

EXECUTION VERSION

SUPPLEMENTAL AGENCY AGREEMENT

DATED 15 March 2024

**ARION BANK HF.
as Issuer**

and

**BANK OF NEW YORK MELLON, LONDON BRANCH
as Fiscal Agent, Paying Agent and Transfer Agent**

**THE BANK OF NEW YORK MELLON SA/NV LUXEMBOURG BRANCH
as Registrar**

**€2,000,000,000
COVERED BOND PROGRAMME**

ALLEN & OVERY

Allen & Overy LLP

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THIS AGREEMENT is dated 15 March 2024 **BETWEEN:**

- (1) **ARION BANK HF.** (the **Issuer**); and
- (2) **BANK OF NEW YORK MELLON, LONDON BRANCH** (the **Fiscal Agent, Paying Agent and Transfer Agent** which expression shall include any successor fiscal agent or additional or successor paying agent or transfer agent appointed under clause 25 of the Principal Agency Agreement (as defined below), the **Agents**); and
- (3) **THE BANK OF NEW YORK MELLON SA/NV LUXEMBOURG BRANCH** (the **Registrar**, which expression shall include any successor registrar appointed under Clause 25 of the Principal Agency Agreement).

WHEREAS

- (A) This Supplemental Agency Agreement is supplemental to the agency agreement dated 16 July 2021 (the **Principal Agency Agreement**) made between the Issuer, the Fiscal Agent, the Paying Agent, the Transfer Agent and the Registrar and relating to the €2,000,000,000 Covered Bond Programme (the **Programme**).
- (B) The Issuer has issued the €300,000,000 Series 2021-1 Tranche 1 0.050 per cent. Fixed Rate Covered Bonds due October 2026 issued on 4 October 2021 (the **Series 2021-1 Tranche 1 Covered Bonds**) which was consolidated with the €200,000,000 Series 2021-1 Tranche 2 0.050 per cent. Fixed Rate Covered Bonds due October 2026 issued on 6 April 2022 (the **Series 2021-1 Tranche 2 Covered Bonds**) and formed a single Series on 17 May 2022 (the **Series 2021-1 Covered Bonds**) and the €250,000,000 Series 2021-2 Floating Rate Covered Bonds due 6 July 2025 issued on 5 July 2022 (the **2021-2 Covered Bonds**, and together with the Series 2021-1 Covered Bonds, the **Covered Bonds**) under the Programme.
- (C) The holders of the Series 2021-1 Covered Bonds have agreed to amend and restate the final terms for Series 2021-1 Tranche 1 Covered Bonds dated 1 October 2021 (the “**Original Series 2021-1 Tranche 1 Final Terms**”) and the final terms for Series 2021-1 Tranche 2 Covered Bonds dated 6 April 2022 (the “**Original Series 2021-1 Tranche 2 Final Terms**”, and together with Original Series 2021-1 Tranche 1 Final Terms, the “**Series 2021-1 Final Terms**”) as set out in this Supplemental Agency Agreement by way of an Extraordinary Resolution dated 8 March 2024. The holders of the 2021-2 Covered Bonds have agreed to amend and restate the final terms for Series 2021-2 Covered Bonds dated 5 July 2022 (the “**Original Series 2021-2 Final Terms**” and together with the Series 2021-1 Final Terms, the “**Original Final Terms**”) set out in this Supplemental Agency Agreement by way of a Written Resolution dated 8 March 2024.
- (D) Nothing in the Original Final Terms requires the Issuer to maintain any credit ratings from S&P in respect of the Covered Bonds or the Issuer and the Issuer has no intention of undertaking any such requirement. This Agreement is being entered into in order to amend and restate the Original Final Terms for accuracy and completeness and the Issuer will have no obligation to maintain any credit ratings in respect of the Issuer itself or the Covered Bonds under this Agreement.
- (E) The Issuer has requested the Fiscal Agent, Paying Agent, the Transfer Agent and the Registrar to enter into this Supplemental Agency Agreement to concur in making the modifications referred to in Clause 2 below.

IT IS AGREED as follows:

1. INTERPRETATION

Terms defined or construed in the Principal Agency Agreement shall bear the same meanings or construction when used in this Agreement. In the event of any inconsistency between definitions in the Principal Agency Agreement and this Agreement, the definition in this Agreement shall apply for the purposes of the Principal Agency Agreement and this Agreement.

2. AMENDMENTS TO THE ORIGINAL FINAL TERMS

2.1 With effect on and from the date hereof, the Conditions for the Series 2021-1 Tranche 1 Covered Bonds shall be determined by reference to the amended and restated final terms set out at Part 1 of Schedule 1 which shall be deemed to replace the Original Series 2021-1 Tranche 1 Final Terms, the Conditions for the Series 2021-1 Tranche 2 Covered Bonds shall be determined by reference to the amended and restated final terms set out at Part 2 of Schedule 1 which shall be deemed to replace the Original Series 2021-1 Tranche 1 Final Terms, and the Conditions for the Series 2021-2 Covered Bonds shall be determined by reference to the Final Terms set out at Part 3 of Schedule 1 which shall be deemed to replace the Original Series 2021-2 Final Terms.

2.2 On or about the date hereof, the Covered Bonds shall cease to be rated by S&P.

3. INSTRUCTIONS TO THE AGENTS

The Issuer hereby instructs the Fiscal Agent, the Paying Agent, the Transfer Agent and the Registrar to concur in and execute this Agreement and consent to (if and to the extent such consent is required) any action the Issuer is authorised or required to undertake in accordance with the provisions of this Agreement and acknowledges that each of the Fiscal Agent, Paying Agent, the Transfer Agent and the Registrar are entering into this Agreement in reliance on such instruction.

4. MISCELLANEOUS

4.1 The provisions of clauses 33, 34 and 35 of the Principal Agency Agreement shall also apply to this Agreement as if expressly incorporated into this Agreement and amended appropriately to refer to this Agreement.

4.2 The Issuer appoints Law Debenture Corporate Services Limited at its registered office at 8th Floor 100 Bishopsgate, London EC2N 4AG as its agent for service of process in England, and undertakes that, in the event of Law Debenture Corporate Services Limited ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

5. EFFECTIVE DATE

5.1 This Agreement supplements and should be read in conjunction with the Principal Agency Agreement. The amendments contemplated by this Agreement shall take effect from the date hereof. Save for the amendments to the Principal Agency Agreement expressly provided herein, all terms and conditions of the Principal Agency Agreement shall remain in full force and effect. The Principal Agency Agreement and this Agreement shall henceforth be read and construed together as one agreement and references in the Principal Agency Agreement to "this Agreement" shall be read as references to the Principal Agency Agreement as amended by this Agreement, provided always that in the event of any inconsistency between the Principal Agency Agreement and this Agreement, the provisions of this Agreement shall prevail.

5.2 Any Notes issued under the Programme on or after the date of this Agreement (other than any Notes to be consolidated and form a single series with any Notes issued under the Programme prior to the date of this Agreement) shall be issued pursuant to the Principal Agency Agreement as supplemented by this Agreement. The amendments contemplated by this Agreement do not affect any Notes issued under the Programme prior to the date of this Agreement.

AS WITNESS the hands of the duly authorised representatives of the parties hereto the day and year first before written.

SCHEDULE 1

AMENDED AND RESTATED FINAL TERMS

PART 1

**AMENDED AND RESTATED FINAL TERMS FOR SERIES 2021-1 TRANCHE 1 COVERED
BONDS**

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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

_____ 2024

ARION BANK HF

Legal Entity Identifier (LEI): RIL4VBPDB0M7Z3KXSF19

**Issue of €300,000,000 Series 2021-1 0.050 per cent. Fixed Rate Covered Bonds due October 2026
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 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 Supplement to the Offering Circular, dated 17 September 2021, in order to obtain all the relevant information. The Offering Circular, the Supplement 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 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: | 2021-1 |
| | (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 | 28 September 2021 |
| 2. | | Specified Currency or Currencies: | €/euro/EUR |
| 3. | | Aggregate Nominal Amount: | |
| | | Tranche: | €300,000,000 |
| | | Series: | €300,000,000 |
| 4. | | Issue Price: | 99.776% of the Aggregate Nominal Amount |

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|-----|--|---|
| 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 |
| 6. | (a) Issue Date: | 5 October 2021 |
| | (b) Interest Rate: | Fixed Rate |
| | (c) Interest Commencement Date: | Issue Date |
| 7. | Maturity Date: | 5 October 2026 |
| 8. | Extended Final Maturity Date: | 5 October 2027 |
| 9. | Interest Basis: | 0.050% Fixed Rate

See paragraphs 17/18 below |
| 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 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: | 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. | Fixed Rate Covered Bond Provisions | Applicable |
| | (a) Rate(s) of Interest: | 0.050% per annum payable in arrear on each Interest Payment Date |
| | (b) Interest Payment Date(s): | 5 October in each year up to and including the Maturity Date |
| | (c) Fixed Coupon Amount:
<i>(Applicable to Covered Bonds in definitive form.)</i> | €0.50 per Calculation Amount |

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|-----|---|--|
| (d) | Broken Amount(s):
<i>(Applicable to Covered Bonds in definitive form.)</i> | Not Applicable |
| (e) | Day Count Fraction: | Actual/Actual (ICMA) |
| (f) | Determination Date(s): | 5 October in each year |
| 18. | Floating Rate Covered Bond Provisions | Applicable |
| (a) | Specified Period(s)/Specified Interest Payment Dates: | 5th day of each month, from and excluding the Maturity Date, to and including the Extended Maturity Date |
| (b) | Business Day Convention: | 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: | ISDA 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: | 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): | +0.270% per annum |
| (i) | Minimum Rate of Interest: | Zero |
| (j) | Maximum Rate of Interest: | Not Applicable |
| (k) | Day Count Fraction: | Actual/360 |
| 19. | Zero Coupon Covered Bond Provisions | Not Applicable |
| 20. | Inflation Linked Non-Amortising Covered Bond Provisions | 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 (€300,000,000 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:	Barclays Bank Ireland PLC Deutsche Bank Aktiengesellschaft UBS Europe SE
	(b)	Date of Subscription Agreement:	1 October 2021
	(c)	Stabilisation Manager(s) (if any):	Not Applicable
33.		If non-syndicated, name of Dealer:	N/A
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 5 October 2021.

Estimate of total expenses related to admission to trading: €3,300

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

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the issue of the Covered Bonds 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 Issuer and its affiliates in the ordinary course of business

4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

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|------|-------------------------|--|
| (i) | Reasons for the offer | See “Use of Proceeds” in the Offering Circular |
| (ii) | Estimated net proceeds: | €298,428,000 |

5. YIELD (FIXED RATE COVERED BONDS ONLY)

Indication of yield: 0.095%

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

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|--------|---|--|
| (i) | ISIN Code: | XS2391348740 |
| (ii) | Common Code: | 239134874 |
| (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 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 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 against 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 (<i>Notices</i>): | 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:

Duly authorised signatory

PART 2

**AMENDED AND RESTATED FINAL TERMS FOR SERIES 2021-1 TRANCHE 2 COVERED
BONDS**

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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

_____ 2024

ARION BANK HF.

Legal Entity Identifier (LEI): RIL4VBPDB0M7Z3KXSF19

Issue of €200,000,000 Series 2021-1 Tranche 2 0.050 per cent. Fixed Rate Covered Bonds due October 2026 to be consolidated and form a single Series with the issue of €300,000,000 Series 2021-1 Tranche 1 0.050 per cent. Fixed Rate Covered Bonds due October 2026 issued on 5 October 2021 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 and 15 March 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 and 15 March 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 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: | 2021-1 |
| | (b) | Tranche Number: | 2 |
| | (c) | Series which Covered Bonds will be consolidated and form a single Series with: | The existing €300,000,000 Series 2021-1 Tranche 1 0.050 per cent. Fixed Rate Covered Bonds due October 2026 issued on 5 October 2021 |
| | (d) | Date on which the Covered Bonds will be consolidated and form a single Series with the Series specified above: | The date falling 40 days after the Issue Date |
| | (e) | Trade Date | 31 March 2022 |
| 2. | | Specified Currency or Currencies: | €/euro/EUR |
| 3. | | Aggregate Nominal Amount: | |
| | | Tranche: | €200,000,000 |
| | | Series: | €500,000,000 |
| 4. | | Issue Price: | 94.261% 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 |
| 6. | (a) | Issue Date: | 7 April 2022 |
| | (b) | Interest Rate: | Fixed Rate |
| | (c) | Interest Commencement Date: | Issue Date |
| 7. | | Maturity Date: | 5 October 2026 |
| 8. | | Extended Final Maturity Date: | 5 October 2027 |
| 9. | | Interest Basis: | 0.050% Fixed Rate

See paragraphs 17/18 below |
| 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 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: | Syndicated |
| 15. | | Name and address of the Calculation Agent | Not Applicable |

PROVISIONS RELATING TO INFLATION LINKED COVERED BONDS

- | | | |
|-----|--|----------------|
| 16. | Inflation Linked Covered Bond Provisions | Not Applicable |
|-----|--|----------------|

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- | | | | |
|-----|---|--|--|
| 17. | Fixed Rate Covered Bond Provisions | Applicable | |
| | (a) | Rate(s) of Interest: | 0.050% per annum payable in arrear on each Interest Payment Date |
| | (b) | Interest Payment Date(s): | 5 October in each year up to and including the Maturity Date |
| | (c) | Fixed Coupon Amount:
<i>(Applicable to Covered Bonds in definitive form.)</i> | €0.50 per Calculation Amount |

(d)	Broken Amount(s): <i>(Applicable to Covered Bonds in definitive form.)</i>	Not Applicable
(e)	Day Count Fraction:	Actual/Actual (ICMA)
(f)	Determination Date(s):	5 October in each year
18.	Floating Rate Covered Bond Provisions	Applicable
(a)	Specified Period(s)/Specified Interest Payment Dates:	5th day of each month, from and excluding the Maturity Date, to and including the Extended Maturity Date
(b)	Business Day Convention:	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:	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):	+0.270% per annum
(i)	Minimum Rate of Interest:	Zero
(j)	Maximum Rate of Interest:	Not Applicable
(k)	Day Count Fraction:	Actual/360
19.	Zero Coupon Covered Bond Provisions	Not Applicable
20.	Inflation Linked Non-Amortising Covered Bond Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

21.	Issuer Call	Not Applicable
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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 (€200,000,000 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:	Barclays Bank Ireland PLC
	(b) Date of Subscription Agreement:	6 April 2022
	(c) Stabilisation Manager(s) (if any):	Not Applicable
33.	If non-syndicated, name of Dealer:	N/A
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

The existing Series 2021-1 Tranche 1 Covered Bonds have been admitted to trading on the Luxembourg Stock Exchange. Application will be made by the Issuer (or on its behalf) for the Series 2021-1 Tranche 2 Covered Bonds to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange with effect from 7 April 2022.

Estimate of total expenses related to admission to trading: €1,300

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

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the issue of the Covered Bonds 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 Issuer and its affiliates in the ordinary course of business

4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

- | | | |
|------|-------------------------|--|
| (i) | Reasons for the offer | See “Use of Proceeds” in the Offering Circular |
| (ii) | Estimated net proceeds: | €187,822,000 |

5. YIELD (FIXED RATE COVERED BONDS ONLY)

Indication of yield: 0.095%

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: | XS2466451916 (to be consolidated and form a single Series with ISIN: XS2391348740 after 40 days) |
| (ii) | Common Code: | 246645191 (to be consolidated and form a single Series with Common Code: 239134874 after 40 days) |
| (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 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 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 against 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:

Duly authorised signatory

AMENDED AND RESTATED FINAL TERMS FOR SERIES 2021-2 COVERED BONDS

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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

_____ 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 and from the registered office of the Issuer and from the specified office of the Agent in London.

- | | | | |
|----|-----|--|--|
| 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 |

- | | | |
|-----|--|---|
| 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

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

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

- | | | |
|-----|---|---|
| 17. | Fixed Rate Covered Bond Provisions | Not Applicable |
| 18. | Floating Rate Covered Bond Provisions | 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.	Zero Coupon Covered Bond Provisions	Not Applicable
20.	Inflation Linked Non-Amortising Covered Bond Provisions	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:

Duly authorised signatory

SIGNATORIES

This Agreement has been entered into on the date stated at the beginning of this Agreement.

The Issuer

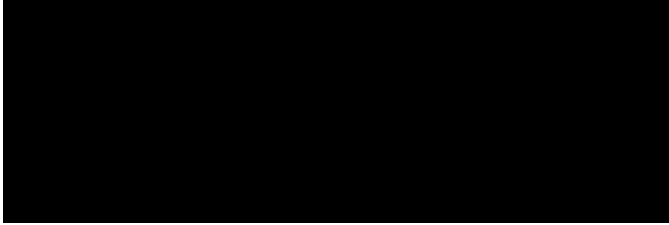
ARION BANK HF.



The Fiscal Agent, Paying Agent and Transfer Agent

BANK OF NEW YORK MELLON, LONDON BRANCH

By:



The Registrar

SIGNED for and on behalf of

THE BANK OF NEW YORK MELLON SA/NV, LUXEMBOURG BRANCH

By: _____

Name:

