

**Arion Bank hf. Announces Final Results of Tender Offer in respect of its
EUR300,000,000 2.500 per cent. Notes due 2019**

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18 December 2018. Arion Bank hf. (the **Bank**) announces today the results of its invitation to holders of its EUR300,000,000 2.500 per cent. Notes due 2019 (ISIN: XS1400642382) (the **Notes**) to tender their Notes for purchase by the Bank for cash (the **Offer**).

The Offer was announced on 10 December 2018, and was made on the terms and subject to the conditions contained in the tender offer memorandum dated 10 December 2018 (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 Offer was 4.00 p.m. (London time) on 17 December 2018.

As at the Expiration Deadline, the Bank had received valid tenders of EUR155,562,000 in aggregate nominal amount of the Notes for purchase. The Bank announces that it has decided to set the Final Acceptance Amount at EUR155,562,000 in aggregate nominal amount of Notes, and, accordingly, that it will accept all Notes validly tendered for purchase pursuant to the Offer in full without any *pro rata* scaling.

A summary of the final pricing of the Offer appears below:

Purchase Yield	Purchase Price	Accrued Interest
-0.05 per cent.	100.888 per cent.	1.63014 per cent.

The Settlement Date in respect of those Notes accepted for purchase is expected to be 20 December 2018. Following settlement of the Offer, EUR144,438,000 in aggregate nominal amount of the Notes will remain outstanding.

J.P. Morgan Securities plc and Nomura International plc are acting as Dealer Managers for the Offer and Lucid Issuer Services Limited is acting as Tender Agent.

The Dealer Managers

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The Tender Agent

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Attention: Alexander Yangaev

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