy**) as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and article 35-bis, paragraph 4, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended. Holders or beneficial owners of the Notes that are located in Italy can tender Notes for purchase through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018, as amended, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

## United Kingdom

This Tender Offer Memorandum has been issued by the Bank which is authorised and regulated by the Financial Supervisory Authority of Iceland (*Fjármálaeftirlitið*) and is subject to limited regulation by the United Kingdom Financial Conduct Authority (the **FCA**), and is being distributed only to existing holders of the Notes. This Tender Offer Memorandum is only addressed to such Noteholders where they would (if they were clients of the Bank) be *per se* professional clients or *per se* eligible counterparties of the Bank within the meaning of the FCA rules. This Tender Offer Memorandum is not addressed to or directed at any persons who would be retail clients within the meaning of the FCA rules and any such persons should not act or rely on it. Recipients of this Tender Offer Memorandum should note that the Bank is acting on its own account in relation to the Offer and will not be responsible to any other person for providing the protections which would be afforded to clients of the Bank or for providing advice in relation to the Offer.

In addition, this Tender Offer Memorandum and any other documents or materials relating to the Offer are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Financial Promotion Order**)) or persons who are within Article 43 of the Financial Promotion Order or any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order.

## France

The Offer is not being made, directly or indirectly, to the public in the Republic of France (**France**). Neither this Tender Offer Memorandum nor any other document or material relating to the Offer has been or shall be distributed to the public in France and only qualified investors (*investisseurs qualifiés*), other than individuals, acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*, are eligible to participate in the Offer. This Tender Offer Memorandum has not been and will not be submitted for clearance to nor approved by the *Autorité des Marchés Financiers*.

## Iceland

The Offer is not being made, directly or indirectly, to the public in Iceland. Neither this Tender Offer Memorandum nor any other document or material relating to the Offer has been or shall be distributed to the public in Iceland and only (i) a qualified investor under the private placement exemption of Article 50 (1) Item 1 a) as defined in Article 43 Item 9 of the Icelandic Act on Securities Transactions No. 108/2007 (as amended) (the **Icelandic Securities Act**) or (ii) others to whom this Tender Offer Memorandum and any other documents or materials relating to the Offer may otherwise lawfully be communicated in accordance with the Icelandic Securities Act, are eligible to participate in the Offer. Neither this Tender Offer Memorandum nor any other documents or materials relating to the Offer have been submitted to or will be submitted for approval or recognition to the Financial Supervisory Authority of the Central Bank of Iceland (*Fjármálaeftirlitið*) (the **FSA**).

## General

This Tender Offer Memorandum does not constitute an offer to buy or the solicitation of an offer to sell Notes (and tenders of Notes in the Offer will not be accepted from Noteholders) in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer and any of the Dealer Managers or any of the Dealer Managers' respective affiliates is such a licensed broker or dealer in any such jurisdiction, the Offer shall be deemed to be made by such Dealer Manager or affiliate, as the case may be, on behalf of the Bank in such jurisdiction.

Nothing in this Tender Offer Memorandum or the electronic transmission thereof constitutes an offer to sell or the solicitation of an offer to buy the New Notes in the United States or any other jurisdiction.

In addition to the representations referred to above in respect of the United States, each Noteholder participating in the Offer will also be deemed to give certain representations in respect of the other jurisdictions referred to above and generally as set out in "*Procedures for Participating in the Offer*". Any tender of Notes for purchase pursuant to the Offer from a Noteholder that is unable to make these representations will not be accepted. Each of the Bank, the Dealer Managers and the Tender Agent reserves the right, in its absolute discretion, to investigate, in relation to any tender of Notes for purchase pursuant to the Offer, whether any such representation given by a Noteholder is correct and, if such investigation is undertaken and as a result the Bank determines (for any reason) that such representation is not correct, such tender shall not be accepted.

## GENERAL

The Bank accepts responsibility for the information contained in this Tender Offer Memorandum. To the best of the knowledge of the Bank (which has taken all reasonable care to ensure that such is the case), the information contained in this Tender Offer Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each Noteholder is solely responsible for making its own independent appraisal of all matters as such Noteholder deems appropriate (including those relating to the Offer) and each Noteholder must make its own decision as to whether to tender any or all of its Notes for purchase pursuant to the Offer. None of the Dealer Managers or the Tender Agent (or their respective directors, employees or affiliates) makes any representation or recommendation whatsoever regarding this Tender Offer Memorandum or the Offer, and none of the Bank, the Dealer Managers or the Tender Agent (or their respective directors, employees or affiliates) makes any recommendation as to whether Noteholders should tender Notes in the Offer. The Tender Agent is the agent of the Bank and owes no duty to any Noteholder.

In the ordinary course of their respective businesses, the Dealer Managers and the Tender Agent are entitled to hold positions in the Notes either for their own account or for the account, directly or indirectly, of third parties. In the ordinary course of their respective businesses, they are entitled to continue to hold or dispose of, in any manner they may elect, subject to applicable law, any Notes they may hold as at the date of this Tender Offer Memorandum. No such submission or non-submission of Notes in the Offer by the Dealer Managers or the Tender Agent should be taken by any Noteholder or any other person as any recommendation or otherwise by the Dealer Managers or the Tender Agent, as the case may be, as to the merits of participating or not participating in the Offer.

Neither the delivery of this Tender Offer Memorandum nor any purchase of Notes shall, under any circumstances, create any implication that the information contained in this Tender Offer Memorandum is current as of any time subsequent to the date of such information or that there has been no change in the information set out in it since the date of this Tender Offer Memorandum.

No person has been authorised to give any information or to make any representation about the Bank or the Offer other than as contained in this Tender Offer Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Bank, the Dealer Managers, the Tender Agent or any of their respective agents.

Noteholders who do not participate in the Offer, or whose Notes are not accepted for purchase by the Bank, will continue to hold their Notes subject to the terms and conditions of such Notes.

The applicable provisions of the Financial Services and Markets Act 2000 must be complied with in respect of anything done in relation to the Offer in, from or otherwise involving the United Kingdom.

Unless the context otherwise requires, references in this Tender Offer Memorandum to **Noteholders** or **holders of Notes** include:

- (i) each person who is shown in the records of Euroclear Bank SA/NV (**Euroclear**) or Clearstream Banking, S.A. (**Clearstream, Luxembourg** and, together with Euroclear, the **Clearing Systems** and each a **Clearing System**) as a holder of the Notes (also referred to as **Direct Participants** and each a **Direct Participant**); and
- (ii) each beneficial owner of the Notes holding such Notes, directly or indirectly, in an account in the name of a Direct Participant acting on such beneficial owner's behalf,

except that for the purposes of any payment to a Noteholder pursuant to the Offer of the Purchase Price and the Accrued Interest Payment, to the extent the beneficial owner of the relevant Notes is not a Direct Participant, such payment will only be made by the relevant Clearing System to the relevant Direct Participant and the making of such payment by the Bank to such Clearing System and by such Clearing System to such Direct Participant will satisfy the respective obligations of the Bank and such Clearing System in respect of the purchase of such Notes.

All references in this Tender Offer Memorandum to **euro** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

For the avoidance of doubt, the invitation by the Bank to Noteholders contained within this Tender Offer Memorandum is an invitation to treat by the Bank, and any references to any offer or invitation being made by the Bank under or in respect of the Offer shall be construed accordingly.

## EXPECTED TIMETABLE OF EVENTS

The times and dates below are indicative only.

### Events

### Times and Dates

(All times are London time)

#### ***Commencement of the Offer***

Offer announced. Tender Offer Memorandum available from the Tender Agent. Monday, 16 November 2020

#### ***Expiration Deadline***

Final deadline for receipt of valid Tender Instructions by the Tender Agent in order for Noteholders to be able to participate in the Offer. 4.00 p.m. on Monday, 23 November 2020

#### ***Announcement of Results***

Announcement of whether the Bank will accept (subject to satisfaction of the New Financing Condition on or prior to the Settlement Date) valid tenders of Notes pursuant to the Offer and, if so accepted, the Final Acceptance Amount, the Purchase Price, details of any *pro rata* scaling and Accrued Interest (expressed as a percentage of the nominal amount of the Notes). As soon as reasonably practicable on Tuesday, 24 November 2020

#### ***Settlement Date***

Subject to satisfaction of the New Financing Condition on or prior to the Settlement Date, expected Settlement Date for the Offer. Friday, 27 November 2020

*The above times and dates are subject to the right of the Bank to extend, re-open, amend, and/or terminate the Offer (subject to applicable law and as provided in this Tender Offer Memorandum). Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would need to receive instructions from a Noteholder in order for that Noteholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Offer before the deadlines specified in this Tender Offer Memorandum. **The deadlines set by any such intermediary and each Clearing System for the submission of Tender Instructions will be earlier than the relevant deadlines specified above. See "Procedures for Participating in the Offer".***

## DEFINITIONS

<b>Accrued Interest</b>	Interest accrued and unpaid on the Notes from (and including) the immediately preceding interest payment date for the Notes to (but excluding) the Settlement Date, calculated in accordance with the terms and conditions of the Notes.
<b>Accrued Interest Payment</b>	An amount in cash (rounded to the nearest €0.01, with half a cent rounded upwards) equal to the Accrued Interest on the Notes validly tendered for purchase by a Noteholder and accepted by the Bank.
<b>Bank</b>	Arion Bank hf.
<b>Business Day</b>	A day other than a Saturday or a Sunday or a public holiday on which commercial banks and foreign exchange markets are open for business in London.
<b>Clearing System Notice</b>	The form of notice to be sent to Direct Participants by each of the Clearing Systems on or about the date of this Tender Offer Memorandum informing Direct Participants of the procedures to be followed in order to participate in the Offer.
<b>Clearing Systems</b>	Euroclear and Clearstream, Luxembourg.
<b>Clearstream, Luxembourg</b>	Clearstream Banking, S.A.
<b>Dealer Managers</b>	Deutsche Bank Aktiengesellschaft, J.P. Morgan Securities plc, Nomura International plc and UBS Europe SE.
<b>Direct Participant</b>	Each person who is shown in the records of the Clearing Systems as a holder of the Notes.
<b>Euroclear</b>	Euroclear Bank SA/NV.
<b>Expiration Deadline</b>	4.00 p.m. (London time) on 23 November 2020 (subject to the right of the Bank to extend, re-open, amend and/or terminate the Offer).
<b>Final Acceptance Amount</b>	The aggregate nominal amount of Notes validly tendered in the Offer that the Bank decides to accept for purchase. See further " <i>The Offer – Final Acceptance Amount and Scaling</i> ".
<b>New Financing Condition</b>	The condition to completion of the Offer and whether the Bank will accept for purchase Notes validly tendered in the Offer (subject to the right of the Bank to amend and/or terminate the Offer), being the successful completion (in the determination of the Bank) of the issue of the New Notes.
<b>New Notes</b>	The new euro-denominated fixed rate notes which the Bank announced, on 16 November 2020, its intention to issue.
<b>Noteholder</b>	A holder of Notes (including as further defined in the section " <i>General</i> " on page 8).
<b>Notes</b>	€500,000,000 1.625% Notes due 2021 of the Bank (ISIN: XS1527737495/ Common Code: 152773749).
<b>Notifying News Service</b>	A recognised financial news service or services (e.g. Reuters/Bloomberg) as selected by the Bank.
<b>Offer</b>	The invitation by the Bank, subject to the offer restrictions referred to in " <i>Offer and Distribution Restrictions</i> ", to Noteholders to tender their Notes for purchase by the Bank for cash, on the terms and subject to the conditions of the Offer set out in this Tender Offer Memorandum.
<b>Purchase Price</b>	The price for Notes accepted for purchase pursuant to the Offer (expressed as a percentage of the nominal amount of the Notes, rounded to the nearest 0.001 per cent., with 0.0005 per cent. rounded upwards) payable by the Bank for Notes validly tendered in the Offer and accepted for repurchase

by the Bank, which is to be determined by the Dealer Managers in the manner described in "*The Offer – Purchase Price*".

**Purchase Yield**

-0.30 per cent.

**Sanctions Authority**

Each of:

- (i) the United States government;
- (ii) the United Nations;
- (iii) the European Union (or any of its member states including, for these purposes, the United Kingdom); and
- (iv) any other relevant governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; or the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the US Department of the Treasury, the United States Department of State, the United States Department of Commerce and Her Majesty's Treasury.

**Sanctions Restricted Person**

Each person or entity (a **Person**):

- (i) that is organised or resident in a country or territory which is the target of comprehensive country sanctions administered or enforced by any Sanctions Authority;
- (ii) that is, or is owned or controlled by a Person that is, described or designated in (A) the most current "Specially Designated Nationals and Blocked Persons" list (which as of the date hereof can be found at: <https://www.treasury.gov/ofac/downloads/sdnlist.pdf>) or (B) the Foreign Sanctions Evaders List (which as of the date hereof can be found at: <http://www.treasury.gov/ofac/downloads/fse/fselist.pdf>) or (C) the most current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as of the date hereof can be found at: [https://eeas.europa.eu/headquarters/headquarters-homepage\\_en/8442/Consolidated%20list%20of%20sanctions](https://eeas.europa.eu/headquarters/headquarters-homepage_en/8442/Consolidated%20list%20of%20sanctions)); or
- (iii) that is otherwise the subject of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of their inclusion in: (A) the most current "Sectoral Sanctions Identifications" list (which as of the date hereof can be found at: <https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf>) (the **SSI List**), (B) Annexes 3, 4, 5 and 6 of Council Regulation No.833/2014, as amended by Council Regulation No.960/2014 (the **EU Annexes**), or (C) any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes.

**Scaling Factor**

The factor to be used for any scaling of tenders of Notes pursuant to the Offer, as described in this Tender Offer Memorandum. See "*Further Information and Terms and Conditions – Scaling of Tenders*".

**Settlement Date**

27 November 2020 (subject to the right of the Bank to extend, re-open, amend and/or terminate the Offer).

**Target Acceptance Amount**

€300,000,000, being the maximum aggregate nominal amount of Notes the Bank proposes to accept for purchase pursuant to the Offer (although the Bank reserves the right, in its sole discretion, to accept more or less than

the Target Acceptance Amount for purchase).

**Tender Agent**

Lucid Issuer Services Limited.

**Tender Instruction**

The electronic tender and blocking instruction in the form specified in the Clearing System Notice for submission by Direct Participants to the Tender Agent via the relevant Clearing System and in accordance with the requirements of such Clearing System by the relevant deadlines in order for Noteholders to be able to participate in the Offer.

## FURTHER INFORMATION AND TERMS AND CONDITIONS

### Total amount payable to Noteholders

If the Bank decides to accept (subject to satisfaction of the New Financing Condition) valid tenders of Notes pursuant to the Offer, the total amount that will be paid to each Noteholder on the Settlement Date for the Notes accepted for purchase from such Noteholder will be an amount (rounded to the nearest €0.01, with half a cent rounded upwards) equal to the sum of:

- (a) the product of (i) the aggregate nominal amount of the Notes accepted for purchase from such Noteholder pursuant to the Offer and (ii) the Purchase Price; and
- (b) the Accrued Interest Payment on such Notes.

The Purchase Price will be determined by the Dealer Managers in the manner described in "*The Offer – Purchase Price*".

### Scaling of Tenders

If the Bank decides to accept valid tenders of Notes pursuant to the Offer and the aggregate nominal amount of Notes validly tendered for purchase pursuant to the Offer is greater than the Final Acceptance Amount, the Bank intends to accept such validly tendered Notes on a *pro rata* basis and, for the purpose of such acceptance, each such tender of Notes will be scaled by a factor (a **Scaling Factor**) derived from (i) the Final Acceptance Amount divided by (ii) the aggregate nominal amount of the Notes validly tendered (subject to adjustment to allow for the aggregate nominal amount of Notes accepted for purchase, following the rounding of tenders of Notes described in the next sentence, to equal the Final Acceptance Amount exactly). Each tender of Notes that is scaled in this manner will be rounded down to the nearest €1,000.

In addition, in the event of any such Scaling:

- (a) the Bank intends to apply the Scaling Factor to each valid tender of Notes in such a manner as will result in both (i) the relevant Noteholder transferring Notes to the Bank in an aggregate nominal amount of at least €100,000, being the minimum denomination of the Notes (unless the relevant Tender Instruction is rejected in its entirety, as described in paragraph (b) below) and (ii) the relevant Noteholder's residual amount of Notes (being the nominal amount of the Notes the subject of the relevant Tender Instruction that are not accepted for purchase by virtue of such scaling) amounting to either (A) at least €100,000 or (B) zero, and (subject as provided in paragraph (b) below) the Bank therefore intends to adjust the relevant Scaling Factor applicable to any Tender Instruction accordingly; and
- (b) if following the application of the Scaling Factor, the nominal amount of Notes otherwise due to be accepted for purchase from a Noteholder pursuant to a Tender Instruction would be less than €100,000, the Bank may in its sole discretion choose to (i) accept at least €100,000, being the minimum denomination of the Notes or (ii) reject the relevant Tender Instruction in its entirety.

### Payment

If Notes validly tendered in the Offer are accepted for purchase by the Bank, the aggregate amounts of the Purchase Price and Accrued Interest Payments for such Notes in each Clearing System will be paid, in immediately available funds, on the Settlement Date to such Clearing System for payment to the cash accounts of the relevant Noteholders in the Clearing System (see "*Procedures for Participating in the Offer*"). The payment of such aggregate amounts to the Clearing Systems will discharge the obligation of the Bank to all such Noteholders in respect of the payment of the Purchase Price and Accrued Interest Payments.

Provided the Bank makes, or has made on its behalf, full payment of the Purchase Price and Accrued Interest Payments for all Notes accepted for purchase pursuant to the Offer to the Clearing Systems on or before the Settlement Date, under no circumstances will any additional interest be payable to a Noteholder because of any delay in the transmission of funds from the relevant Clearing System or any other intermediary with respect to such Notes of that Noteholder.



## **General conditions of the Offer**

The Bank expressly reserves the right, in its sole discretion, to delay acceptance of tenders of Notes pursuant to the Offer in order to comply with applicable laws. In all cases, the purchase of Notes for cash pursuant to the Offer will only be made after the submission of a valid Tender Instruction in accordance with the procedures described in "*Procedures for Participating in the Offer*" including the blocking of the Notes tendered in the relevant account in the relevant Clearing System, from the date the relevant Tender Instruction is submitted until the earlier of (i) the time of settlement on the Settlement Date and (ii) the date of any termination of the Offer (including where such Notes are not accepted by the Bank for purchase) or on which the Tender Instruction is revoked, in the limited circumstances in which such revocation is permitted. See also "*Risk Factors and Other Considerations*".

The Bank will at all times have the discretion to accept for purchase any Notes tendered in the Offer, the tender of which would otherwise be invalid or, in the sole opinion of the Bank, may otherwise be invalid.

The Bank is not under any obligation to accept any tender of Notes for purchase pursuant to the Offer. Tenders of Notes for purchase may be rejected in the sole discretion of the Bank for any reason and the Bank is not under any obligation to Noteholders to furnish any reason or justification for refusing to accept a tender of Notes for purchase. For example, tenders of Notes for purchase may be rejected if the Offer is terminated, if the New Financing Condition is not satisfied, if the Offer does not comply with the relevant requirements of a particular jurisdiction or for any other reason.

Notes that are not successfully tendered for purchase pursuant to the Offer will remain outstanding.

Noteholders are advised that the Bank may, in its sole discretion, accept tenders of Notes pursuant to the Offer on more than one date if the Offer is extended or re-opened.

The failure of any person to receive a copy of this Tender Offer Memorandum or any announcement made or notice issued in connection with the Offer shall not invalidate any aspect of the Offer. No acknowledgement of receipt of any Tender Instruction and/or other documents will be given by the Bank or the Tender Agent.

## **Announcements**

Unless stated otherwise, announcements in connection with the Offer will be made via the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu). Such announcements may also be made by (i) the issue of a press release to a Notifying News Service and/or (ii) the delivery of notices to the Clearing Systems for communication to Direct Participants. Copies of all such announcements, press releases and notices can also be obtained upon request from the Tender Agent, the contact details for which are on the last page of this Tender Offer Memorandum. Significant delays may be experienced where notices are delivered to the Clearing Systems and Noteholders are urged to contact the Tender Agent for the relevant announcements during the course of the Offer. In addition, Noteholders may contact the Dealer Managers for information using the contact details on the last page of this Tender Offer Memorandum.

## **Governing law**

The Offer, each Tender Instruction and any purchase of Notes pursuant to the Offer, and any non-contractual obligations arising out of or in connection with the Offer, shall be governed by and construed in accordance with English law. By submitting a Tender Instruction, the relevant Noteholder irrevocably and unconditionally agrees for the benefit of the Bank, the Dealer Managers and the Tender Agent that the courts of England are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Offer (including any disputes relating to any non-contractual obligations arising out of or in connection with the Offer) or such Tender Instruction and that, accordingly, any suit, action or proceedings arising out of or in connection with the foregoing may be brought in such courts.

## **RISK FACTORS AND OTHER CONSIDERATIONS**

*Before making a decision whether to tender Notes pursuant to the Offer, Noteholders should carefully consider all of the information in this Tender Offer Memorandum and, in particular, the following factors:*

### **Uncertainty as to the trading market for Notes not purchased**

Although the Notes that are not validly tendered by Noteholders or accepted by the Bank will continue to be admitted to the official list of the Luxembourg Stock Exchange and to trading on the regulated market of the Luxembourg Stock Exchange, to the extent tenders of Notes in the Offer are accepted by the Bank and the Offer is completed, the trading markets for the Notes that remain outstanding following such completion may be significantly more limited. Such remaining Notes may command a lower price than a comparable issue of securities with greater market liquidity. A reduced market value and liquidity may also make the trading price of such remaining Notes more volatile. As a result, the market price for such Notes that remain outstanding after the completion of the Offer may be adversely affected as a result of the Offer. None of the Bank, the Dealer Managers or the Tender Agent has any duty to make a market in any such remaining Notes.

### **No obligation to accept tenders of Notes for purchase and New Financing Condition**

The Bank is not under any obligation to accept any tender of Notes for purchase pursuant to the Offer. Tenders of Notes for purchase may be rejected in the sole discretion of the Bank for any reason and the Bank is not under any obligation to Noteholders to furnish any reason or justification for refusing to accept a tender of Notes for purchase. For example, tenders of Notes for purchase may be rejected if the Offer is terminated, if the New Financing Condition is not satisfied, if the Offer does not comply with the relevant requirements of a particular jurisdiction or for any other reason.

### **Responsibility for complying with the procedures of the Offer**

Noteholders are responsible for complying with all of the procedures (i) for submitting a Tender Instruction and (ii) in connection with any request for New Issue Priority (including the making of an application to a Dealer Manager (in its capacity as a manager of the issue of the New Notes) for the purchase of the New Notes in accordance with the standard new issue procedures of the relevant Dealer Manager). None of the Bank, the Dealer Managers or the Tender Agent assumes any responsibility for informing Noteholders of irregularities with respect to any Tender Instruction or otherwise in connection with such Noteholder's participation in the Offer, any request for New Issue Priority (including the submission of any Tender Instructions and the making of the relevant application as aforesaid) or the purchase of any New Notes in respect of which New Issue Priority is given.

### **New Issue Priority may be less than cash amount received for the Notes**

Any cash amount received by a Noteholder for the purchase of its Notes by the Bank pursuant to the Offer may be more than any New Issue Priority it may apply for and receive in connection with the tender of such Notes in the Offer. A Noteholder may not be able to reinvest such surplus cash amount (or the whole cash amount in the event that it does not receive any New Issue Priority) at an effective interest rate as high as the interest rate on the Notes or New Notes and may only be able to do so at a lower rate.

### **Completion, termination and amendment**

Until the Bank announces whether (i) the New Financing Condition has been satisfied and (ii) it has decided to accept valid tenders of Notes pursuant to the Offer, no assurance can be given that the Offer will be completed. In addition, subject to applicable law and as provided in this Tender Offer Memorandum, the Bank may, in its sole discretion, extend, re-open, amend or terminate the Offer at any time before such announcement and may, in its sole discretion, waive any of the conditions to the Offer either before or after such announcement.

### **Tender Instructions irrevocable**

Tenders Instructions will be irrevocable except in the limited circumstances described in "*Amendment and Termination*".

### **Separate settlement**

Payment under the Offer and the issue of New Notes are subject to separate settlement processes. Noteholders who are subscribing for New Notes following the receipt of New Issue Priority may be required to make payment for such New Notes prior to receiving the relevant payment pursuant to the Offer.

### **Compliance with offer and distribution restrictions**

Noteholders are referred to the offer and distribution restrictions in "*Offer and Distribution Restrictions*" and the agreements, acknowledgements, representations, warranties and undertakings in "*Procedures for Participating in the Offer*", which Noteholders will be deemed to make on submission of a Tender Instruction. Non-compliance with these could result in, among other things, the unwinding of trades and/or heavy penalties.

### **Responsibility to consult advisers**

Each Noteholder is solely responsible for making its own independent appraisal of all matters as such Noteholder deems appropriate (including those relating to the Offer and the Bank) and each Noteholder must make its own decision as to whether to tender any or all of its Notes for purchase pursuant to the Offer.

Noteholders should consult their own tax, accounting, financial and legal advisers regarding the suitability to themselves of the tax or accounting consequences of participating in the Offer.

None of the Bank, the Dealer Managers, the Tender Agent, or any director, officer, employee, agent or affiliate of any such person, is acting for any Noteholder, or will be responsible to any Noteholder for providing any protections which would be afforded to its clients or for providing advice in relation to the Offer, and accordingly none of the Bank, the Dealer Managers, the Tender Agent, or any director, officer, employee, agent or affiliate of any such person, makes any recommendation as to whether Noteholders should tender Notes in the Offer.

### **Restrictions on transfer of Notes**

When considering whether to participate in the Offer, Noteholders should take into account that restrictions on the transfer of Notes by Noteholders will apply from the time of submission of Tender Instructions. A Noteholder will, on submitting a Tender Instruction, agree that its Notes will be blocked in the relevant account in the relevant Clearing System from the date the relevant Tender Instruction is submitted until the earlier of (i) the time of settlement on the Settlement Date and (ii) the date of any termination of the Offer (including where such Notes are not accepted by the Bank for purchase) or on which the Tender Instruction is revoked, in the limited circumstances in which such revocation is permitted.

### **Other purchases or redemption of the Notes**

Whether or not the Offer is completed, the Bank, the Dealer Managers, and the Tender Agent may, to the extent permitted by applicable law, continue to acquire, from time to time during or after the Offer, Notes other than pursuant to the Offer, including through open market purchases and privately negotiated transactions, or otherwise, upon such terms and at such prices as they may determine, which may be more or less than the prices to be paid pursuant to the Offer and could be for cash or other consideration or otherwise on terms more or less favourable than those contemplated in the Offer.

The Bank or the Dealer Managers may acquire further Notes after the Offer has expired or lapsed, whether in the market or otherwise. The Bank may also redeem any outstanding Notes in accordance with their terms and conditions.

### **Minimum Denominations of the Notes**

A Noteholder whose tender of Notes for purchase pursuant to the Offer is accepted by the Bank (including after any *pro rata* scaling) and who, following purchase of the Notes on the Settlement Date, continues to hold in its account with the relevant Clearing System further Notes in a principal amount of less than €100,000 (being the minimum denomination of the Notes), would need to purchase a principal amount of the Notes such that its holding amounts to at least €100,000 before (a) the Notes it continues to hold may be traded in the Clearing Systems or (b) it may receive a definitive Note in respect of such Notes (should definitive Notes be printed).

## **TAX CONSEQUENCES**

In view of the number of different jurisdictions where tax laws may apply to a Noteholder, this Tender Offer Memorandum does not discuss the tax consequences for Noteholders arising from the purchase of Notes by the Bank pursuant to the Offer. Noteholders are urged to consult their own professional advisers regarding these possible tax consequences under the laws of the jurisdictions that apply to them or to the sale of their Notes and the receipt pursuant to the Offer of the Purchase Price and the Accrued Interest Payment. Noteholders are liable for their own taxes and have no recourse to the Bank, the Dealer Managers or the Tender Agent with respect to taxes arising in connection with the Offer.

## PROCEDURES FOR PARTICIPATING IN THE OFFER

*Noteholders who need assistance with respect to the procedures for participating in the Offer should contact the Tender Agent, the contact details for which are on the last page of this Tender Offer Memorandum.*

### Summary of Action to be Taken

The Bank will only accept tenders of Notes for purchase pursuant to the Offer which are made by way of the submission of valid Tender Instructions in accordance with the procedures set out in this section "*Procedures for Participating in the Offer*".

To tender Notes for purchase pursuant to the Offer, a Noteholder should deliver, or arrange to have delivered on its behalf, via the relevant Clearing System and in accordance with the requirements of such Clearing System, a valid Tender Instruction that is received by the Tender Agent by the Expiration Deadline. Tender Instructions must be submitted in respect of a minimum nominal amount of Notes of no less than €100,000, being the minimum denomination of the Notes, and may be submitted in integral multiples of €1,000 thereafter.

*Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would need to receive instructions from a Noteholder in order for that Noteholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Offer by the deadlines specified in this Tender Offer Memorandum. **The deadlines set by any such intermediary and each Clearing System for the submission and withdrawal of Tender Instructions will be earlier than the relevant deadlines specified in this Tender Offer Memorandum.***

### Tender Instructions

The tendering of Notes in the Offer will be deemed to have occurred upon receipt by the Tender Agent from the relevant Clearing System, by the Expiration Deadline, of a valid Tender Instruction submitted in accordance with the requirements of such Clearing System. The receipt of such Tender Instruction by the relevant Clearing System will be acknowledged in accordance with the standard practices of such Clearing System and will result in the blocking of the relevant Notes in the Noteholder's account with the relevant Clearing System so that no transfers may be effected in relation to such Notes.

Noteholders must take the appropriate steps through the relevant Clearing System so that no transfers may be effected in relation to such blocked Notes at any time after the date of submission of such Tender Instruction, in accordance with the requirements of the relevant Clearing System and the deadlines required by such Clearing System. By blocking such Notes in the relevant Clearing System, each Direct Participant will be deemed to consent to have the relevant Clearing System provide details concerning such Direct Participant's identity to the Tender Agent (and for the Tender Agent to provide such details to the Bank, the Dealer Managers and to their respective legal advisers).

Only Direct Participants may submit Tender Instructions. Each Noteholder that is not a Direct Participant must arrange for the Direct Participant through which such Noteholder holds its Notes to submit a valid Tender Instruction on its behalf to the relevant Clearing System before the deadlines specified by the relevant Clearing System which will be earlier than the deadlines specified in this Tender Offer Memorandum.

It is a term of the Offer that Tender Instructions are irrevocable except in the limited circumstances described in "*Amendment and Termination*". In such circumstances, Tender Instructions may be revoked by a Noteholder, or the relevant Direct Participant on its behalf, by submitting a valid electronic withdrawal instruction to the relevant Clearing System. To be valid, such instruction must specify the Notes to which the original Tender Instruction related, the securities account number and Direct Participant name to which such Notes are credited and any other information required by the relevant Clearing System.

By submitting a valid Tender Instruction to the relevant Clearing System in accordance with the standard procedures of such Clearing System, each Noteholder whose Notes are the subject of such Tender Instruction shall, and any Direct Participant submitting such Tender Instruction on behalf of such Noteholder(s) shall in respect of itself and each such Noteholder, be deemed to agree to, and acknowledge, represent, warrant and undertake, to the Bank, the Dealer Managers and the Tender Agent the following at the time of submission of the relevant Tender Instruction, the Expiration Deadline and the time of settlement on the Settlement Date (if a

Noteholder or Direct Participant is unable to make any such agreement or acknowledgement or give any such representation, warranty or undertaking, such Noteholder or Direct Participant should contact the Tender Agent immediately):

- (a) it has received the Tender Offer Memorandum, and has reviewed and accepts the offer and distribution restrictions, terms, conditions, risk factors and other considerations of the Offer, all as described in this Tender Offer Memorandum, and has undertaken an appropriate analysis of the implications of the Offer without reliance on the Bank, the Dealer Managers or the Tender Agent;
- (b) by blocking the relevant Notes in the relevant Clearing System, it will be deemed to consent, in the case of a Direct Participant, to have such Clearing System provide details concerning its identity to the Tender Agent (and for the Tender Agent to provide such details to the Bank and the Dealer Managers, and their respective legal advisers);
- (c) upon the terms and subject to the conditions of the Offer, it tenders for purchase in the Offer the nominal amount of Notes blocked in its account in the relevant Clearing System and, subject to and effective on such purchase by the Bank, it renounces all right, title and interest in and to all such Notes purchased by or at the direction of the Bank and waives and releases any rights or claims it may have against the Bank with respect to any such Notes and the Offer;
- (d) if the Notes tendered for purchase are accepted by the Bank it acknowledges that (i) the Purchase Price and the Accrued Interest Payment will be paid in euro, (ii) such cash amounts will be deposited by or on behalf of the Bank with the Clearing Systems on the Settlement Date and (iii) on receipt of such cash amounts, the Clearing Systems will make payments promptly to the accounts in the Clearing Systems of the relevant Noteholders;
- (e) it agrees to ratify and confirm each and every act or thing that may be done or effected by the Bank, any of its directors or any person nominated by the Bank in the proper exercise of his or her powers and/or authority hereunder;
- (f) it agrees to do all such acts and things as shall be necessary and execute any additional documents deemed by the Bank to be desirable, in each case to complete the transfer of the relevant Notes to the Bank or its nominee against payment to it of the Purchase Price and the Accrued Interest Payment for such Notes and/or to perfect any of the authorities expressed to be given hereunder;
- (g) it has observed the laws of all relevant jurisdictions; obtained all requisite governmental, exchange control or other required consents; complied with all requisite formalities; and paid any issue, transfer or other taxes or requisite payments due from it in each respect in connection with any offer or acceptance in any jurisdiction and that it has not taken or omitted to take any action in breach of the terms of the Offer or which will or may result in the Bank, the Dealer Managers, the Tender Agent, or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer;
- (h) all authority conferred or agreed to be conferred pursuant to its acknowledgements, agreements, representations, warranties and undertakings, and all of its obligations shall be binding upon its successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives, and shall not be affected by, and shall survive, its death or incapacity;
- (i) no information has been provided to it by the Bank, the Dealer Managers or the Tender Agent, or any of their respective directors or employees, with regard to the tax consequences for Noteholders arising from the purchase of Notes by the Bank pursuant to the Offer and the receipt by the Noteholder of the Purchase Price and Accrued Interest Payment, and it acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction as a result of its participation in the Offer and agrees that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Bank, the Dealer Managers or the Tender Agent, or any of their respective directors or employees, or any other person in respect of such taxes and payments;
- (j) it has had access to such financial and other information concerning the Notes, and has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers, as it deems necessary or appropriate in order to make an informed decision with respect to its tendering of Notes for purchase in the Offer; it is not relying on any communication (written or oral) made by any party involved in the Offer or any such party's affiliates as constituting a recommendation to tender Notes in the Offer; and it is able to bear the economic risks of participating in the Offer;

- (k) it is not a person to whom it is unlawful to make an invitation pursuant to the Offer under applicable securities laws, it has not distributed or forwarded this Tender Offer Memorandum or any other documents or materials relating to the Offer to any such person(s) and it has (before submitting, or arranging for the submission on its behalf, as the case may be, of the Tender Instruction in respect of the Notes it is tendering for purchase) complied with all laws and regulations applicable to it for the purposes of its participation in the Offer;
- (l) either (a) (i) it is the beneficial owner of the Notes being tendered in the Offer and (ii) it is located and resident outside the United States and it is participating in the Offer from outside the United States or (b) (i) it is acting on behalf of the beneficial owner of the Notes being tendered in the Offer on a non-discretionary basis and has been duly authorised to so act and (ii) such beneficial owner has confirmed to it that it is located and resident outside the United States and it is participating in the Offer from outside the United States;
- (m) it is not located or resident in Italy or, if it is located in Italy, it is an authorised person or is tendering Notes through an authorised person (such as an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Legislative Decree No. 58 of 24 February 1998, as amended, CONSOB Regulation No. 20307 of 15 February 2018, as amended, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority;
- (n) it is not located or resident in the United Kingdom or, if it is located or resident in the United Kingdom, (i) it is a person falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Promotion Order) or within Article 43 of the Financial Promotion Order, or to whom this Tender Offer Memorandum and any other documents or materials relating to the Offer may otherwise lawfully be communicated in accordance with the Financial Promotion Order; and (ii) if it were a client of the Bank, it would be eligible to be categorised (pursuant to the FCA's rules) as a *per se* professional client or a *per se* eligible counterparty and not a retail client (but it acknowledges that it will not be treated as a client of the Bank by virtue of its participation in the Offer);
- (o) it is not located or resident in France or, if it is located or resident in France, it is a qualified investor (*investisseur qualifié*), other than an individual, acting for its own account (all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*);
- (p) it is not located or resident in Iceland or, if it is located or resident in Iceland, it is (i) a qualified investor under the private placement exemption of Article 50 (1) Item 1 a) as defined in Article 43 Item 9 of the Icelandic Securities Act or (ii) someone to whom this Tender Offer Memorandum and any other documents or materials relating to the Offer may otherwise lawfully be communicated in accordance with the Icelandic Securities Act;
- (q) it is not a Sanctions Restricted Person;
- (r) it has full power and authority to tender the Notes it has tendered in the Offer and, if such Notes are accepted for purchase by the Bank such Notes will be transferred to, or to the order of, the Bank with full title free from all liens, charges and encumbrances, not subject to any adverse claim and together with all rights attached to such Notes, and it will, upon request, execute and deliver any additional documents and/or do such other things deemed by the Bank to be necessary or desirable to complete the transfer and cancellation of such Notes or to evidence such power and authority;
- (s) it holds and will hold, until the time of settlement on the Settlement Date, the Notes blocked in the relevant Clearing System and, in accordance with the requirements of, and by the deadline required by, such Clearing System, it has submitted, or has caused to be submitted, a Tender Instruction to such Clearing System to authorise the blocking of the tendered Notes with effect on and from the date of such submission so that, at any time pending the transfer of such Notes on the Settlement Date to the Bank, or to its agent on its behalf, or until any revocation of the relevant Tender Instruction (in the limited circumstances in which revocation is permitted), no transfers of such Notes may be effected;
- (t) the terms and conditions of the Offer shall be deemed to be incorporated in, and form a part of, the Tender Instruction which shall be read and construed accordingly, and that the information given by or on behalf of such Noteholder in the Tender Instruction is true and will be true in all respects at the time of the purchase of the Notes tendered on the Settlement Date;
- (u) it accepts that the Bank is under no obligation to accept tenders of Notes for purchase pursuant to the Offer, and accordingly such tender may be accepted or rejected by the Bank in its sole discretion and for any reason;

- (v) it acknowledges that the Bank, the Dealer Managers and the Tender Agent will rely upon the truth and accuracy of the foregoing acknowledgments, agreements, representations, warranties and undertakings and it shall indemnify the Bank, the Dealer Managers and the Tender Agent against all and any losses, costs, claims, liabilities, expenses, charges, actions or demands which any of them may incur or which may be made against any of them as a result of any breach of any of the terms of, or any of the agreements, acknowledgments, representations, warranties and/or undertakings given in connection with the Offer (including any acceptance thereof) by any such Noteholder;
- (w) it understands that acceptance by the Bank for purchase of the Notes validly tendered pursuant to the Offer will constitute a binding agreement between such Noteholder and the Bank in accordance with, and subject to, the terms of the Offer; and
- (x) it accepts that settlement of the Offer is conditional on satisfaction or waiver of the New Financing Condition.

The representation, warranty and undertaking set out at paragraph (q) above shall, other than when such representation, warranty and undertaking is made by a Noteholder (and, if applicable, the Direct Participant submitting the relevant Tender Instruction on such Noteholder's behalf) at the time of submission of the relevant Tender Instruction, not apply if and to the extent that it is or would be a breach of any provision of Council Regulation (EC) No 2271/1996 (the **Blocking Regulation**) and/or any law or regulation implementing the Blocking Regulation in any member state of the European Union or the United Kingdom or any other applicable anti-boycott or similar laws or regulations in the United Kingdom.

The receipt of a Tender Instruction by the relevant Clearing System will constitute instructions to debit the securities account of the relevant Direct Participant on the Settlement Date in respect of all of the Notes that the relevant Noteholder has validly tendered in the Offer, upon receipt by such Clearing System of an instruction from the Tender Agent for such Notes to be transferred to the specified account of the Bank or its agent on its behalf, subject to the automatic withdrawal of those instructions on the date of any termination of the Offer (including where such Notes are not accepted for purchase by the Bank) or on the valid revocation of such Tender Instruction, in the limited circumstances in which such revocation is permitted as described in "*Amendment and Termination – Revocation Rights*", and subject to acceptance of the Offer by the Bank and all other conditions of the Offer.

## **General**

### ***Separate Tender Instructions***

A separate Tender Instruction must be completed on behalf of each beneficial owner.

### ***Irrevocability***

The submission of a valid Tender Instruction in accordance with the procedures set out in this section "*Procedures for Participating in the Offer*" will be irrevocable (except in the limited circumstances described in "*Amendment and Termination – Revocation Rights*").

### ***Irregularities***

All questions as to the validity, form, eligibility and valid revocation (including times of receipt) of any Tender Instruction will be determined by the Bank in its sole discretion, which determination shall be final and binding.

The Bank reserves the absolute right to reject any and all Tender Instructions or revocation instructions not in proper form or for which any corresponding agreement by the Bank to accept would, in the opinion of the Bank and its legal advisers, be unlawful. The Bank also reserves the absolute right to waive any defects, irregularities or delay in the submission of any and all Tender Instructions or revocation instructions. The Bank also reserves the absolute right to waive any such defect, irregularity or delay in respect of a particular tender of Notes, whether or not the Bank elects to waive similar defects, irregularities or any delay in respect of other Notes.

Any defect, irregularity or delay must be cured within such time as the Bank determines, unless waived by it. Tender Instructions will be deemed not to have been made until such defects, irregularities or delays have been cured or waived. None of the Bank, the Dealer Managers or the Tender Agent shall be under any duty to give notice to a Noteholder of any defects, irregularities or delays in any Tender Instruction or revocation instruction nor shall any of them incur any liability for failure to give such notice.



## AMENDMENT AND TERMINATION

### Amendment and Termination

Notwithstanding any other provision of the Offer, the Bank may, subject to applicable laws, at its option and in its sole discretion, at any time before any acceptance by it of the Notes tendered for purchase in the Offer:

- (a) extend the Expiration Deadline for, or re-open, the Offer (in which case all references in this Tender Offer Memorandum to "Expiration Deadline" shall, unless the context otherwise requires, be to the latest time and date to which the Expiration Deadline has been so extended or the Offer re-opened);
- (b) otherwise extend, re-open or amend the Offer in any respect (including, but not limited to, any increase, decrease, extension, re-opening or amendment, as applicable, in relation to the Expiration Deadline, Settlement Date, Target Acceptance Amount, Purchase Yield, Purchase Price and/or New Financing Condition);
- (c) delay the acceptance of Tender Instructions or purchase of Notes validly tendered in the Offer until satisfaction or waiver of the conditions to the Offer, even if the Offer has expired; or
- (d) terminate the Offer, including with respect to Tender Instructions submitted before the time of such termination.

The Bank also reserves the right at any time to waive any or all of the conditions of the Offer as set out in this Tender Offer Memorandum.

The Bank will ensure Noteholders are notified of any such extension, re-opening, amendment or termination as soon as is reasonably practicable after the relevant decision is made. To the extent a decision is made to waive any condition of the Offer generally, as opposed to in respect of certain tenders of Notes for purchase only, such decision will also be announced as soon as is reasonably practicable after it is made. See "*Further Information and Terms and Conditions – Announcements*".

### Revocation Rights

If the Bank amends the Offer in any way (including by way of the making of any announcement, or the issue of any supplement or other form of update to this Tender Offer Memorandum, in which any material development is disclosed) that, in the opinion of the Bank (in consultation with the Dealer Managers), is materially prejudicial to Noteholders that have already submitted Tender Instructions in respect of the Offer before the announcement of such amendment (which announcement shall include a statement that in the opinion of the Bank such amendment is materially prejudicial to such Noteholders), then such Tender Instructions may be revoked at any time from the date and time of the announcement of such amendment of the Offer until 4.00 p.m. (London time) on the second Business Day following such announcement (subject to the earlier deadlines required by the Clearing Systems and any intermediary through which Noteholders hold their Notes).

For the avoidance of doubt, (a) a decision by the Bank to set the Final Acceptance Amount at a level higher or lower than the Target Acceptance Amount, (b) any extension or re-opening of the Offer (including any amendment in relation to the Expiration Deadline and/or Settlement Date) in accordance with the terms of the Offer as described in this section "*Amendment and Termination*" or (c) any decision by the Bank not to issue any New Notes, shall not be considered materially prejudicial to Noteholders that have submitted Tender Instructions in respect of the Offer (provided, in the case of (b) above, that the settlement of the Offer as so extended or re-opened will be completed by the Bank by no later than the day falling ten Business Days after the originally scheduled Settlement Date).

Noteholders wishing to exercise any right of revocation as set out above should do so in accordance with the procedures set out in "*Procedures for Participating in the Offer – Tender Instructions*". Beneficial owners of Notes that are held through an intermediary are advised to check with such entity when it needs to receive instructions to revoke a Tender Instruction in order to meet the above deadline. For the avoidance of doubt, any Noteholder who does not exercise any such right of revocation in the circumstances and in the manner specified above, shall be deemed to have waived such right of revocation and its original Tender Instruction will remain effective.

## DEALER MANAGERS AND TENDER AGENT

The Bank has retained Deutsche Bank Aktiengesellschaft, J.P. Morgan Securities plc, Nomura International plc and UBS Europe SE to act as Dealer Managers and Lucid Issuer Services Limited to act as Tender Agent for the Offer. The Bank has entered into a Dealer Manager Agreement with the Dealer Managers and a Tender Agency Agreement with the Tender Agent, each of which contains certain provisions regarding payment of fees, expense reimbursement and indemnity arrangements relating to the Offer.

For the purposes of the settlement of the Offer on the Settlement Date, the Purchase Price and Accrued Interest Payment for each Noteholder in respect of the Notes validly tendered for purchase by such Noteholder and accepted by the Bank will be calculated on behalf of the Bank. Such calculation will, absent manifest error, be conclusive and binding on the Bank and the Noteholders.

The Dealer Managers and their respective affiliates may contact Noteholders regarding the Offer and may request brokerage houses, custodians, nominees, fiduciaries and others to forward this Tender Offer Memorandum and related materials to Noteholders.

The Dealer Managers and their respective affiliates have provided and continue to provide certain investment banking services to the Bank for which they have received and will receive compensation that is customary for services of such nature.

None of the Dealer Managers, the Tender Agent or any of their respective directors, employees or affiliates assume any responsibility for the accuracy or completeness of the information concerning the Offer, the Bank, any of their respective affiliates or the Notes contained in this Tender Offer Memorandum or for any failure by the Bank to disclose events that may have occurred and may affect the significance or accuracy of such information.

The Dealer Managers may (i) submit Tender Instructions for their own account and (ii) submit Tender Instructions (subject to the offer restrictions set out in "*Offer and Distribution Restrictions*") on behalf of Noteholders. The Dealer Managers and their respective affiliates, in the ordinary course of their respective businesses, make (without any obligation to do so) markets in securities of the Bank and its affiliates including the Notes. As a result, from time to time, the Dealer Managers and the Tender Agent may own certain securities issued by the Bank (including the Notes) and its subsidiaries or any of its affiliates.

None of the Bank, the Dealer Managers, the Tender Agent, or any director, officer, employee, agent or affiliate of any such person, is acting for any Noteholder, or will be responsible to any Noteholder for providing any protections which would be afforded to its clients or for providing advice in relation to the Offer, and accordingly none of the Bank, the Dealer Managers, the Tender Agent, or any of their respective directors, officers, employees, agents or affiliates make any representation or recommendation whatsoever regarding the Offer, or any recommendation as to whether Noteholders should tender Notes in the Offer.

The Tender Agent is the agent of the Bank and owes no duty to any Noteholder.

**THE BANK**

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