

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MIFIR 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 only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); 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 the FCA Handbook Product Intervention and Product Governance Sourcebook 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.

12 July 2021

ARION BANK HF

Legal Entity Identifier (LEI): RIL4VBPDB0M7Z3KXSF19

**Issue of EUR300,000,000 0.375 per cent. Notes due 2025
under the EUR3,000,000,000 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 6 August 2020 and the supplement to it dated 16 November 2020 and 6 July 2021 which together constitute a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus has been published on the Issuer's website (<https://www.arionbanki.is/english/about-us/investor-relations/debt-investors/funding-programmes-and-prospectuses/#Tab1>).

1.	(a)	Series Number	26
	(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:	EUR
3.		Aggregate Nominal Amount:	
	(a)	Series:	EUR300,000,000
	(b)	Tranche:	EUR300,000,000
4.		Issue Price:	99.774 per cent. of the Aggregate Nominal Amount
5.	(a)	Specified Denominations:	EUR100,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR199,000. No Notes in definitive form will be issued with a denomination above EUR199,000
	(b)	Calculation Amount (in relation to calculation of interest in global form see Conditions).	EUR1,000
6.	(a)	Issue Date:	14 July 2021
	(b)	Interest Commencement Date:	Issue Date
7.		Maturity Date:	14 July 2025
8.		Interest Basis:	0.375 per cent. Fixed Rate
9.		Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
10.		Change of Interest Basis:	Not Applicable
11.		Call Options:	Not Applicable
12.		Status of Notes:	Unsubordinated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.		Fixed Rate Note Provisions	Applicable
	(a)	Rate(s) of Interest:	0.375 per cent. per annum payable in arrear on each Interest Payment Date

- | | | |
|-----|--|---|
| (b) | Interest Payment Date(s): | 14 July in each year commencing on 14 July 2022 up to and including the Maturity Date |
| (c) | Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions) | EUR3.75 per Calculation Amount |
| (d) | Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions) | Not Applicable |
| (e) | Day Count Fraction: | Actual/Actual (ICMA) |
| (f) | Determination Date(s): | 14 July in each year |
| 14. | Fixed Reset Provisions: | Not Applicable |
| 15. | Floating Rate Note Provisions: | Not Applicable |
| 16. | Zero Coupon Note Provisions: | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

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|-----|--------------------------|---------------------------------|
| 17. | Issuer Call: | Not Applicable |
| 18. | Final Redemption Amount: | EUR1,000 per Calculation Amount |
| 19. | Early Redemption Amount: | EUR1,000 per Calculation Amount |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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|-----|---|--|
| 20. | Form of Notes | |
| (a) | Form: | Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event |
| (b) | New Global Note: | Yes |
| 21. | Additional Financial Centre(s): | Not Applicable |
| 22. | Talons for future Coupons to be attached to Definitive Notes: | No |

THIRD PARTY INFORMATION

The rating definition provided in Part B, Item 2 of these Final Terms has been extracted from the website of S&P, as defined below. The Bank confirms that such

information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by S&P, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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

By: 

Duly authorised

By: Eirikur M. Jenson

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

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|------|---|---|
| (i) | Listing and Admission to trading | Application has been made by the Bank (or on its behalf) for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange with effect from 14 July 2021 |
| (ii) | Estimate of total expenses related to admission to trading: | EUR 3,100 |

2. RATINGS

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| Ratings: | The Notes to be issued are expected to be rated:

BBB by S&P Global Ratings Europe Limited (S&P). |
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Obligations rated “BBB” exhibit adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation.

(Source:
<https://www.standardandpoors.com/en-EU/web/guest/article/-/view/sourceId/504352>)

S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).

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

Save for any fees payable to the Managers, so far as the Bank is aware, no person involved in the issue of the Notes has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Bank and its affiliates in the ordinary course of business.

**4. REASONS FOR THE OFFER
AND ESTIMATED NET
PROCEEDS**

- (i) Reasons for the offer: The net proceeds of the issue of the Notes shall be used for green purposes (as described in the Base Prospectus) and therefore the Notes are Green Notes as described, and as this term is defined, in the Base Prospectus.
- (ii) Estimated net proceeds: EUR298,272,000

5. YIELD

Indication of yield: 0.432 per cent. per annum

6. OPERATIONAL INFORMATION

- (i) ISIN: XS2364754098
- (ii) Common Code: 236475409
- (iii) CFI: 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: As set out on the website of ANNA or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN
- (v) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable
- (vi) Delivery: Delivery against payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): Not Applicable
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either

upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.

7. DISTRIBUTION

- | | | |
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| (i) | Method of distribution: | Syndicated |
| (ii) | If syndicated, names of Managers: | ABN AMRO Bank N.V.
Barclays Bank Ireland Plc

Citigroup Global Markets Europe AG
Deutsche Bank Aktiengesellschaft |
| (iii) | Date of Subscription Agreement: | 12 July 2021 |
| (iv) | Stabilisation Manager(s) (if any): | Deutsche Bank Aktiengesellschaft |
| (v) | If non-syndicated, name of relevant Dealer: | Not Applicable |
| (vi) | U.S. Selling Restrictions: | Reg. S Compliance Category 2;
TEFRA D |
| (vii) | Prohibition of Sales to EEA Retail Investors: | Not Applicable |
| (viii) | Prohibition of Sales to UK Retail Investors: | Not Applicable |
| (ix) | Prohibition of Sales to Belgian Consumers | Applicable |
| (x) | Relevant Benchmark: | Not Applicable |