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 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 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.

APPLICABLE FINAL TERMS

17 January 2022

ARION BANK HF

Legal Entity Identifier (LEI): RIL4VBPDB0M7Z3KXSF19

Issue of ISK 6,020,000,000 floating rate Senior Preferred Green Notes due 2024 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 20 August 2021 and the supplement to it dated 8 December 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 Bank's website (https://www.arionbanki.is/english/about-us/investor-relations/debt-investors/funding-programmes-andprospectuses/#Tab1).

1.	(a)	Series Number:	28
	(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:		Icelandic Krona (ISK)
3.	Aggregate Nominal Amount:		
	(a)	Series:	ISK 6,020,000,000
	(b)	Tranche:	ISK 6,020,000,000
4.	Issue Price:		100.00 per cent. of the Aggregate Nominal Amount
5.	(a)	Specified Denominations:	ISK 20,000,000

	(b)	Calculation Amount (in relation to calculation of interest in global form see Conditions):	ISK 20,000,000
6.	(a)	Issue Date:	20 January 2022
	(b)	Interest Commencement Date:	Issue Date
7.	Maturi	ty Date:	20 October 2024
8.	Interes	t Basis:	REIBOR 3M + 0.70% Floating Rate (see paragraph 15 below)
9.	Redem	nption/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.	Chang	e of Interest Basis:	Not Applicable
11.	Call Options:		Not Applicable
12.	Status	of Notes	Senior Preferred
	(i)	Unrestricted Events of Default:	Not Applicable – Condition 8.2 applies

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	Fixed Rate Note Provisions	Not Applicable
14.	Fixed Reset Provisions:	Not Applicable
15.	Floating Rate Note Provisions	Applicable
(a)	Specified Period(s)/Specified Interest Payment Dates:	The 20 th day in the months January, April, July, and October each year up to and including the Maturity Date.
		First Interest payment Date being 20 April 2022
(b)	Business Day Convention:	Modified Following Business Day Convention
(c)	Additional Business Centre(s):	No
(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):	Issuer
(f)	Screen Rate Determination:	
	(i) Reference Rate:	ISK 3-month REIBOR

	(ii)	Interest Determination Date(s)	Two business days prior to the start of each Interest Period
	(iii)	Relevant Screen Page	https://www.cb.is/other/key-interest-rate/
(g)	ISDA	Determination:	
	Float	ing Rate Option:	
	Desig	gnated Maturity:	
	Rese	t Date:	
(h)	Linea	Interpolation:	
(i)	Margi	n(s):	0.7% per cent. per annum
(j)	Minin	num Rate of Interest	Not Applicable
(k)	Maxin	num Rate of Interest:	Not Applicable
(1)	Day C	ount Fraction:	Actual/360
16.	Zero (Coupon Note Provisions	Not Applicable
17.		VISIONS RELATING TO EMPTION	Not Applicable
Issuer Call:			
18.	Issuer	Residual Call:	Not Applicable
19.	Final l	Redemption Amount:	Not Applicable
20.	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:		ISK 20,000,000 per Calculation Amount
21.	GENE APPL	ERAL PROVISIONS ICABLE TO THE NOTES	ISK 20,000,000 per Calculation Amount
FORM OF NOTES:			
22.	Form:		
	(a)	New Global Note:	ISD Notes
			ISD Notes issued in uncertificated and dematerialised book entry form. See further paragraph 6 of Part B below.
	(b)	Additional Financial Centre(s):	No

- 23. Talons for future Coupons to be attached Not Applicable to Definitive Notes:
- 24.

No

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 ISD Notes to be admitted to trading on Nasdaq Iceland Main Market with effect from the Issue Date.
(ii)	Estimate of total expenses related to admission to trading:	ISK 810,000
р ат	INCS	

2. RATINGS

Ratings:

The Notes to be issued will not be rated.

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

Not Applicable.

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: 6,019,190,000

5. YIELD

Indication of yield:

6. OPERATIONAL INFORMATION

(i)	ISIN:	IS0000033801
(ii)	Common Code:	Not Applicable
(iii)	CFI Code:	D-B-F-U-F-R, 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 BANKI/VAR BD 20241020, 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

(vi) Delivery:

(vii) Names and addresses of additional Paying Agent(s) (if any) or, in the case of ISD Notes, the ISD Agent:

(viii) Intended to be held in a manner which would allow Eurosystem eligibility: ISD, Iceland. The Bank shall be entitled to obtain certain information from the register maintained by the ISD for the purpose of performing its obligations under the issue of ISD Notes. The ISD Agent shall be entitled to obtain such information as is required to perform its duties under the Conditions of the Notes and rules and regulations of, and applicable to, the ISD.

Delivery against payment

Arion Bank hf.

No.

Borgartún 19,105 Reykjavík, Iceland

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.

7. **DISTRIBUTION**

(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:	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:	Not Applicable
(x)	Relevant Benchmark:	Not Applicable

f.h. Arion banka hf. Kristín Erla Jónsdóttir f.h. Arion Banka hf. Eiríkur Dór Jónsson