

**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.

17 May 2024

**ARION BANK HF.**

(the **Bank**)

**Legal Entity Identifier (LEI): RIL4VBPDB0M7Z3KXS19**

**Issue of EUR300,000,000 4.625 per cent. Senior Preferred Unsecured Notes due 2028**

**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 16 October 2023 and the supplement to it dated 2 May 2024 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 Bank’s website (<https://www.arionbanki.is/english/about-us/investor-relations/debt-investors/funding-programmes-and-prospectuses/#Tab1>).

1.	(a)	Series Number	39
	(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:	99.93 per cent. of the Aggregate Nominal Amount
5.	(a) Specified Denominations:	EUR100,000 and integral multiples of EUR1,000 in excess thereof
	(b) Calculation Amount (in relation to calculation of interest in global form see Conditions).	EUR1,000
6.	(a) Issue Date:	21 May 2024
	(b) Interest Commencement Date:	Issue Date
7.	Maturity Date:	21 November 2028
8.	Interest Basis:	4.625 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:	Issuer Residual Call <i>(see paragraph 20 below)</i>
12.	Status of Notes:	Senior Preferred
(i)	Unrestricted Events of Default	Not Applicable – Condition 9.2 applies

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

13.	Fixed Rate Note Provisions	Applicable
	(a) Rate of Interest:	4.625 per cent. per annum payable in arrear on each Interest Payment Date
	(b) Interest Payment Dates:	21 November in each year commencing on 21 November 2024 (the <b>First Interest Payment Date</b> ) up to and including the Maturity Date
		There will be a short first coupon in respect of the first interest period from and including the Issue Date to, but excluding the First Interest Payment Date (the <b>Short First Interest Period</b> )

- (c) Fixed Coupon Amounts for Notes in definitive form (and in relation to Notes in global form see Conditions) EUR46.25 per Calculation Amount, except in relation to the First Interest Payment Date
- (d) Broken Amount for Notes in definitive form (and in relation to Notes in global form see Conditions) EUR23.31 per Calculation Amount payable only on the First Interest Payment Date in respect of the Short First Interest Period
- (e) Day Count Fraction: Actual/Actual (ICMA)
- (f) Determination Date(s): 21 November in each year
- 14. Inflation Linked Amortising Notes Not Applicable
- 15. Fixed Reset Provisions: Not Applicable
- 16. Floating Rate Note Provisions: Not Applicable
- 17. Zero Coupon Note Provisions: Not Applicable
- 18. Inflation Linked Notes Not Applicable

#### **PROVISIONS RELATING TO REDEMPTION**

- 19. Issuer Call: Not Applicable
- 20. Issuer Residual Call Applicable
  - (a) Issuer Residual Call Percentage: 25 per cent.
  - (b) Residual Call Early Redemption Amount: EUR1,000 per Calculation Amount
  - (c) Notice periods (if other than as set out in the Conditions): As specified in the Conditions.
- 21. Final Redemption Amount: EUR1,000 per Calculation Amount
- 22. Early Redemption Amount payable upon the occurrence of a Tax Event or a MREL Disqualification Event or following an Event of Default: EUR1,000 per Calculation Amount

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- 23. Form of Notes
  - (a) Form: Registered Notes:

Global Note registered in the name of a nominee for a common safekeeper for Euroclear and Clearstream, Luxembourg

(b) New Global Note: No. The Notes are to be issued under the New Safekeeping Structure

24. Additional Financial Centre(s): Not Applicable

25. Talons for future Coupons to be attached to Definitive Notes: Not Applicable

### **THIRD PARTY INFORMATION**

The rating definition provided in Part B, Item 2 of these Final Terms has been extracted from the website of Moody's (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 Moody's, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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

By:

By:

*Duly authorised*

*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 around 21 May 2024 |
| (ii) | Estimate of total expenses related to admission to trading: | EUR3,875   |

### 2. RATINGS

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

A3 by Moody's Investors Service Ltd. (*Moody's*).

An obligation rated 'A' is judged to be upper-medium grade and is subject to low credit risk. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification. The modifier 3 indicates that the obligation ranks in the lower end of its generic rating category.

(Source: <https://ratings.moody.com/api/rmc-documents/53954>)

Moody's is established in the United Kingdom and is registered under Regulation (EC) No. 1060/2009 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018. The ratings issued by Moody's have been endorsed by Moody's Deutschland GmbH (*Moody's Deutschland*) in accordance with the CRA Regulation and have not been withdrawn. Moody's Deutschland is established in the EEA and registered under the CRA Regulation.

### **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. USE OF PROCEEDS AND ESTIMATED NET PROCEEDS**

- (i) Reasons for the offer: See “Use of Proceeds” in the Base Prospectus.
- (ii) Estimated net proceeds: EUR 298,740,000

### **5. YIELD**

Indication of yield: 4.649 per cent. per annum

### **6. OPERATIONAL INFORMATION**

- (i) ISIN: XS2817920080
- (ii) Common Code: 281792008
- (iii) CFI Code: 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 registered in the name of

a nominee of one of the ICSDs acting 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

(i)	Method of distribution:	Syndicated
(ii)	If syndicated, names of Managers:	ABN AMRO Bank N.V. Barclays Bank Ireland PLC J.P. Morgan SE Morgan Stanley Europe SE
(iii)	Date of Subscription Agreement:	17 May 2024
(iv)	Stabilisation Manager(s) (if any):	Barclays Bank Ireland PLC
(v)	If non-syndicated, name of relevant Dealer:	Not Applicable
(vi)	U.S. Selling Restrictions:	Reg. S Compliance Category 2; TEFRA not applicable
(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