

**Arion Bank hf. Announces Final Results of Tender Offer in respect of its  
EUR300,000,000 0.750 per cent. Notes due 2020 and EUR500,000,000 1.625 per cent. Notes due 2021**

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**THIS ANNOUNCEMENT RELATES TO THE DISCLOSURE OF INFORMATION THAT QUALIFIED OR MAY HAVE QUALIFIED AS INSIDE INFORMATION WITHIN THE MEANING OF ARTICLE 7(1) OF THE MARKET ABUSE REGULATION (EU) 596/2014**

25 November 2019. Arion Bank hf. (the **Bank**) announces today the results of its invitation to holders of its EUR300,000,000 0.750 per cent. Notes due 2020 (ISIN: XS1637351138) (the **2020 Notes**) and holders of its EUR500,000,000 1.625 per cent. Notes due 2021 (ISIN: XS1527737495) (the **2021 Notes** and, together with the 2020 Notes, the **Notes** and each a **Series**) to tender their Notes for purchase by the Bank for cash (each such invitation an **Offer** and, together, the **Offers**).

The Offers were announced on 15 November 2019, and were made on the terms and subject to the conditions contained in the tender offer memorandum dated 15 November 2019 (the **Tender Offer Memorandum**) prepared by the Bank. Capitalised terms used in this announcement but not defined have the meanings given to them in the Tender Offer Memorandum.

The Expiration Deadline for the Offers was 4.00 p.m. (London time) on 22 November 2019. As at the Expiration Deadline, the Bank had received valid tenders for purchase pursuant to the Offer in respect of the 2020 Notes of EUR258,258,000 in aggregate nominal amount of the 2020 Notes. Accordingly, the Bank will not be accepting any 2021 Notes tendered for purchase in the Offer and no Series Acceptance Amount or pricing in respect of the 2021 Notes is being announced.

The Bank announces that it has decided to accept all of the 2020 Notes validly tendered for purchase and to set the Series Acceptance Amount in respect of the 2020 Notes and the Final Acceptance Amount (which will now apply to the 2020 Notes only) at EUR258,258,000 in aggregate nominal amount of the 2020 Notes. Accordingly, it will accept all 2020 Notes validly tendered for purchase pursuant to the Offer in respect of the 2020 Notes with no *pro rata scaling*.

A summary of the final results of, and pricing for, the 2020 Notes appears below:

Description of the Notes	ISIN/ Common Code	Series Acceptance Amount	Purchase Yield	Purchase Price	Scaling Factor	Outstanding principal amount post settlement
EUR300,000,000 0.750 per cent. Notes due 2020	XS1637351138/ 163735113	EUR258,258,000	-0.30 per cent	100.618 per cent.	N/A	EUR41,742,000

The Bank will not be making any further announcements in respect of the Offers.

The Settlement Date in respect of the 2020 Notes accepted for purchase is expected to be 27 November 2019. Following settlement of the Offers, EUR41,742,000 in aggregate nominal amount of the 2020 Notes will remain outstanding. The full EUR500,000,000 in aggregate nominal amount of the 2021 Notes will also remain outstanding.

Merrill Lynch International and Natwest Markets N.V. are acting as Dealer Managers for the Offer and Lucid Issuer Services Limited is acting as Tender Agent.

***The Dealer Managers***

**Merrill Lynch International**

2 King Edward Street  
London  
EC1A 1HQ  
United Kingdom

Telephone: +44 (0) 20 7996 5420  
Attention: Liability Management Group  
Email: DG.LM-EMEA@bofa.com

**NatWest Markets N.V.**

Claude Debussylaan 94  
1082 MD Amsterdam  
The Netherlands

Telephone: +44 (0) 20 7678 5222  
Attention: Liability Management  
Email: liabilitymanagement@natwestmarkets.com

***The Tender Agent***

**Lucid Issuer Services Limited**

Tankerton Works  
12 Argyle Walk  
London WC1H 8HA  
United Kingdom

Telephone: +44 (0) 20 7704 0880  
Attention: Arlind Bytyqi  
Email: arionbank@lucid-is.com

**DISCLAIMER** This announcement must be read in conjunction with the Tender Offer Memorandum. No offer or invitation to acquire any securities is being made pursuant to this announcement. The distribution of this announcement and the Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement and/or the Tender Offer Memorandum comes are required by each of the Bank, the Dealer Managers and the Tender Agent to inform themselves about, and to observe, any such restrictions.

This announcement is released by Arion Bank hf. and contains information that qualified or may have qualified as inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (MAR), encompassing information relating to the Offers described above. For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is made by Stefan Petursson, Chief Financial Officer at Arion Bank hf.