

APPLICABLE FINAL TERMS

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 (the **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 (EU) 2016/97 (as amended), 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 Regulation. 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.

PROHIBITION OF SALES TO UK 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 United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of the 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 manufacturer's 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 manufacturer's target market assessment) and determining appropriate distribution channels.

15 November 2024

ARION BANK HF

Legal Entity Identifier (LEI): RIL4VBPDB0M7Z3KXSF19

**Issue of SEK 225,000,000 Floating Rate Callable Subordinated Notes due 2034
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 7 November 2024 which constitutes a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein

for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus has been published on the Bank's website (<https://www.arionbanki.is/english/about-us/investor-relations/debt-investors-and-rating/funding-programmes-and-prospectuses/#emtn>).

1.	(a)	Series Number:	42
	(b)	Tranche Number:	1
	(c)	Date on which the Notes will be consolidated and form a single Series:	Not Applicable
2.		Specified Currency or Currencies:	SEK
3.		Aggregate Nominal Amount:	
	(a)	Series:	SEK 225,000,000
	(b)	Tranche:	SEK 225,000,000
4.		Issue Price:	100.00 per cent. of the Aggregate Nominal Amount
5.	(a)	Specified Denominations:	SEK 2,000,000 and integral multiples of SEK 1,000,000 in excess thereof up to and including SEK 3,000,000. No Notes in definite form will be issued with a denomination above SEK 3,000,000
	(b)	Calculation Amount (in relation to calculation of interest in global form or Registered definitive form see Conditions):	SEK 1,000,000
6.	(a)	Issue Date:	20 November 2024
	(b)	Interest Commencement Date:	Issue Date
7.		Maturity Date:	Interest Payment Date falling in or nearest to November 2034
8.		Interest Basis:	3 month STIBOR + 2.65 per cent. Floating Rate (see paragraph 16 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 19 below)
12.		Status of Notes:	Subordinated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	Fixed Rate Note Provisions	Not Applicable
14.	Inflation Linked Amortising Notes:	Not Applicable
15.	Fixed Reset Provisions:	Not Applicable
16.	Floating Rate Note Provisions:	Applicable
	(a) Specified Period(s)/Specified Interest Payment Dates:	20 February, 20 May, 20 August and 20 November each year commencing on 20 February 2025, 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):	T2
	(d) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Fiscal Agent):	Not Applicable
	(e) Screen Rate Determination:	
	(i) Reference Rate:	3 month STIBOR
	(ii) Interest Determination Date(s):	The second Stockholm business day prior to the start of each Interest Period
	(iii) Relevant Screen Page:	Refinitiv's STIBOR= page
	(iv) Observation Method:	Not Applicable
	(v) Observation Look-Back Period:	Not Applicable
	(vi) Index Determination:	Not Applicable
	(f) Linear Interpolation:	Not Applicable
	(g) Margin(s):	+ 2.65 per cent. per annum
	(h) Minimum Rate of Interest:	Not Applicable
	(i) Maximum Rate of Interest:	Not Applicable
	(j) Day Count Fraction:	Actual/360
17.	Zero Coupon Note Provisions:	Not Applicable
18.	Inflation Linked Notes:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

19. Issuer Call: Applicable
- (a) Optional Redemption Date(s): 20 November 2029 or on any Interest Payment Date thereafter (subject to regulatory approval and to compliance with applicable prudential rules)
- (b) Optional Redemption Amount: SEK 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
20. Issuer Residual Call: Not Applicable
21. Redemption upon the occurrence of a MREL Disqualification Event: Applicable
22. Final Redemption Amount: SEK 1,000,000 per Calculation Amount
23. Early Redemption Amount payable on redemption for taxation reasons, upon the occurrence of a Capital Event or a MREL Disqualification Event or following an Event of Default: SEK 1,000,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes:
- (a) Form: Bearer Notes:
Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event
- (b) New Global Note: No
25. Additional Financial Centre(s): T2
26. Talons for future Coupons to be attached to Definitive Notes: Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made

THIRD PARTY INFORMATION

Not applicable

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

By:



Duly authorised

By:



Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading Application has been made by the Bank (or on its behalf) for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange with effect from or about the Issue Date.
- (ii) Estimate of total expenses related to admission to trading: EUR 5,000

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 Manager, so far as the Bank is aware, no person involved in the issue of the Notes has an interest material to the offer. The Manager 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. USE OF PROCEEDS AND ESTIMATED NET PROCEEDS

- (i) Reasons for the offer: An amount equal to the net proceeds of the issue of the Notes will be used by the Bank to finance and/or refinance, in part or in full, the outstanding Notes with Series Number 24.
- (ii) Estimated net proceeds: 224,942,109

5. YIELD

Indication of yield: Not Applicable

6. PERFORMANCE OF FORMULA/CPI, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

Not Applicable

7. OPERATIONAL INFORMATION

- (i) ISIN: XS2942377123
- (ii) Common Code: 294237712

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| (iii) | CFI Code: | DTVXFB, as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN |
| (iv) | FISN: | Arion Bank HF FRN 20.11.2034, as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN |
| (v) | Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | Not Applicable |
| (vi) | Delivery: | Delivery against payment |
| (vii) | Names and addresses of additional Paying Agent(s) (if any) or, in the case of ISD Notes, the ISD Agent: | Not Applicable |
| (viii) | Intended to be held in a manner which would allow Eurosystem eligibility: | No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met. |

8. DISTRIBUTION

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| (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: | DNB Bank ASA, Sweden Branch |
| (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 UK Retail Investors: Applicable
- (ix) Prohibition of Sales to Belgian Consumers: Applicable
- (x) Relevant Benchmark: STIBOR is provided by the Swedish Financial Benchmark Facility (SFBF). As at the date hereof, STIBOR appears in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) No. 2016/1011 (as amended, the **EU Benchmarks Regulation**)