

## AMENDED AND RESTATED FINAL TERMS

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds 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 Covered Bonds 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 the domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (as amended, the **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 the domestic law of the UK 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 the domestic law of the UK by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of the domestic law of the UK by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds 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 each manufacturer’s product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (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 Covered Bonds (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

**UK MIFIR 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 Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds 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 domestic law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (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 (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

## AMENDED AND RESTATED FINAL TERMS

15 March 2024

ARION BANK HF.

**Legal Entity Identifier (LEI): RIL4VBPDB0M7Z3KXSF19**

**Issue of €250,000,000 Series 2021-2 Floating Rate Covered Bonds due 6 July 2025 under the  
€2,000,000,000 Covered Bond 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 Offering Circular dated 16 July 2021 as supplemented by the supplements dated 17 September 2021, 15 March 2022 and 1 July 2022 (the **Supplements**) which constitutes a base prospectus for the purposes of the Prospectus Regulation. This document constitutes the Amended and Restated Final Terms of the Covered Bonds described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Offering Circular and the Supplements to the Offering Circular, dated 17 September 2021, 15 March 2022 and 1 July 2022, in order to obtain all the relevant information. The Offering Circular, the Supplements and the Amended and Restated Final Terms are available for viewing at Borgartún 19, 105 Reykjavík, Iceland and on the Luxembourg Stock Exchange's website at [www.bourse.lu](http://www.bourse.lu) and from the registered office of the Issuer and from the specified office of the Agent in London.

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|----|-----|--|--|
| 1. | (a) | Series Number:   | 2021-2   |
|    | (b) | Tranche Number:  | 1  |
|    | (c) | Series which Covered Bonds will be consolidated and form a single Series with:                                 | Not Applicable   |
|    | (d) | Date on which the Covered Bonds will be consolidated and form a single Series with the Series specified above: | Not Applicable   |
|    | (e) | Trade Date   | 4 July 2022  |
| 2. |     | Specified Currency or Currencies:  | €/euro/EUR   |
| 3. |     | Aggregate Nominal Amount:  |  |
|    |     | Tranche:   | €250,000,000   |
|    |     | Series:  | €250,000,000   |
| 4. |     | Issue Price:   | 100% of the Aggregate Nominal Amount   |
| 5. | (a) | Specified Denominations:   | €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Covered Bonds in definitive form will be issued with a denomination above €199,000. |
|    | (b) | Calculation Amount   | €1,000   |

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|-----|-----|--|---|
| 6.  | (a) | Issue Date:  | 6 July 2022   |
|     | (b) | Interest Rate:   | Floating Rate   |
|     | (c) | Interest Commencement Date:                                    | Issue Date  |
| 7.  |     | Maturity Date:   | 6 July 2025 subject to adjustment in accordance with the Business Day Convention set out in paragraph 18(b) below.  |
| 8.  |     | Extended Final Maturity Date:                                  | 6 July 2026 subject to adjustment in accordance with the Business Day Convention set out in paragraph 18(b) below.  |
| 9.  |     | Interest Basis:  | Interest Basis to Maturity Date: 6-month EURIBOR + 0.45% Floating Rate<br><br>Interest Basis to Extended Maturity Date: 1-month EURIBOR + 0.45% Floating Rate   |
| 10. |     | Redemption/Payment Basis:                                      | Subject to any purchase or cancellation or early redemption, the Covered Bonds will be redeemed on the Maturity Date or Extended Maturity Date (as applicable) at 100 per cent. of their nominal amount |
| 11. |     | Change of Interest Basis:                                      | In accordance with paragraph 9 and paragraph 18 below   |
| 12. |     | Put/Call Options:  | Not Applicable  |
| 13. |     | Date of Board approval for issuance of Covered Bonds obtained: | 16 March 2021   |
| 14. |     | Method of distribution:  | Non-Syndicated  |
| 15. |     | Name and address of the Calculation Agent                      | Not Applicable  |

**PROVISIONS RELATING TO INFLATION LINKED COVERED BONDS**

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|-----|--|----------------|
| 16. | Inflation Linked Covered Bond Provisions | Not Applicable |
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**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

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|-----|--|---|---|
| 17. | <b>Fixed Rate Covered Bond Provisions</b>    | Not Applicable  |   |
| 18. | <b>Floating Rate Covered Bond Provisions</b> | Applicable  |   |
|     | (a)  | Specified Period(s)/Specified Interest Payment Dates: | 6 January and 6 July of each year from and including the Interest Commencement Date to and including the Maturity Date (provided that the first Interest Payment Date will be 6 January 2023), and from and excluding the Maturity Date to and including the Extended Maturity Date, the 6th day of each month (provided that the first Interest Payment Date after |

the Maturity Date shall be 6 August 2025), in each case subject to adjustment in accordance with the Business Day Convention set out in paragraph 18(b) below.

(b)	Business Day Convention:	Modified Following Business Day Convention
(c)	Additional Business Centre(s):	Not Applicable
(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	Screen Rate Determination
(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Fiscal Agent):	Not Applicable
(f)	Screen Rate Determination:	Applicable
	– Reference Rate:	From and including the Interest Commencement Date up to and including the Maturity Date: 6-month EURIBOR
		From and excluding the Maturity Date up to and including the Extended Maturity Date: 1-month EURIBOR
	– Interest Determination Date(s):	The second day on which TARGET2 system is open prior to the start of each Interest Period
	– Relevant Screen Page:	Reuters page EURIBOR 01 (or any successor page)
(g)	ISDA Determination:	Not Applicable
(h)	Margin(s):	+0.45% per annum
(i)	Minimum Rate of Interest:	Zero
(j)	Maximum Rate of Interest:	Not Applicable
(k)	Day Count Fraction:	Actual/360
19.	<b>Zero Coupon Covered Bond Provisions</b>	Not Applicable
20.	<b>Inflation Linked Non-Amortising Covered Bond Provisions</b>	Not Applicable

**PROVISIONS RELATING TO REDEMPTION**

21.	Issuer Call	Not Applicable
22.	Investor Put:	Not Applicable
23.	Final Redemption Amount of each Covered Bond	€100,000 per Covered Bond of €100,000 Specified Denomination

24. Early Redemption Amount of each Covered Bond payable on redemption for taxation reasons: As set out in Condition 8.7(b)
25. Relevant Percentage: As at the Issue Date, 100 per cent.

**GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS**

26. Form of Covered Bonds: Registered Covered Bonds  
 Regulation S Global Covered Bond (€250,000,000 nominal amount) registered in the name of a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg
27. New Global Covered Bond: No
28. Additional Financial Centre(s): Not Applicable
29. Talons for future Coupons or Receipts to be attached to definitive Covered Bonds in bearer form (and dates on which such Talons mature): No
30. Details relating to Instalment Covered Bonds; amount of each instalment, date on which each payment is to be made: Not Applicable
31. Redenomination: Redenomination not applicable

**DISTRIBUTION**

32. (a) If syndicated, names of Managers: Not Applicable. The Issuer will retain 100 per cent. of the Covered Bonds.
- (b) Date of Subscription Agreement: Not Applicable
- (c) Stabilisation Manager(s) (if any): Not Applicable
33. If non-syndicated, name of Dealer: Arion Bank hf.
34. U.S. Selling Restrictions: Reg. S Category 2; TEFRA: Not Applicable
35. Prohibition of Sales to EEA Retail Investors: Applicable
36. Prohibition of Sales to UK Retail Investors: Applicable
37. Prohibition of Sales to Belgian Consumers: Applicable
38. Relevant Benchmark: EURIBOR is provided by European Money Markets Institute. As at the date hereof, European Money Markets Institute 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 (the **EU Benchmarks Regulation**).

## **PART B – OTHER INFORMATION**

### **1. ADMISSION TO TRADING**

Application will be made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange with effect from 6 July 2022.

Estimate of total expenses related to admission to trading: €2,600

### **2. RATINGS**

Ratings:

Moody's Investor Services Limited (Moody's) is established in the United Kingdom and is registered under the Regulation (EC) No. 1060/2009 (as amended) as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the EUWA) (the UK CRA Regulation). Moody's is not established in the European Economic Area (the EEA) and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the CRA Regulation). Accordingly, the rating issued by Moody's will be endorsed by Moody's Deutschland GmbH in accordance with the CRA Regulation. Moody's Deutschland GmbH is established in the EEA and registered under the CRA Regulation.

The Covered Bonds to be issued are expected to be rated Aa2 by Moody's.

Moody's has, in its "Ratings Scale and Definitions", described a credit rating of 'Aa' in the following terms: "Obligations rated Aa are judged to be high quality and are subject to very low credit risk. Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic category."

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

So far as the Issuer is aware, no person involved in the issue of the Covered Bonds has an interest material to the offer (other than the Issuer, who will retain 100 per cent. of the Covered Bonds following issuance).

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

(i) Reasons for the offer

The Covered Bonds are intended to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem

and, as such, used in repurchase operations with the ECB.

(ii) Estimated net proceeds: €250,000,000

## 5. YIELD (FIXED RATE COVERED BONDS ONLY)

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 (*INFLATION LINKED COVERED BONDS AND INFLATION LINKED NON AMORTISING COVERED BONDS ONLY*)

Not Applicable

## 7. OPERATIONAL INFORMATION

(i) ISIN Code: XS2500208991

(ii) Common Code: 250020899

(iii) CFI: DAVNFR

(iv) FISN: ARION BANKI HF/VAREMTN 20250706

(v) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme (together with the address of each such clearing system) and the relevant identification number(s): Not Applicable

(vi) Delivery: Delivery free of payment

(vii) Names and addresses of additional Paying Agent(s) (if any) or, in the case of ISD Covered Bonds, the ISD Agent: Not Applicable

(viii) Deemed delivery of clearing system notices for the purposes of Condition 14 (*Notices*): Any notice delivered to Covered Bondholders through the clearing systems will be deemed to have been given on the third day after the day on which it was given to Euroclear, and Clearstream, Luxembourg and ISD.

(ix) Intended to be held in a manner which would allow Eurosystem eligibility: Yes. Note that the designation "yes" simply means that the Covered Bonds 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, that is, held under the NSS, and does not necessarily mean that the Covered Bonds 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 ECB being satisfied that Eurosystem eligibility criteria have been met.

Signed on behalf of the Issuer:

By:  *Ben H. Lent*

*Duly authorised signatory*